

# MANAGEMENT REPORT

## CONSOLIDATED NON-FINANCIAL STATEMENT/ SUSTAINABILITY REPORT

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# Sustainability key performance indicators

[voluntary information]

## Key performance indicators

Topic	Unit / Method	2025	2024
<b>Raw material security</b>			
Share of certified and controlled wood	FSC® / PEFC	100%	100%
<b>Sustainable innovations</b>			
R&D expenditure	Frascati Method (EUR)	EUR 31.7 mn	EUR 30.4 mn
Share of specialty fibers (revenue-based) <sup>a)</sup>	% of fiber revenue	92.0%	92.6%
Specific <sup>b)</sup> sulfur emissions to air	kg/t, 2014 = 100%	14%	17%
Water intensity <sup>c)</sup>	m <sup>3</sup> /EUR mn revenue	6,272	5,075
Specific <sup>b)</sup> water emissions after wastewater treatment COD	Index based on kg/t, 2014 = 100%	60%	71%
<b>Decarbonization</b>			
GHG intensity <sup>d)</sup> (market-based)	t CO <sub>2</sub> eq./EUR revenue	0.00110	0.00121
Specific <sup>b)</sup> GHG emissions index Scope 1, 2 & 3 <sup>e)</sup>	Index based on t CO <sub>2</sub> eq./t, 2017 = 100%	52%	58%
<b>Employees</b>			
Number of employees	Austria, Czech Republic, UK, USA, China, Indonesia, India, Taiwan, Thailand, Türkiye, Korea, Singapore, Brazil, Germany, Italy, France	8,129	8,228
Women in management positions (grade 5A and above) <sup>f)</sup>	% total positions, 2022 = 19.7%	21.9%	22.8%
<b>Health &amp; safety</b>			
Total Recordable Injury Frequency Rate (TRIFR) of employees	Per 1 mn hours worked	4.5	5.5
<b>Partnering for systemic change</b>			
Suppliers with sustainability assessment – procurement spent covered <sup>g)</sup> % of total spend		68%	60%

a) Lenzing's specialty fibers are net-benefit products that offer positive impacts and benefits to society, the environment, and value chain partners.

b) Specific indicators in this report are reported per unit of production (i.e. pulp and fiber output).

c) In 2025 water intensity increased compared to 2024 due to higher water consumption and similar revenue.

d) In 2025 GHG intensity decreased slightly compared to 2024 due to lower GHG emissions and similar revenue.

e) Due to similar production output and lower specific GHG emissions in 2025 compared to 2024 the specific GHG emissions index decreased from 58% to 52%.

f) The percentage excludes the site in Indianópolis (Brazil) as there is a different grading scheme.

g) Assessments via EcoVadis, the Together for Sustainability (TfS) audit or an internal assessment/audit.

## Ratings



CDP

**A Climate Change,  
A Water Security,  
A Forests**

On a scale from  
A bis D-



Canopy's Hot Button Report

**1<sup>st</sup> Rank and a  
Dark Green Shirt**

On a scale from  
dark green to red



Sustainalytics

**Low risk and  
2026 ESG Leader**

On a scale from  
negligible to severe risk



ISS ESG

**B- "Prime Status"**

On a scale from  
A+ to D-

EcoVadis

**Platinum**

On a scale from  
platinum to bronze

# ESRS 2 General disclosures

## ABSTRACT

This chapter outlines how Lenzing incorporates sustainability into its governance framework, strategy and reporting principles. It describes the management structure, responsibilities and decision-making processes that guide sustainability performance across the organization. The section further explains how Lenzing identifies material topics, engages with stakeholders, and reports transparently in line with the European Sustainability Reporting Standards. In addition, the reporting scope, data quality controls, and assurance processes are presented to ensure completeness and reliability of disclosed information. With clear governance, robust reporting principles, and a structured approach to accountability, Lenzing reinforces its commitment to responsible business management and long-term value creation.

## Content index

[IRO-2 56]

### ESRS content index

Chapter and Disclosure Requirement		Section
<b>ESRS 2 General Disclosures</b>		
ESRS 2 BP-1	General basis for preparation of sustainability statements	About the sustainability statement
ESRS 2 BP-2	Disclosures in relation to specific circumstances	About the sustainability statement
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Governance
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESG committee
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Board remuneration
ESRS 2 GOV-4	Statement on due diligence	Statement on due diligence
ESRS 2 GOV-5	Risk management reporting	Risk management reporting
ESRS 2 SBM-1	Strategy, business model and value chain	Value creation at the Lenzing Group; Sustainability strategy
ESRS 2 SBM-2	Interests and views of stakeholders	Stakeholder management
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Double materiality analysis
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Content index; Data points from other EU legislation
<b>E1 Climate Change</b>		
ESRS 2 E1 GOV-3	Integration of sustainability-related performance in incentive schemes	General disclosures: Board remuneration
ESRS E1-1	Transition plan for climate change mitigation	Climate action plan
ESRS 2 E1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Risk and opportunity assessment
ESRS 2 E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General disclosures: Double materiality analysis; General disclosures: Climate-related risk assessment
ESRS E1-2	Policies related to climate change mitigation and adaptation	Policies
ESRS E1-3	Actions and resources in relation to climate change policies	Actions
ESRS E1-4	Targets related to climate change mitigation and adaptation	Targets
ESRS E1-5	Energy consumption and mix	Energy and fuels
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Lenzing's greenhouse gas emissions

**E2 Pollution**

ESRS 2 E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General disclosures: Double materiality analysis
ESRS E2-1	Policies related to pollution	Policies
ESRS E2-2	Actions and resources related to pollution	Actions
ESRS E2-3	Targets related to pollution	Targets
ESRS E2-4	Pollution of air, water and soil	Pollution of air and water
ESRS E2-5	Substances of concern and substances of very high concern	Substances of concern and substances of very high concern

**E3 Water and marine resources**

ESRS 2 E3 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	General disclosures: Double materiality analysis
ESRS E3-1	Policies related to water and marine resources	Policies
ESRS E3-2	Actions and resources related to water and marine resources	Actions
ESRS E3-3	Targets related to water and marine resources	Targets
ESRS E3-4	Water consumption	Water consumption

**E4 Biodiversity and ecosystems**

ESRS E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Strategy
ESRS 2 E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Biodiversity-sensitive areas
ESRS 2 E4 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	General disclosures: Double materiality analysis; General disclosures: Nature-related risk assessment
ESRS E4-2	Policies related to biodiversity and ecosystems	Policies
ESRS E4-3	Actions and resources related to biodiversity and ecosystems	Actions
ESRS E4-4	Targets related to biodiversity and ecosystems	Targets
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	Metrics

**E5 Resource use and circular economy**

ESRS 2 E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General disclosures: Double materiality analysis
ESRS E5-1	Policies related to resource use and circular economy	Policies
ESRS E5-2	Actions and resources related to resource use and circular economy	Actions
ESRS E5-3	Targets related to resource use and circular economy	Targets
ESRS E5-4	Resource inflows	Resource inflows
ESRS E5-5	Resource outflows	Resource outflows

