Social responsibility

Issue March 2021
Table of Contents

Responsibility for People....................................................................................................................................... 3
The sites of the Lenzing Group ............................................................................................................................. 4
Lenzing (Austria) ................................................................................................................................................... 6
   Social community projects – sponsorship and managing neighborhood relationship........................................... 6
   Lebenshilfe Oberösterreich .................................................................................................................................. 6
   “Mission Humanity” ........................................................................................................................................ 6
   Austrian cooperation and tampons donation ..................................................................................................... 7
   Good relationship with all neighbors .................................................................................................................. 7
   Social impact project Albania ........................................................................................................................... 7
Purwakarta (Indonesia) ....................................................................................................................................... 9
   Medical care, environmental and educational initiatives .................................................................................. 9
   Eco Village Award for Cicadas Village ........................................................................................................... 10
   Indonesia’s Corporate Sustainability Initiatives Award 2020 ......................................................................... 10
   Health project: POSYANDU activities ........................................................................................................... 10
   “Bank Sampah” - Garbage bank ...................................................................................................................... 10
Nanjing (China) .................................................................................................................................................... 11
   Social and environmental commitment ............................................................................................................ 11
Mobile (USA), Grimsby (UK), Heiligenkreuz (Austria) ......................................................................................... 11
   Support for families in need and local sponsoring ........................................................................................... 11
   Mobile .............................................................................................................................................................. 11
      2019 Earth Day Campaign – Yosemite Fire restoration .............................................................................. 12
   Grimsby ........................................................................................................................................................... 12
   Heiligenkreuz ................................................................................................................................................... 12
Paskov (Czech Republic) .................................................................................................................................... 13
   Sustainable development of the region ........................................................................................................... 13
Prachinburi (Thailand) ......................................................................................................................................... 14
   General information ......................................................................................................................................... 14
   Support of education ........................................................................................................................................ 14
Indianópolis (Brazil) ............................................................................................................................................. 15
   General information ........................................................................................................................................ 15
   Social activities - Lenzing offers support during COVID-19 crisis ................................................................. 15
UN Sustainable Development Goals (SDGs) ...................................................................................................... 16
Responsibility for People

The Lenzing Group’s various production sites operate in their specific ecological, social and economic environments. Lenzing businesses and their regional partners are mutually dependent, sharing opportunities as well as challenges. Community wellbeing is therefore necessary for the company’s continued operations. As a good corporate citizen, the Lenzing Group promotes the beneficial development of the communities and regions where it operates. This is achieved through safe and eco-friendly operations, fair employment practices and contributions to local economic development and community life.

Promoting societal wellbeing is a key cornerstone of Lenzing’s “Naturally positive” sustainability strategy and more than just a question of ensuring society’s acceptance of Lenzing’s activities. The Lenzing Group takes its responsibility as a large industrial company and reliable corporate citizen very seriously, even outside its direct business operations. The company strives to help improve the living conditions of its neighbors. Lenzing relies on them just as much as they rely on Lenzing.

In addition to safe and environmentally friendly operations with fair business practices, this means support provided to numerous social and environmental protection projects, frequently spanning many years. It also encompasses promoting local activities, from educational initiatives to healthcare and infrastructure measures. The individual production sites of the Lenzing Group act autonomously for the most part in selecting the specific projects and measures contributing to local development and a positive social climate.

The Lenzing Group has been supporting numerous social projects and local environmental initiatives for many years. The management teams at the Lenzing sites decide which projects and initiatives to support while taking account of local requirements. Lenzing actively sponsors local social amenities and programs.

“Promoting the well-being of society is a key cornerstone of our “Naturally positive” sustainability strategy. It is not a question of simply ensuring society’s acceptance of our activities. We take our responsibility as a large industrial company and reliable corporate citizen very seriously, also above and beyond our direct business operations”, says Peter Bartsch, Vice President Corporate Sustainability at Lenzing. “We make an active contribution towards improving the living conditions of people near us. The bottom line is that we have to rely on our neighbors just as much as they rely on us.”
The sites of the Lenzing Group

Production sites:

Lenzing, Austria
Global Headquarters
Fiber production (Viscose, Modal, Lyocell)
Dissolving wood pulp production

