Responsibility for people
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, Sustainability Director 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.”

In addition to safe and environmentally-responsible 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 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)

Sales and marketing offices:

- **Coimbatore, India**
- **Singapore**
- **Shanghai, China**
- **Jakarta, Indonesia**
- **New York, USA**
- **Istanbul, Turkey**
- **Seoul, Korea**
- **Hong Kong, China**
- **Bangkok, Thailand**
  Office for planning a new fiber production plant
- **Brazil**
  Office for planning a new dissolving wood pulp production plant

1) 2018
Social community projects – sponsorship and managing neighbourhood 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 the Austrian Water Rescue, especially in the region. In addition, Lenzing implements selected projects over the long term:

**Lebenhilfe Oberösterreich**

One example is the company’s 17-year collaboration with the Lebenhilfe 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 fiber quality.

“Our pioneering role in the textile and nonwoven industries expresses itself in an ambitious sustainability agenda based on the ‘Naturally Positive’ sustainability strategy.”

Stefan Doboczky, CEO
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 nonwoven fibers has been gained over the years.

In September 2019, Lenzing also supported the world record attempt “Largest Drumming Lesson” of Lebenshilfe Oberösterreich. 2,285 drummers, with and without disabilities, took part in the event and impressively exceeded the previous record set in London.

“Mission Humanity”
In 2019, Lenzing took over patronage for the social project “mission humanity”. Around 4,500 pupils between the ages of 12 and 18 are asked to develop ideas that can improve social coexistence and our world at the current challenge of the Red Cross in the district of Vöcklabruck (Austria). The aim is to develop a social project in the context of teaching with simple project management tools, which can then be implemented in practice. Lenzing invests 15,000 euros to promote the best student social initiatives in the region.

Good relationship with all neighbours
Moreover, Lenzing has a good relationship with all neighbours. 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
Another example for Lenzing’s engagement is the social impact project in Albania. Implemented in 2018, this project, which is co-financed by the Austrian Development Agency, brings together Albanian and Austrian experts to increase forest management skills amongst communities and enable know-how exchange between vocational schools. Also part of the project is the afforestation of 20 ha of degraded land (see picture on page 4). A cooperation with the surrounding Eco-Social Farm will be set up to employ people who are having difficulties getting a job on the labor market.
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. For example, Lenzing has been promoting small companies and thus local development within the context of a long-term microcredit program in cooperation with women’s rights organizations.

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 plant grounds and the other in the City of Purwakarta. These well-equipped clinics treat an average of 500 people per week. On balance, these facilities take care of about 6,000 people. 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.

Another priority is the promotion of education. Lenzing provides financial support for children of needy families to enable them to attend school. Up until now 90 students have been able to get a high school diploma thanks to this program. 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 a “eco-village”. The generated landfill gas can be used for cooking or local lighting purposes.
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.

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.

“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

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
Support for families in need and local sponsoring

The Lenzing Group operates state-of-the-art, particularly environmentally-responsible 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.

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.

An Open House Day is held each year for the local population, attracting about 1,000 visitors. In 2019 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.

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 2019, including sports activities. Lenzing Heiligenkreuz implemented several measures in the year 2019 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.

Sustainable Development Goals in the Lenzing Group

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.*

The “Naturally positive” sustainability strategy supports the following SDGs:

- **SDG 7**: Affordable and clean energy
- **SDG 9**: Industry, innovation and infrastructure
- **SDG 12**: Responsible consumption and production
- **SDG 13**: Climate change
- **SDG 15**: Life on land
- **SDG 17**: Partnerships for the goals

Further goals for the Lenzing Group are:

- **SDG 1**: No poverty
- **SDG 3**: Good health and wellbeing for people
- **SDG 6**: Clean water and sanitation
- **SDG 8**: Decent work and economic growth
- **SDG 14**: Life below water

Lenzing operates a state-of-the-art biorefinery at the Paskov site. More than one-quarter of the entire dissolving pump 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 the 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. 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 2019 Lenzing Paskov also supported the “Wood of Life” foundation. Within this context, more than 200 children most recently had the opportunity to visit forests together with forestry experts and to try out forest activities themselves. A timber construction competition and an annual wood festival also contribute to awareness building. 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 2019. Finally, the company is also a sponsor of the Technical Museum in Ostrava.
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