**S1 Own workforce**

ESRS 2 S1 SBM-2	Interests and views of stakeholders	General disclosures: Own workforce
ESRS 2 S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Managing social sustainability
ESRS S1-1	Policies related to own workforce	Policies
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	Communication
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Channels to raise concerns
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets
ESRS S1-6	Characteristics of the undertaking's employees	Employees in numbers
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Employees in numbers
ESRS S1-9	Diversity metrics	Diversity metrics
ESRS S1-11	Social protection	Social protection
ESRS S1-12	Persons with disabilities	People with disabilities
ESRS S1-13	Training and skills development metrics	Learning and development
ESRS S1-14	Health and safety metrics	Health and Safety
ESRS S1-15	Work-life balance metrics	Family-related leave
ESRS S1-16	Compensation metrics (pay gap and total compensation)	Annual total remuneration ratio; Gender pay gap
ESRS S1-17	Incidents, complaints and severe human rights impacts	Raised concerns and human rights incidents

**S2 Workers in the value chain**

ESRS 2 S2 SBM-2	Interests and views of stakeholders	General disclosures: Workers in the value chain
ESRS 2 S2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Workers across the value chain; Vulnerable groups and geographic exposure

ESRS S2-1	Policies related to value chain workers	Policies
ESRS S2-2	Processes for engaging with value chain workers about impacts	Grievance mechanisms and remediation
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Grievance mechanisms and remediation
ESRS S2-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	Actions
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets

**G1 Business conduct**

ESRS 2 G1 GOV-1	The role of the administrative, supervisory and management bodies	General disclosures: Business Conduct
ESRS 2 G1 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	General disclosures: Double materiality analysis; General disclosures: Compliance-related assessment
ESRS G1-1	Corporate culture and business conduct policies and corporate culture	Policies; Detective measures; Functions-at-risk
ESRS G1-2	Management of relationships with suppliers	Sourcing
ESRS G1-3	Prevention and detection of corruption and bribery	Actions
ESRS G1-4	Confirmed incidents of corruption or bribery	Metrics

[IRO-2 59]

The information disclosed is based on the material impacts, risks, and opportunities identified in Lenzing’s double materiality analysis. Following the identification of material (sub-)topics, materiality was evaluated at both the disclosure requirement and data point levels, influenced by the decision-making needs of stakeholders. The double-materiality process as well as the thresholds applied are described in the “Double materiality analysis” section of this chapter.

# About the sustainability statement

This non-financial statement is the combined, consolidated, non-financial statement for the Lenzing Group<sup>1</sup> (in accordance with Section 267a of the Austrian Business Code (UGB)) and for Lenzing Aktiengesellschaft (in accordance with Section 243b UGB) as part of the management report.

[BP-1 5a, 5b]

The non-financial statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD and in line with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG<sup>2</sup>). In terms of indicators for which meaningful figures can be provided, separate data for Lenzing Aktiengesellschaft can be found in the “Annex” (in accordance with the legal requirements stipulated by the NaDiVeG and the AFRAC recommendation.)

This report covers all the fully consolidated legal entities of the Lenzing Group. Detailed information can be found in the Lenzing Group’s Annual Report (note 3 and note 41). In addition to the fully consolidated legal entities of the Lenzing Group, the joint venture RVL Reststoffverwertung Lenzing GmbH, Lenzing (Austria) is also included in the non-financial statement as Lenzing has operational control. Associates have been assessed and where relevant (and material) have been included in the corporate carbon footprint. In accordance with the legal requirements, the reporting cycle for Lenzing’s sustainability performance is annual.

Lenzing includes further information on the basis of the Taxonomy Regulation (EU) 2020/852 and the simplification of reporting in accordance with the Taxonomy Regulation (EU) 2026/73.

[BP-2 15]

To satisfy the decision-making needs of some of Lenzing’s stakeholders, a decision was made to include certain non-material ESRS datapoints in the “annex” of this report.

[BP-1 5d]

For confidentiality reasons, Lenzing has omitted information regarding: numbers for specific loads as this requires total fiber and pulp production volumes for Lenzing production sites (ESRS E2-3 23 a).

## Value chain

[BP-1 5c]

For information on Lenzing’s upstream and downstream value chain, please see the “Value creation at the Lenzing Group” section in this chapter. The transitional provision in ESRS 1 Chapter 10 (ESRS 1 132) was used for some of the required information on the value chain. Lenzing will make further efforts to this end. For the “S2 Workers in the value chain” chapter in particular, Lenzing does not yet have full insight into its value chain, which will have to be improved in the future. For more information, please see the action “Upstream and downstream value chain – hotspot analysis” in the “Actions” section in the “S2 Workers in the value chain” chapter.

[BP-2 10, 11]

The EU Taxonomy metrics are subject to assessment and estimates. For further information on the EU Taxonomy, please see the “EU Taxonomy Disclosures pursuant to Article 8 of Regulation (EU) 2020/852” chapter. The GHG emissions metric includes value chain data with estimated values. Information about the assumptions and level of accuracy is provided in the “Accounting principles” section (E1-6) in the “E1 Climate change” chapter.

## Reporting errors in prior periods

[BP-2 14, ESRS 1 84]

Errors occurred in the calculation of S1-16 remuneration metrics. When calculating the gender pay gap, the difference of average pay levels between female and male employees, was mistakenly expressed as the percentage of the average pay level of female employees instead of male employees. The difference between correct and incorrect number of 2024 is +1.4. When calculating the annual total remuneration ratio, the number of employees taken into account was incorrect. The difference between the correct and incorrect figure for 2024 is +10.87. These metrics were corrected for both the current and the prior period.

An error occurred when displaying the units for specific emissions in the “E1 Climate change” chapter. For specific GHG emissions (E1-4 34a), energy intensity (E1-5 40) and GHG emissions intensity (E1-6 53), the erroneous units presented were mn t CO<sub>2</sub> eq./t, mn MWh/EUR and mn t CO<sub>2</sub> eq./EUR - instead of CO<sub>2</sub> eq./t, MWh/EUR and t CO<sub>2</sub> eq./EUR. Therefore, the difference between the correct and incorrect figures for 2024 is a factor of 1 million.

The CapEx disclosed for the gas pipeline and gas boiler project in Nanjing (China) in the “E1 Climate change” chapter was incorrectly

<sup>1</sup> “The Group” (for better readability occasionally referred to as “Lenzing”) comprises Lenzing Aktiengesellschaft and its subsidiaries.

<sup>2</sup> Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Section 243b, Section 267a UGB)

stated as EUR 20 mn. The correct CapEx amounts to EUR 30 mn (difference between correct and incorrect figure: 10 million).

When calculating the input for substances of concern in hazard class “Skin sensitisation category 1”, an error occurred (E2-5 34). For one site, the values given were included as tons instead of kilograms. The difference between the correct and incorrect input number of 2024 for this hazard class, as well as the total quantity of substances of concern, is -53,406.54.

**Incorporation by reference**

[BP-2 16]

The following table shows which disclosure requirements of the non-financial statement are incorporated by reference.