Paskov, Czech Republic
Dissolving wood pulp production

Purwakarta, Indonesia
Fiber production (Viscose)

Nanjing, China
Fiber production (Viscose)

Mobile, USA
Fiber production (Lyocell)

Grimsby, United Kingdom
Fiber production (Lyocell)

Heiligenkreuz, Austria
Fiber production (Lyocell)

Prachinburi, Thailand
Under construction

Indianópolis, Brazil
Under construction

Sales and marketing offices:
Coimbatore, India
Singapore
Shanghai, China
Jakarta, Indonesia
New York, USA
Istanbul, Turkey
Seoul, Korea
Taipei, Taiwan
Hong Kong, China

Naturally positive

Issue March 2021
The Lenzing Group is committed to conducting business in a manner that respects the rights and dignity of all people. Lenzing respects internationally recognized human and labor rights of all employees and business partners. Lenzing’s commitment to labor rights is described in detail in the following documents:

- Lenzing Global Code of Business Conduct (COBC)
- Lenzing Global Supplier Code of Conduct (SCOC)
- Policy on Human Rights and Labor Standards
- Wood and Pulp Policy
- Policy for Safety, Health and Environment (SHE)
- Sustainability Policy
- Product Safety Policy
- Quality Policy

“One of the core values of our Group is sustainability, a balance in all decisions between the aspects of people, the environment and economy.”
Stefan Doboczky, CEO
Lenzing (Austria)

Social community projects – sponsorship and managing neighborhood relationship

Group headquarters are located at the Lenzing site, along with the world’s largest, integrated cellulosic fiber plant and the Lenzing Group’s innovation center. The site’s biorefinery concept enables exemplary, environmentally compatible and resource-saving production. This is one of the reasons why Lenzing has been the most important employer and economic driving force for more than 80 years of the entire Austrian Salzkammergut region, which is strongly shaped by tourism. Accordingly, relations to local political decision makers as well as the social and cultural scene are close and characterized by a spirit of cooperation.

The Lenzing site takes a proactive approach to its social responsibility and supports sports, cultural and music associations, fire brigade associations, educational institutions and aid organizations, such as the Red Cross and Caritas, especially in the region. In addition, Lenzing implements selected projects over the long term:

Lebenshilfe Oberösterreich

One example is the company’s 18-year collaboration with the Lebenshilfe Oberösterreich (Upper Austrian counseling) association, which cares for around 1,700 people with intellectual disabilities. The background to the joint project at the Regau workshop is that the Lenzing Group places very high demands on the quality and cleanliness of fibers produced. Not least because fibers for non-woven applications are used for hygiene applications. The fibers are continuously subjected to a manual quality inspection at the workshop in Regau. Four specially trained employees check the fibers in rooms furnished specifically for this purpose. The insights gained help the Lenzing Group to better identify causes of contamination and demonstrate potential for further improvement. Thanks to the extremely precise work of the Lebenshilfe employees, a representative overview of the type and frequency of different types of contamination of non-woven fibers has been gained over the years.

“Mission Humanity”

Mission Humanity is a cooperation project between the Red Cross Vöcklabruck and Lenzing AG. The goal of Mission Humanity was to motivate pupils from the 7th to 12th grade to deal with social and local problems in society and to implement a project that counteracts them. Lenzing was looking for ideas that would make our world better. The aim of the project was to develop a social project as part of the lessons.

A total of six projects were selected as winners - they each have a maximum of EUR 2,500 available as project funding. "We are happy to support projects that get young people to become socially involved. We are pleased that with our support something good is being achieved in our region," says Mag. Christof Pöltner, Head of Human Resources. The students ceremoniously handed over the furniture - produced as part of one of the winning projects - to a social institution.
Winning project "MMM - Multi Möbel Mosaik"
This winning project by the students of PTS Schwanenstadt is multifunctional furniture that was specially developed for the homeless. They serve as bedside tables and can also be used as stools and as climbing aids. With the help of the prize money some stools were produced. Despite school closings due to the corona pandemic, the pupils were able to complete the furniture on time this school year. On July 2, the handover to the Mosaik emergency sleeping facility in Vöcklabruck took place. The furniture was received by Stefan Hindinger, head of the Mosaik emergency sleep center. “We are happy about this act of solidarity and that the students are committed to people who are on the margins of society. In addition, the multi-furniture is very practical,” says Stefan Hindinger.

Austrian cooperation and tampons donation
Lenzing and Rauscher Consumer Products support 1,000 women in Austria by donating more than 100,000 tampons to a charity called Caritas.

Recently, the platform https://füreinand.at drew attention to a hitherto little known and hardly discussed problem. Due to the effects of COVID-19, many women in Austria are in financial distress and can no longer afford urgently needed things like monthly hygiene products. Therefore, Lenzing as producer of special fibers for feminine hygiene products, and Rauscher Consumer Products, as Austrian tampon manufacturer, have joined forces to support women through the social aid organisation Caritas.

Good relationship with all neighbors
Moreover, Lenzing has a good relationship with all neighbors. There are especially strong ties between the Group and local farmers and forest owners. There are annual meetings of the board of this group with Lenzing’s Management Board, either at Lenzing’s premises or at the farm of the leader of this group. The aim is to discuss ongoing projects at Lenzing, especially new investments in production facilities, which could affect neighbors.

Social impact project Albania
Albania’s forest areas have some of the greatest need for improvement in Europe. New forest management approaches were recently implemented by the government to address environmental problems and fulfill the current needs of society with respect to the sustainable use of natural resources.

The Lenzing Group initiated a forest conservation project in Albania in 2018. It aims to support the development of rural areas in Albania in the broader region of Shkoder (Ana e Malit) and Diber (Peshkopi) by using natural resources.
resources sustainably and fostering alternative income sources for communities.

The following three project pillars have been defined:

1. Afforestation of 20 ha degraded area in Ana e Malit
2. Modular pilot training in forest management for communities
3. Interdisciplinary vocational training in forestry

50 percent of Ana e Malit’s reported forest area is actually not covered by forest vegetation. Annual floods make life difficult for the population, most of whom earn their living from agriculture. Tree planting, taken together with erosion control measures, will help reduce annual floodings on the long-term.

Cooperation with local community and NGOs
The project is co-financed by the Austrian Development Agency. It brings together Albanian and Austrian forest experts to increase forest management skills amongst communities, enables knowledge transfers between vocational schools and, last but not least, afforests 20 ha of degraded communal land in rural Albania. The project also actively integrates the local community, students at the forestry school in Shkodra, and employees of an Eco-Social Farm.

Modular pilot training in forest management for municipalities
A local training center for forest management will develop modular training courses on forestry knowledge and specific issues such as safety and fire protection in collaboration with Austrian experts and Lenzing employees.

Actions in 2020
- 3,665 trees planted (1,875 Mediterranean pines, 500 oak, 990 hazelnut, 300 olive)
- Erosion control measures finalized
- All training modules finalized: 4 forest management, 5 fire prevention and 4 safety in forestry work training courses were held (despite COVID-19 restrictions while observing social distancing regulations)
- Promotional leaflet for forest school including future job profiles and career opportunities for graduates (based on job market analyses for forestry and wood processing sector in Albania)
- To protect human health during COVID-19 pandemic, trainings courses were delayed and some meetings did not take place or have been adopted to comply with COVID-19-regulations
- Three groups of students from the Austrian School in Shkodra further developed their thesis based on the idea of designing a tool to track the growth and failure rate of seedlings in the reforestation area. Finalizations will be delayed due to COVID-19 restrictions.

“Our pioneering role in the textile and nonwovens industries expresses itself in an ambitious sustainability agenda based on the “Naturally Positive” sustainability strategy.”
Stefan Doboczky, CEO
Purwakarta (Indonesia)

Medical care, environmental and educational initiatives

Lenzing has been operating on the Indonesian island of Java for more than three decades via its subsidiary PT. South Pacific Viscose (SPV) in Purwakarta. In all these years Lenzing has established itself as an important employer but has also gained societal acceptance thanks to its support of a broad range of local social activities.