**Incorporation by reference**

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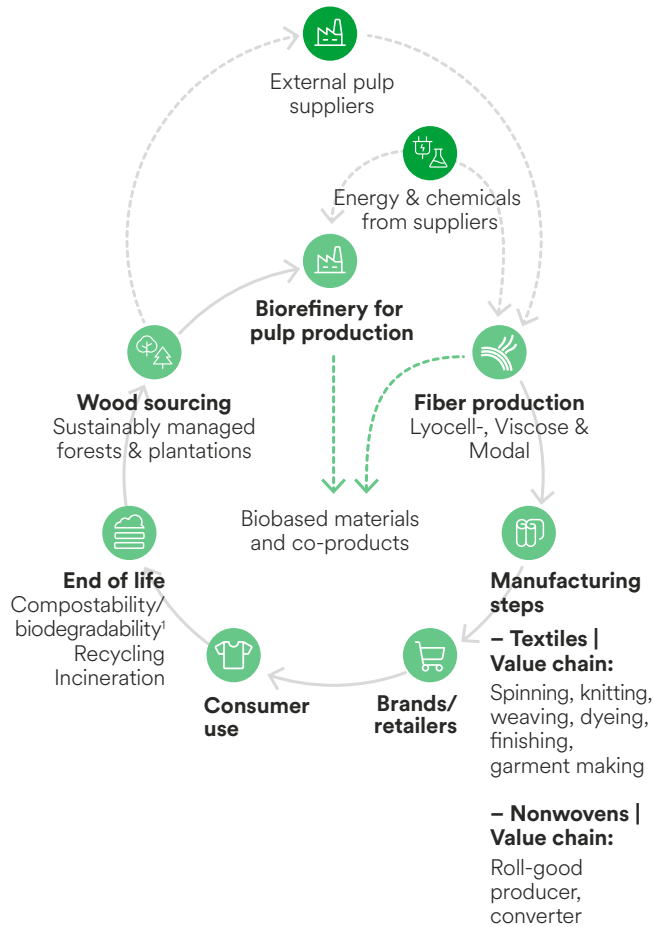
ESRS 2 GOV-1 paragraphs 22 b, 22 c i	Annual report: Group Corporate Governance Report: Supervisory Board: Working procedures
ESRS 2 GOV-1 paragraph 22 c iii	Annual report: Risk report: Risk management objectives

# Value creation at the Lenzing Group

[SBM-1 40a i, ii]

The Lenzing Group is committed to ecologically and socially responsible fiber production based on renewable wood from sustainably forests and plantations. As an innovation leader, Lenzing partners with global textile and nonwovens manufacturers to drive technological developments across the industry.

## Value chain



<sup>1</sup> Applies to TÜV certified biodegradable and compostable LENZING™ fibers. The compostability and biodegradability of final consumer textile and nonwoven products depend on the material composition (fiber blend) and processing in the value chain steps.

The Lenzing Group forms part of the chemical industry and serves the fiber market with regenerated cellulose fibers. Lenzing fibers are used primarily for clothing, home textiles, technical textiles, and hygiene products. Lenzing’s product portfolio also includes dissolving wood pulp, which is the basic raw material for producing fibers, innovative specialty fibers as well as energy, biobased biorefinery products, and co-products. The significant product groups according to ESRS are regenerated cellulose fibers and dissolving wood pulp.

[SBM-1 40f]

Lenzing combines comprehensive expertise in operating pulp and biorefinery processes with decades of experience in three major fiber process technologies:

- Viscose (rayon)
- Modal
- Lyocell

Further developments and technologies have resulted from the above-mentioned processes. Lenzing’s significant products contribute to its sustainability targets. Please see the sustainability targets in the topical chapters.

The Lenzing Group’s value chain is depicted in figure “Value chain” and described below.

[SBM-1 42a, 42c]

### Supply and sourcing

The principal raw materials for producing Lenzing’s fibers are wood, dissolving wood pulp, process chemicals, water and energy. Lenzing secures these resources through strategic procurement contracts, such as sourcing wood mostly via long-term supply agreements. Lenzing also sources from its own plantations. Chemicals are predominantly sourced regionally to strengthen supply stability and reduce transport emissions.

Lenzing places a strong emphasis on sustainable and responsible sourcing. Supplier selection and evaluation follow defined economic, quality, environmental, social and governance (ESG) criteria.

The identified (potential) impacts, risks and opportunities in the upstream value chain primarily relate to the forestry and the chemical industry.

## Dissolving wood pulp and cellulose fiber production

Production is realized in two sequential stages: firstly, dissolving wood pulp is manufactured; secondly, this pulp is processed into regenerated cellulose fibers. Lenzing produces its own dissolving wood pulp in three biorefineries located in Lenzing (Austria), Paskov (Czech Republic) and Indianópolis (Brazil) and manufactures fibers using viscose, modal and lyocell technologies across seven production sites.

Lenzing strives to apply state-of-the-art sustainable production technology characterized by high resource-efficiency, high chemical-recovery rates and, where possible, closed-loop processes for chemicals and water. The process also generates bioenergy, bio-refinery products and additional co-products enhancing circularity and value creation. By combining deep expertise in pulp and bio-refinery operations with decades of fiber production know-how, Lenzing operates as an integrated producer with a strong technological foundation.

## Downstream manufacturing

As shown in figure “Value chain” under “Manufacturing steps”, customers in Lenzing’s downstream value chain process the fibers into textile, nonwoven and industrial products.

Lenzing works closely with partners along the value chain - from direct customers to retailers - to support fiber processing, enable innovation and jointly develop new applications.

The identified (potential) impacts, risks and opportunities across Lenzing’s downstream value chain relate primarily to processing steps in the textile and nonwovens industries.

## Distribution and use phase

Finished products enter distribution channels after manufacturing and are then used by consumers.

## End of life

TÜV certified LENZING™<sup>3</sup> fibers are compostable and biodegradable under the right conditions. However, the end-of-life behavior of textile and nonwoven products depends on the material composition (e.g. fiber blends) and processing along the value chain such as dyeing and finishing, which may limit biodegradability or recycling options.

[SBM-1 40e]

For details on relevant geographies, stakeholders and products linked to sustainability targets, please refer to the target sections within the respective topical chapters.

<sup>3</sup> LENZING™ fibers which are TÜV certified biodegradable (soil, fresh water & marine) and compostable (home & industrial) include the following products: LENZING™ Viscose Standard textile/ nonwovens, LENZING™ Lyocell Standard textile/nonwovens, LENZING™ Modal Standard textile, LENZING™ Lyocell Filament, LENZING™ Lyocell Dry and LENZING™ Nonwoven Technology. There is

## Expected outcomes for customers, investors and nature

[SBM-1 42b]

Lenzing’s responsible practices and innovative products enable customers and value chain partners to achieve high product quality and functionality. They further support improvements in environmental and social performance, thereby supporting the fulfillment of their own sustainability targets and commitments.

Shareholders benefit from investing in a global leader in wood-based cellulose fibers and a recognized sustainability innovator operating in a structurally growing market for high-value premium products.

Nature is considered a silent stakeholder. Lenzing acknowledges its responsibility to advance sustainability performance in the textile and nonwovens industry and collaborates with NGOs and multi-stakeholder initiatives to help drive systemic transformation.

## Revenue

[SBM-1 40b]

Information about Lenzing Group’s total revenue, disaggregated by its product groups fiber and pulp, can be found in the table “Revenue from external customers by products and services” in the financial Note 4 in the notes to the consolidated financial statements.