One key concern is the health care of the local population. Lenzing has not only been providing health care for its own employees for many years, but also offers cost-free medical care to the inhabitants of Purwakarta. In this case, Lenzing works closely together with local government health center (PUSKEMAS). Lenzing operates two of its own company clinics, one on the factory premises and the other in the City of Purwakarta. These well-equipped clinics treat an average of 500 people per month. On balance, these facilities take care of about 6,000 people per year. Great importance is attached to training the local population in first aid, nutrition in the family, the prevention of illnesses, risk prevention and a healthy lifestyle. The offering is complemented by the promotion of diphtheria vaccinations, blood donation campaigns and training children in basic issues in the field of medicine.

In 2020, masks, disinfectant and other medical devices were provided to local residents additionally to existing free medical treatment facilities.

South Pacific Viscose donated personal protection equipment to Purwakarta government to support the effort in preventing COVID-19 transmission. In total, 1,000 protective suits, 1,250 shoe protectors, 5,000 hair protectors, and 200 protective eye wears were donated.

Another priority is the promotion of education. Lenzing provides financial support for children of needy families to enable them to attend school. 129 children of the village Cicadas attend high school due to a scholarship since 2018. Furthermore, 8 people received a University scholarship to maintain access to further education. The number of scholarships is increasing over the last years especially at high school level the majority of pupils are financially supported. Lenzing also supports the local kindergarten by bearing the costs of pre-school teachers.

At the present time, Lenzing supports the following environmental projects, amongst others: the dredging program for the Citarum River to remove sediment deposits from the river bed, the planting of about 1,000 trees on the river bank and the revitalization and greening of a household waste dump. Lenzing put a biogas reactor fed with household waste into operation in 2018 within the context of its efforts to convert part of the village of Cicadas into an “eco-village”. The generated landfill gas can be used for cooking or local lighting purposes.
Eco Village Award for Cicadas Village

The intention of an eco-village is to create an ecosystem in which rural or urban communities consciously design together low-impact ways of life to regenerate and restore its social and natural environments. At the same time, it enables the inhabitants to improve their own living conditions and find sustainable solutions to alleviate poverty and strengthen their independence. The residents take various actions, such as permanent agro-culture, ecological buildings, green production, alternative energy production and community empowerment.

The province government of West Java conducted the program and the award was given amongst 30 villages participating, to the village Desa Cicadas, which is located close to the site of SPV. This recognition has also led to a strengthening of relations between inhabitants, government and Lenzing Group.

Indonesia’s Corporate Sustainability Initiatives Award 2020

The efforts to protect the Citarum River as well as community engagement activities in surrounding villages have now been officially recognized within the framework of the "Indonesia’s Corporate Sustainability Initiatives Award 2020". The Citarum River supports the lives of more than 27 million people. The river is not only an important source of drinking water, but also supplies the water for more than 400,000 hectares of rice fields. The local sustainability project focuses on protecting the local environment from degradation and supporting the local population by providing better health and living conditions through different means. As an example, equipment and training for various agricultural cultivation methods for farmers is offered to create alternative sources of income.

Health project: POSYANDU activities

POSYANDU is a part of the public health center in Indonesia managed by a community that provides services toward the community health especially to toddlers and pregnant mothers. The activities of Posyandu are directed by and for the community in managing basic health need fulfillment to improve life quality through immunization services, health education, and health services.

In Cicadas village there is a monthly medical check-up of children under 5 years. Additional services are the distribution of vaccines and the provision of food for toddlers.

“Bank Sampah” - Garbage bank

Bank Sampah or Garbage Bank is a program that aims at collection and recycling of waste such as plastic, paper and used bottles. At the same time, it is an additional source of income for the inhabitants of the village, because the collected waste could be sold back to waste collectors. Each resident of Cicadas village has the possibility to collect garbage and transfer it to money through the waste bank. This program entails multiple benefits: increased income and environmental awareness of local population as well as positive impact on the environment.
Nanjing (China)

Social and environmental commitment

Lenzing operates a modern viscose fiber production plant at the Nanjing site, which is embedded in a large industrial park. Naturally, contact with the local population is different than in Lenzing or Purwakarta because Lenzing is only one of many companies established there.

Lenzing Nanjing has been a member of the local orphan aid organization since 2013. It provides financial support to orphans in the vicinity of as well as donations in kind such as clothing and other useful things collected by the Lenzing workforce. The company made its contribution during the COVID-19 crisis by donating important medical protective equipment for local government officers and Chinese medical worker.