## Employees

[SBM-1 40a iii]

### Employees 2025

Employees per country and in head count	2025	2024
<b>Total number of employees</b>	<b>8,129</b>	<b>8,228</b>
Austria	3,418	3,511
Brazil	1,282	1,236
Indonesia	1,322	1,342
Czech Republic	528	541
China	802	816
USA	201	212
UK	227	225
Thailand	276	269
Others (India, Türkiye, Korea, Singapore, Taiwan, Germany, Italy and France)	73	76

an exception for the TÜV certified biodegradable & compostable fiber LENZING™ Lyocell Filament, which fulfils the above-mentioned conditions except biodegradability in marine environments.

# Sustainability strategy

## Our Vision

Our passion is to provide truly sustainable solutions for a growing world. We create a positive impact for the people we work with, the consumers we serve, and the society and environment in which we operate. In doing so, we are commercially successful.

## Our Mission

We are change agents and collaborate with our suppliers and value chain partners to catalyze change for the better. We actively contribute towards improving environmental performance throughout the value chain and, as a consequence, in final products. We promote social wellbeing. The creation of more positive impacts and benefits is the central focus for our innovation and business practices.

## Our Strategy

### “Naturally Positive”

[SBM-140g]

Lenzing has defined a sustainability vision and mission that guide decision-making at all levels – from daily operational choices to long-term strategic planning. “Naturally Positive”, the Group’s sustainability strategy, is firmly rooted in Lenzing’s corporate strategy. Within the four strategic drivers of the corporate strategy - sustainability, innovation, premiumization and excellence - the sustainability strategy identifies the areas where Lenzing can exert the greatest positive impact. This approach enables Lenzing to adequately contribute to the United Nations’ Sustainable Development Goals (SDGs) most affected by its activities and to help address global and environmental challenges.

Lenzing primarily focuses on value creation by monetizing sustainability through specialty fibers that deliver a smaller environmental footprint, enhanced transparency and reduced supply-chain risks. These products also support customers in meeting regulatory requirements and achieving their own sustainability goals.

### Strategic focus areas of sustainability and the corresponding SDGs



Lenzing's sustainability strategy "Naturally Positive", builds on three strategic principles. Within these principles, seven strategic focus areas were identified in which the Lenzing Group substantially contributes to creating positive impacts and benefits.

### 1. Driving systemic change

Complex global challenges require collaboration and systemic solutions shaped by multiple stakeholder groups. Transparency and traceability are prerequisites for fostering trust and long-term relationships. Through active contribution to industry-wide methods, standards and benchmarking tools, Lenzing helps to accelerate sustainability performance across the industry. Platforms such as ZDHC (Zero Discharge of Hazardous Chemicals), the FSLM (Facility Social Labor Module), concrete sustainability targets, supplier engagement programs and physical and digital traceability tools are key enablers in raising industry standards and overcoming shared challenges.

### 2. Advancing circularity

Lenzing aims to maximize value creation with minimum virgin resource use while reducing fossil-based inputs both in its own operations and along the wider value chain. The company unites the cellulose fiber cycle of its wood-based products (biological cycle) with its innovative technologies that focus on closing loops in the production and recovery of raw materials and chemicals (technical cycle). Dedicated targets for recycled-content fibers, circular business models with partners and the development of alternative cellulose feedstocks support this principle. For more information, please see the "E5 Resource use and circular economy" chapter.

### 3. Greening the value chain

Lenzing's responsible practices and innovative products enable its customers and value chain partners to improve their environmental and social performance and meet their regulatory and sustainability commitments. Responsible sourcing, water stewardship, decarbonization, and sustainable innovations shape Lenzing's contribution to a greener value chain. The sustainability targets for air emissions, water emissions, pollution, chemical management (ZDHC) and climate protection form the core of Lenzing's responsible operations and act as drivers of technological progress.

### Challenges

The main challenge ahead relates to the execution of Lenzing's climate action plan. Progress is constrained by several external factors, including limited availability and accessibility of grid-based renewable electricity, high cost differentials between renewable fuels (green hydrogen, ammonia) and fossil-based electricity and fuels, the lack of a level playing field for low-carbon products, and an unwillingness on the part of business partners to share the costs and risks of investments on an equitable basis. In addition, international tariff measures and the resultant uncertainty have negatively impacted the global textile value chain and, subsequently, Lenzing's business performance.

For further information on Lenzing's sustainability strategy, strategic principles, and strategic focus areas, please see the "[Sustainability strategy](#)" focus paper.

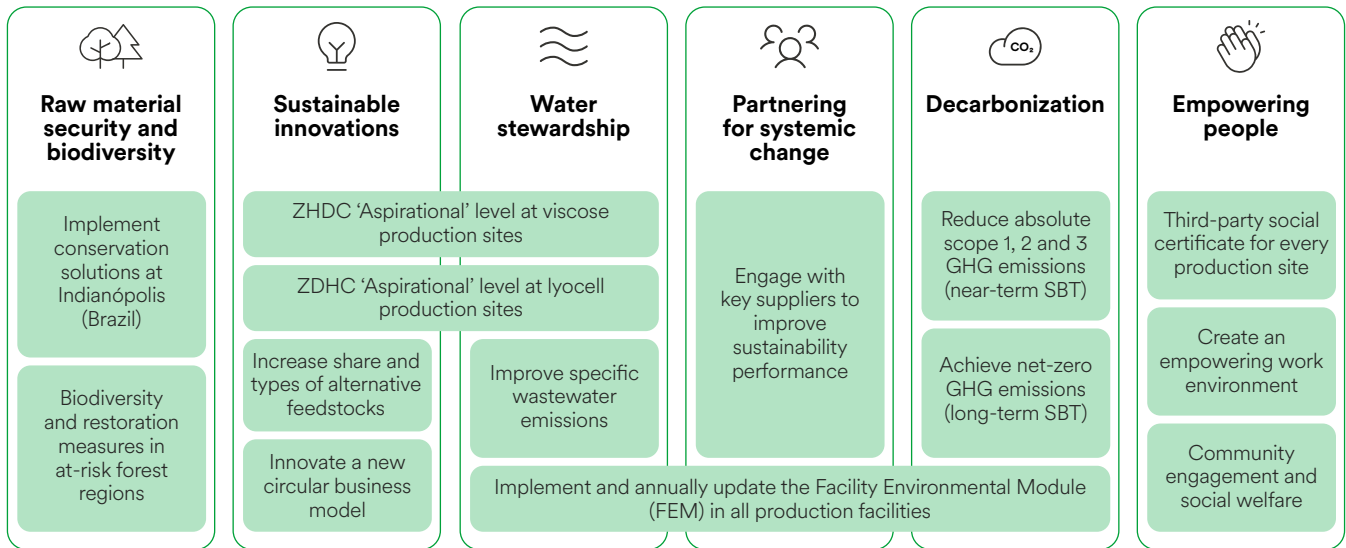
## Sustainability Policy

[MDR-P 65]