Lenzing actively supports efforts to take increased responsibility for water protection and preserving natural resources within the framework of an initiative of the European Chamber of Commerce in China.

Mobile (USA), Grimsby (UK), Heiligenkreuz (Austria)

Support for families in need and local sponsoring

The Lenzing Group operates state-of-the-art, particularly environmentally-friendly lyocell production facilities at these three locations. This technology is characterized by closed chemical loop production and an extremely low level of emissions. Even if they are considered to be medium-sized sites in terms of the number of employees, they consistently operate in line with Lenzing’s self-image of maintaining good and active neighborly relations with surrounding communities.

Mobile

Lenzing Mobile cultivates a very trusting relationship to representatives of the municipality and the local chamber of commerce on the basis of monthly meetings. Sponsoring activities range from assistance provided to the fire brigade, healthcare facilities and educational institutions to sports activities. Several of these projects were directly financed by Lenzing employees.
Lenzing Mobile supported children’s aid programs in collaboration with the social organization “United Way” as well as various local youth organizations such as Boy Scouts of America. Annual rallies are held with all employees to educate them about the United Way Program that coordinates the distribution of services to people in need in the local community. A high percentage of LFI employees donate to the program through payroll deduction.

2019 Earth Day Campaign – Yosemite Fire restoration

In 2018, the Ransome and Donahoe ranch properties, located adjacent to Yosemite National Park, were significantly burned by the Ferguson Fire. It was in vital need of reforestation, therefore Lenzing supported along with other partners the ‘One Tree Planted’ organization. With the support of this initiative, One Tree Planted was able to plant 115,000 trees in total across over 875 acres. On behalf of Lenzing 16,141 climate resistant species were rooted into the earth. This replaces some of the area destroyed during the California wildfires. This planting will provide a range of benefits to the variety of plant and animal life calling this area home. Additionally, it will positively impact nearby communities both culturally and environmentally. The planting location is well known in the community of Yosemite West, providing non-consumptive recreation and scenic values to locals. Restoring the property and maintaining it will add value for the community in this regard. It will also provide protections from erosion-related problems such as landslides, earth flow, and flooding to the downhill community, and prevent risk of further fire.

Link: One Tree Planted | Tree Planting Charity: One Dollar Plants One Tree

Grimsby

Lenzing maintains regular contact with the local community at the Grimsby site as part of a local communications forum. Several charity projects were supported in 2020, including the sponsoring of a local landmark and the yearly charity event ‘Movember’.

Heiligenkreuz

Lenzing Heiligenkreuz implemented several measures with a focus on cultural sponsoring. Every year at Christmas, families of the neighborhood who got into difficulties due to strokes of fate are financially supported with donations of employees and the management. The company pursues a direct and unbureaucratic two-way communication with the local Municipality of Heiligenkreuz and open house days are held approximately every five years. The management has also been involved for many years in the Burgenland branch of the Federation of Austrian Industries.
Paskov (Czech Republic)

Sustainable development of the region

Lenzing operates a state-of-the-art biorefinery at Paskov site. More than one-quarter of the entire dissolving pulp processed by the Lenzing Group into fibers is derived there from the raw material wood. Lenzing acquired the plant in 2010 and has expanded and upgraded it with investments in three-digit million euro range.

Some three-quarters of the wood used by Paskov comes from the Czech Republic. Lenzing Paskov has a thriving, partnership-oriented relationship with the surrounding communities due to the fact that a large share of this wood originates in the immediate surroundings. In 2020, new agreements with surrounding communities have been prepared and signed for the next period. The Paskov facility has been involved in the socio-cultural life of Moravian region for years, as well as in educational and sports projects and the further development of local forestry.

Only a few of the large number of activities are mentioned here:
In the field of education, Lenzing Paskov supports the “Academic Heyrovsky Secondary Industrial School of Chemicals” in Ostrava, for example by offering internships. It also supports a competition for young chemists on a national basis as well as other student competitions. Lenzing Paskov also assisted with the education project “Chemistry at castle” in 2020, where many schools took part to gain insights into different science topics.