Policy	Sustainability Policy
<b>Accountability</b>	Head of Corporate Sustainability
<b>Scope and coverage</b>	Lenzing Group Value chain Local communities
<b>Objective and key elements</b>	Objective: The objective is to embed best sustainability practices both in Lenzing and along the entire value chain and identify, assess and manage environmental impacts, risks and opportunities.  Key elements: Lenzing strives to drive decarbonization, the circular economy and systemic change both within the company and along the entire value chain while regularly monitoring, reviewing, and reporting on progress.
<b>Third party standards / initiatives</b>	Paris Climate Agreement (COP 21) UN Framework Convention on Climate Change (UNFCCC)
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	E1 Climate Change E1-2 25a, 25d, 25c The Sustainability Policy promotes the continuous improvement of resource efficiency as well as decarbonization along the entire value chain. This includes energy efficiency, climate change mitigation and renewable energy. The Sustainability Policy serves as a framework of general objectives and management principles that are applied in decision-making. 25b Lenzing continuously manages environmental risks, including risks related to climate change adaptation.  E5 Resource use and circular economy E5-1 15a, 15b Lenzing is committed to collaborate with stakeholders, including innovation partners, suppliers and NGOs to promote fibers that reduce potential environmental and social impacts. Lenzing supports the research and development of commercially viable cellulose fibers made from alternative sources such as agricultural residues and textile waste. Both are renewable resources and textile waste is a secondary resource. Lenzing is dedicated to sourcing all raw materials responsibly (sustainable sourcing) and to continuously improving sustainability performance and resource efficiency by implementing appropriate measures.

# Sustainability targets

## Sustainability targets



Lenzing has set Group sustainability targets for the most important challenges in each of its strategic focus areas. The exact wording of these targets, the individual target values, years and baseline values, their progress, and the related sub-targets and actions can be found in the respective chapters.

## Target setting and monitoring

[MDR-T 80g, 80j]

Lenzing continuously assesses performance gaps, stakeholder expectations, upcoming regulations, strategic value levers, external ratings and scientific developments to strengthen its sustainability agenda. All environmental-related targets are grounded in scientific evidence. The Corporate Sustainability department collaborates closely with relevant functions across the organization to define Lenzing's sustainability targets. The targets are then approved by the Managing Board.

[GOV-122d]

At Lenzing, a structured governance framework ensures effective oversight and progress monitoring of sustainability targets. Each target is sponsored by a Managing Board member, who nominates a target owner considering the relevant expertise and operational responsibility. The target owner identifies a target lead to ensure effective implementation. The process is monitored through quarterly review meetings between the Corporate Sustainability department, target owners and target leads. These reviews assess achievements, challenges and the status of related actions. The outcome is presented to the Managing Board ESG committee which - where necessary - initiates corrective or improvement measures. In addition, target achievement and feasibility are evaluated annually taking the market conditions and regulatory developments into consideration. Based on this assessment, sustainability targets may be refined to ensure continued ambition, practicality and alignment with Lenzing's strategic decision.

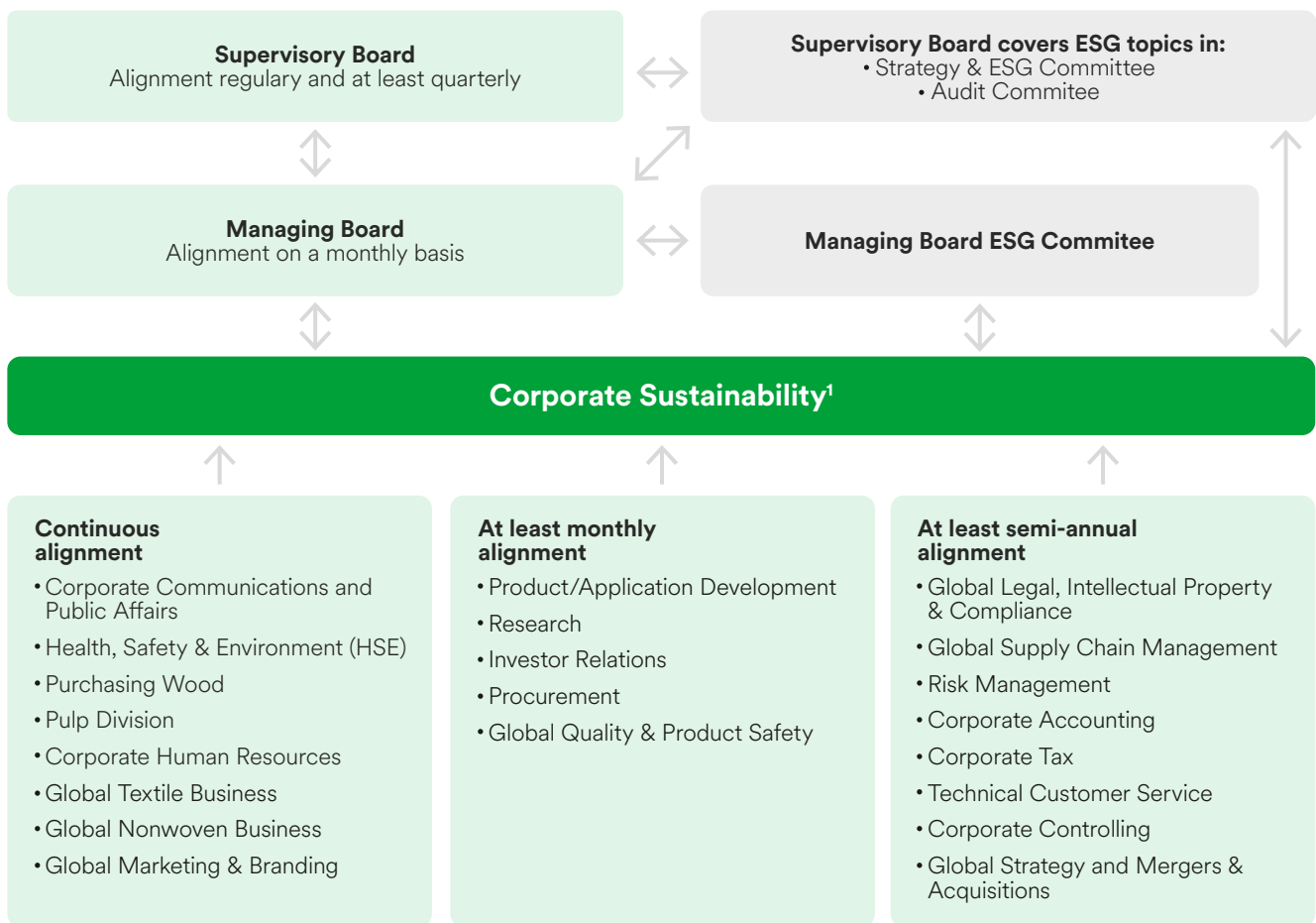
# Governance

## Governance structure

[GOV-1 22c ii]

The Corporate Sustainability function reports directly to the Chief Executive Officer (CEO). To further embed sustainability within strategic decision-making, an internal ESG Committee at Managing Board level was established, which meets quarterly to monitor progress and steer key initiatives. Regular cross-functional alignment enables the systematic integration of environmental, social and governance matters into the company's business strategy, risk management and operations.

### Sustainability organization



<sup>1</sup> Corporate Sustainability, Corporate Communications, Investor Relations and Public Affairs are one department

## Board Members' expertise

[GOV-1 21c]

The composition of the Supervisory Board and the Managing Board collectively covers all critical expertise areas - sector and market knowledge as well as product- and sustainability-related competences. These include sustainable innovations, renewable raw materials, climate and energy, circular economy and recycling, biodiversity, water management, transparency, business ethics, fair

labor practices, equity, diversity and inclusion. This wide range of experience ensures informed decision-making across strategic and operational ESG matters.

[GOV-1 23a]

Quarterly ESG committee meetings serve to continuously strengthen the Managing Board's knowledge, skills and understanding of sustainability-related risks and opportunities as well as regulatory developments. This supports long-term strategic oversight and informed governance.

At Lenzing, the Managing Board and Supervisory Board are supported by the Corporate Sustainability department, which acts as the company's center of excellence for sustainability-related matters. This department's expertise is complemented by specialist experts from relevant functions across the organization, ensuring continuous access to technical and ESG knowledge.

[GOV-1 23b]

The specific knowledge of all experts is linked to the material topics that have been identified. This ensures that the leadership is well-equipped to oversee and manage sustainability matters effectively and that Lenzing's material risks and opportunities can be addressed accordingly. By aligning sustainability efforts with the material topics, Lenzing is not only mitigating risks but also leveraging opportunities to create long-term business value.

## Business conduct

[G1 ESRS 2 GOV-1]

### Lenzing's mission of compliance

Lenzing is a global company and acts in a compliant manner. The Compliance Management System forms an integral part of the Lenzing Group's reporting system. The compliance function aims to advise and support all Lenzing employees, executives and managers through preventive risk-oriented measures. Additionally, it ensures consistent detection and response processes, ultimately protecting them from the negative consequences of violations of laws and values.

Lenzing's compliance organization is transnational and composed of international experts led by the Group Compliance Officer, who reports directly to the Managing Board and the Supervisory Board. The Austrian Corporate Governance Code (ÖCGK) defines specific duties for the Managing Board, the Supervisory Board and the auditors. The overall responsibility for compliance lies with the Managing Board – it must ensure compliance with legal provisions and work towards their observance within the company (Section 15 ÖCGK). In addition, it must inform the Supervisory Board regularly, comprehensively and promptly concerning all issues relevant to the company and report at least once a year on anti-corruption measures (Section 18a ÖCGK). Lenzing expects its employees to comply with its rules of conduct. They are also required to be alert and to examine carefully and report any related issues that need to be addressed, or any violation of rules and values that are detected.

The Managing Board, the Supervisory Board and Lenzing's employees take part in mandatory compliance training and are consequently well informed about business conduct matters. For more information about training, please see the "Compliance training" section (G1-3) in the "G1 Business conduct" chapter.

## Composition and diversity of board members

[GOV-1 21a, 21b, 21d, 21e]

### Individuals within the organization's governance body (Managing and Supervisory Board)

	2025	2024
<b>Number of individuals, total</b>	<b>19</b>	<b>18</b>
Under 30 years	0	0
30-50 years	4	2
Over 50 years	15	16
Female	2	2
Male	17	16
<b>Percentage of individuals</b>		
Under 30 years	0%	0%
30-50 years	21%	11%
Over 50 years	79%	89%
Female	11%	11%
Male	89%	89%
Ratio of female to male	0.1	0.1
Managing Board (Executive members)	4	4
Supervisory Board (Non-executive members)	15	14
Representation by employees (Supervisory Board)	5	5
Percentage of independent Supervisory Board members (acc. to the Austrian Code of Corporate Governance (ÖCGK) Appendix 1)	100%	100%

## Board's responsibilities

[GOV-1 22a, 22b, 22c, 22c i]

The Managing Board is tasked with steering the company's strategic direction and operational management. This includes overseeing the implementation of policies and procedures to manage material impacts, risks and opportunities. Each member has specific areas of responsibility. The Supervisory Board provides additional oversight and ensures that the Managing Board effectively identifies, evaluates and manages both risks and opportunities. The integration of ESG-related responsibilities is firmly embedded at board level. Committees of both the Managing Board and the Supervisory Board play a central role in exercising oversight over ESG management processes and strategic direction. For example, members of both bodies were actively involved in the double materiality assessment with the resultant findings subsequently being reviewed and discussed at board level.

On the Managing Board, Lenzing's CEO Rohit Aggarwal was formally responsible for sustainability in 2025. Since February 2026, Georg Kasperkovitz has assumed responsibility for sustainability matters. For further information on the members of the Supervisory Board's Strategy & ESG Committee and the Audit Committee – both of which address ESG topics through dedicated agenda items, please see the "Working procedures of the Supervisory Board" section in the Corporate Governance report.

## Management of impacts, risks and opportunities

[GOV-1 22c iii]

The double materiality process, which forms the basis for sustainability reporting, is updated on an annual basis. The review draws on expert input and analysis across relevant subject areas. Where necessary, actions are defined and targets are set for specific material topics, if deemed necessary. Further information on target setting can be found in the “Sustainability targets” section of this chapter. Details on the management of risks and opportunities are provided in the “Risk management objectives” section in the Risk report. The majority of the material ESG-related risks and opportunities are already integrated into the risk management system, with additional emerging risks being incorporated on an ongoing basis.

## ESG committee

[GOV-2 26a]

A Managing Board level ESG committee has been established to accelerate the implementation of the sustainability agenda by strengthening cross-functional alignment. The committee is responsible for shaping the sustainability strategy and overseeing the execution of ESG topics. It convenes quarterly and focuses on defining and advancing the company’s sustainability vision, strategy and ESG frameworks and tools. The ESG committee (figure “Managing Board ESG committee structure”) consists of the Managing Board and functional leaders. Together they monitor the progress on sustainability targets, evaluate the effectiveness of Lenzing’s approach to managing all aspects of sustainability, including risks and opportunities, and take long-term strategic decisions. The Corporate Sustainability department leads and forms an integral part of the committee. It collaborates closely with multiple business functions (see figure “Managing Board ESG committee structure”) to embed sustainability into core business processes, respond to

stakeholder needs and expectations, and prepare the organization to be future-fit.

Oversight of ESG matters at Supervisory Board is exercised by the Strategy & ESG Committee and the Audit Committee, both of which monitor ESG matters in the context of strategic priorities and sustainable business performance. These committees are scheduled to meet at least twice a year.