“Library of professions” was another educational project, which took place in cooperation with the Technical Museum, Czech Industry and Trade Union and schools for Chemistry and Engineering in 2020. Employees of Lenzing Paskov presented and introduced young people at the age of 15 years different professions, which might be interesting for them and can be trained in the company later (for example operator in maintenance or chemist). In the long run, this project helps to spark interest in Lenzing’s professions for future employees in the region. Finally, the company is also a sponsor of the Technical Museum in Ostrava.

As a response to the pandemic, Lenzing Paskov provided protective equipment for the municipality of Paskov in order to support the neighbourhood and protect people in this region.

Social responsibility at the Paskov site
- A lively partnership with the surrounding communities
- Education and sports projects
- Further development of local forestry

© Lenzing Group
Prachinburi (Thailand)

General information

With the decision of building a lyocell production facility in Thailand, the Lenzing Group takes an important step in meeting the strong demand for lyocell fibers and further strengthens the company’s position as an industry leader in the specialty cellulosic fibers market. The proposed plant will be the largest lyocell plant in the world, with an annual capacity of 100,000 tons.

Construction work in Thailand also continued under strict local supervision. To ensure that the future plant managers are as well prepared as possible for the commissioning of the new Lyocell plant in Thailand in autumn 2021, training sessions were held for them at the Austrian sites. In October 2020, 38 Thai colleagues started their face-to-face training in Lenzing and Heiligenkreuz.

Support of education

Lenzing Thailand (LTL) focused on educational projects in 2020 and supported especially young people in the surrounding communities. Due to limited resources of the central government, LTL donated needed school equipment to a small primary school. About 45 students received necessary school supplies, such as back bags with pencils and notebooks inside and internet connection boxes to enable young people online studies.

Furthermore, Lenzing Thailand supports a program called WIL (Work-Integrated Learning) in cooperation with governmental units and educational institutes. WIL is an integration of classroom and workplace learning, where students apply theory to practice, engage in self-reflection to improve work skills and engage in professional practices. Through this initiative, students gain practical insights in the employment environment and improve their work readiness in fields like science, technology and innovation during their studies. As a participating company, benefits of having well-prepared graduates for their future careers with the necessary skills for differing industries, is obvious and highly needed. At the Lenzing site in Thailand already 44 students started putting theoretical knowledge into practice and build up specific Lenzing know-how.

Lenzing Thailand donated hygiene and protective articles (hand sanitizer gels and surgical masks) to several government agencies such as district offices, police offices and hospitals in Prachinburi, Thailand. The availability of protective equipment was highly limited and very expensive at this time.
The support and care shown by the company towards public institutions and local communities help to strengthen the acceptance of the new site and build a trustful relationship with the neighborhood.

The company launched the ‘COVID We Care Program’ to support employees and their families with a ‘COVID We Care Bag’, which included masks and sanitizers in order to reduce infection rates and financial stress in families.

Indianópolis (Brazil)

General information

The Lenzing Group and Duratex, the largest producer of industrialized wood panels in the southern hemisphere, build a 500,000 t dissolving wood pulp plant in the State of Minas Gerais, near Sao Paulo (Brazil). The start-up is planned for the first half of 2022. Despite the difficult situation in 2020, work on the construction site in Brazil continues to progress successfully.

Social activities - Lenzing offers support during COVID-19 crisis

Lenzing worked together with surrounding communities, in order to mitigate the spread of the virus especially in the community, where LDC is included.

Personal Protection Equipment were provided for municipalities neighboring LD Celulose. The cities of Indianópolis, Estrela do Sul, Romaria, Nova Ponte and Uberlândia received numerous Personal Protective Equipment, such as masks, disposable gloves, caps and disinfectant).

Furthermore, LD Celulose equipped a nearby hospital with eight additional hospital beds and supported retirement homes with facemasks. Overall, about 60,000 facemasks were donated to neighboring municipalities.
At a United Nations (UN) summit in September 2015, all 193 member states adopted the “Agenda 2030 for Sustainable Development”. This plan addresses global challenges, including poverty, inequality and climate change. It focuses on the 17 Sustainable Development Goals (SDGs) that have emerged from a comprehensive process involving governments, business and civil society.

Lenzing recognizes its responsibility and sees its pioneering role in the textile and nonwovens industries as an opportunity to contribute to achieving the sustainable development goals. For more information on Lenzing’s approach to the SDGs, please see the “Sustainable Development Goals” focus paper.