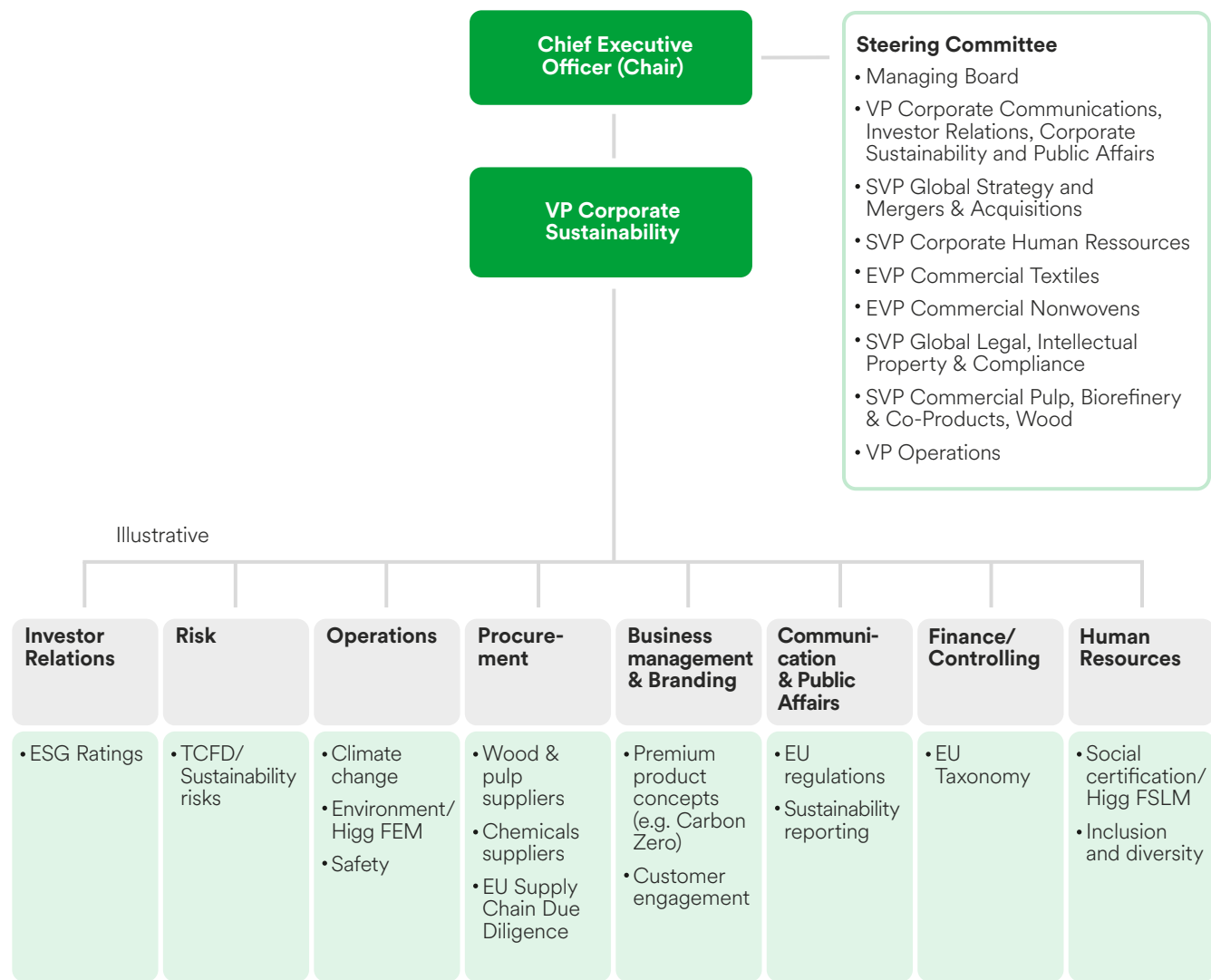
[GOV-2 26b]

Decisions are based on a holistic perspective and cover a broad range of material topics as well as emerging issues, including opportunities, risks, current and future measures, sustainability targets, regulatory developments and stakeholder expectations. The impacts, risks, and opportunities (IROs) are taken into account when defining sustainability targets. Specific targets are established, approved, and regularly monitored by the Managing Board ESG Committee. In addition, ESG-related risks and opportunities are part of the company’s overall risk management.

[GOV-2 26c]

In 2025, the Managing Board and Supervisory Board addressed the following topics during committee meetings:

- Climate strategy
- Customer engagement
- Sustainability target governance
- Climate risk management, carbon footprint and LCA
- Biodiversity approach and conservation projects
- Industry ratings and benchmarks, such as the Carbon Disclosure Project (CDP) and Canopy ranking
- Conservation solutions
- Opportunities for differentiation
- ESRS/CSRD-aligned non-financial reporting and double materiality



For information on the Lenzing Group’s governance structure, please refer to the Lenzing Group’s Annual Report (Corporate Governance Report).

For information on the frequency of alignment of the administrative, management and supervisory bodies, please see the figure “Sustainability organization” in the “Governance structure” section of this chapter.

## Board remuneration

[GOV-3 29a]

The Remuneration Policy of Lenzing AG for the performance-based remuneration of the Managing Board is linked to both financial performance and non-financial sustainability criteria (ESG), which further promote the integration of sustainability in the business strategy.

[GOV-3 29d]

Therefore, in addition to the existing criteria, the long-term incentive (LTI), which is a variable performance bonus, has been expanded to include sustainability targets for Managing Board members. Further information can be found in the remuneration reports

(the report for 2025 will be available from March 24, 2026 onwards).

The proportion of variable remuneration linked to sustainability-related targets and/or impacts amounts to 6 to 10 percent for the Chairperson of the Managing Board and 4 to 7 percent for its members. There was no remuneration linked to sustainability in 2025, based on the 2023 tranche, as it was replaced by a special bonus.

[GOV-3 29e]

The remuneration of the Managing Board is approved and updated by the Remuneration Committee of the Supervisory Board.

[GOV-3 29b, 29c]

Specific targets and their metrics connected to the Board’s LTI remuneration for different three-year tranches are as follows:

- “ZDHC lyocell” target: “To achieve ‘aspirational’ MMCF level for ZDHC wastewater and responsible production guidelines at Lenzing lyocell facilities by 2028”.

- Linked remuneration target relating to the “Specific GHG emission intermediate target linked to corporate and remuneration targets”: “Lenzing reduces 45 percent of specific GHG emissions per ton of pulp and fiber produced by 2025”, as well as “Lenzing reduces 47 percent of specific GHG emissions per ton of pulp and fiber produced by 2026”.
- Sub-target of “Textile recycling” target: “Innovating the use of at least 5 alternative feedstocks providers (e.g. from recycled textiles and agricultural waste) by 2030”.
- Sub-target of “Equity, Diversity and Inclusion” target: “Lenzing increases its proportion of women to 22.5 percent in all positions graded 5a and above by 2025”.
- Linked remuneration target relating to the “Equity, Diversity and Inclusion” target: “Lenzing achieves an improvement averaging three percentage points across the seven categories, including the Inclusion Index, in the global Health Climate Survey by 2026”.
- “TRIFR” target: “To reduce the Total Recordable Injury Frequency Rate (TRIFR) to 0.8 by 2027.” (per 200,000 working hours).

## Climate-related performance

[E1 ESRS 2 GOV-3 13]

The climate-related performance has been assessed against the “Specific GHG emission intermediate target linked to corporate and remuneration targets”, one of the GHG emission reduction targets reported under E1-4. The target is directly linked to variable remuneration and states more specifically: “Lenzing reduces 45 percent of specific GHG emissions per ton of pulp and fiber produced by 2025”, as well as “Lenzing reduces 47 percent of specific GHG emissions per ton of pulp and fiber produced by 2026”.

There was no remuneration linked to climate considerations in 2025, based on the 2023 tranche, as it was replaced by a special bonus.

## Statement on due diligence

[GOV-4]

### Statement on due diligence

Core elements of due diligence	Sections in the sustainability statement	Details
a) Embedding due diligence in governance, strategy and business model	ESRS 2 General disclosures:	
	Governance structure	ESRS 2 GOV-2
	Board remuneration	ESRS 2 GOV-3
	Material impacts, risks and opportunities	ESRS 2 SBM-3
	E1 Climate change: Risk and opportunity assessment	E1 ESRS 2 SBM-3
	E4 Biodiversity and ecosystems: Resilience assessment	E4 ESRS 2 SBM-3
	S1 Own workforce: Managing social sustainability	S1 ESRS 2 SBM-3
	S2 Workers in the value chain: Workers across the value chain	S2 ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 General disclosures:	
	Governance structure	ESRS 2 GOV-2
	Stakeholder management	ESRS 2 SBM-2
	Own workforce	S1 ESRS 2 SBM-2
	Workers in the value chain	S2 ESRS 2 SBM-2
	Double materiality analysis	ESRS 2 IRO-1
c) Identifying and assessing adverse impacts on people and the environment	ESRS 2 General disclosures:	
	Double materiality analysis	ESRS 2 IRO-1
	Material impacts, risks and opportunities	ESRS 2 SBM-3
	E1 Climate change: Risk and opportunity assessment	E1 ESRS 2 SBM-3
	E4 Biodiversity and ecosystems: Resilience assessment	E4 ESRS 2 SBM-3
	S1 Own workforce: Managing social sustainability	S1 ESRS 2 SBM-3
	S2 Workers in the value chain: Workers across the value chain	S2 ESRS 2 SBM-3
d) Taking actions to address those adverse impacts on people and the environment	In each material topical chapter	E1-E5, S1, S2, G1
	Actions	
	E1 Climate change: Climate action plan	E1-1
	E4 Biodiversity and ecosystems: Strategy	E4-1
	G1 Business conduct: Sourcing	G1-2
e) Tracking the effectiveness of these efforts and communicating	In each material topical chapter	E1-E5, S1, S2, G1
	Metrics	
	Targets	

## Risk management reporting

[GOV-5 36a]

A formal sustainability reporting process document also covers internal controls. It outlines the procedures required to generate sustainability disclosures and deliberately excludes activities that fall within other departments such as data quality management.

Lenzing's Enterprise Risk Management (ERM) system encompasses a holistic approach that integrates sustainability-related risk reporting. It features quantitative risk and opportunity modelling using Monte Carlo simulations, incorporates ESG-related risks and opportunities, and includes climate-related risk assessment in line with TCFD recommendations. The ERM process involves half-yearly risk interviews with relevant internal stakeholders at Group and site level. Followed by risk aggregation and reporting to the Managing Board and the Audit Committee of the Supervisory Board.

[GOV-5 36b]

Lenzing's ERM approach is inspired by the COSO™ ERM framework and combines both top-down and bottom-up methodologies. Top-down analysis involves engagement with the Managing Board to identify priority risks and underlying assumptions. Bottom-up analysis includes risk interviews with Site and Corporate Function Risk Managers. Risks are evaluated according to their likelihood and financial impact, using quantitative and qualitative assessments. For strategic investment decisions, the risk prioritization methodology also considers the Risk of Non-Investment (RoNI) assessment, taking into account health and safety, environmental impact, business interruption, legal aspects, and reputation.

[GOV-5 36d]

The results of the half-yearly ERM process are integrated into relevant internal functions and processes through a structured Group-wide ERM strategy and process. Roles and responsibilities are defined for Corporate Risk Management, Site and Corporate Function Risk Managers, and other stakeholders, with strong cross-functional collaboration ensuring a holistic view of risks and

opportunities. Each risk is assigned to a risk owner, responsible for identifying and assessing risks and implementing mitigation measures. The ERM strategy, process and associated governance are formalized in the Group's ERM procedure, which is implemented throughout the organization and the subject of periodic training.

[GOV-5 36e]

The findings from the risk assessment are reported twice a year to the Managing Board and the Audit Committee of the Supervisory Board. The risk report summarizes key risks, mitigation actions, and overall risk profile of the Lenzing Group.

## Internal controls

[GOV-5 36c]

Sustainability reporting is exposed to the risk of misstatement particularly due to human error or incomplete data. To mitigate this risk, Lenzing applies an internal control framework. The following control activities are in place:

- Formal review of sustainability reporting requirements by the core project team
- Topic-specific reviews conducted by Corporate Sustainability experts, including verification of content for their respective areas, cross-checks of other chapters (dual-control principle), proofreading of German and English versions (dual-control principle), and validation of content prepared for website, media releases and external channels to ensure consistency of messaging (dual-control principle)
- The Managing Board reviews and approves all key disclosures. The Supervisory Board Audit Committee evaluates the final report draft and issues an approval recommendation and sign-off to the Supervisory Board.
- Lenzing's external audit provides limited assurance on the sustainability reporting (please see the limited assurance statement in the "Independent assurance report on the non-financial reporting pursuant to Section 243b and 267a UGB" section in the "annex").

# Stakeholder management

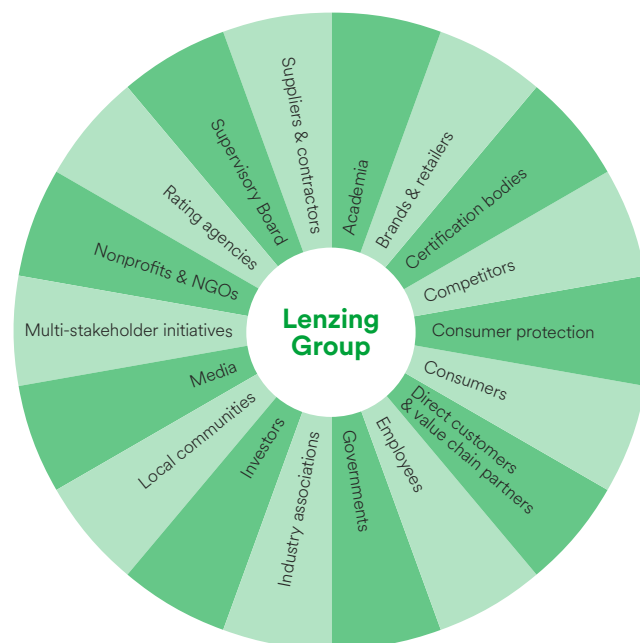
[SBM-2 45a]

The complex global sustainability challenges that society faces today require collaborative action and the development of systemic solutions. Meaningful stakeholder dialog is therefore essential. This requires mutual respect, the sharing of knowledge and expertise and actively listening to partners' perspectives. Effective engagement starts with transparent information, which enables stakeholders to form an educated opinion, assess risks, and build trust, thereby minimizing misunderstandings. Ongoing dialog occurs through a range of formats, including but not limited to meetings, working groups, responses to inquiries and surveys, conferences and other forms of exchange.

## Key stakeholders

The main stakeholders involved in the engagement process are shown in figure "Key stakeholder groups". The Lenzing Group's key stakeholders are individuals or entities that may be affected by its operations, business conduct, and strategic targets or that are in a position to contribute to achieving these targets. Lenzing regards such stakeholders as strategic partners that have a significant interest in and impact on areas that matter the most to Lenzing. The most important stakeholder group are Lenzing's employees. Their achievements, together with transparency and collaboration, are a clear testament to the Lenzing Group's credible sustainability performance.

### Key stakeholder groups



For further information on the main stakeholders, please see the "[Stakeholder engagement](#)" focus paper.

[SBM-2 45b]

For information on how the outcome of the stakeholder dialog is taken into account in the double materiality process, please see the "Double materiality analysis" section of this chapter.

### Stakeholder interests

Stakeholders	Interested in
Investors	Return on investment, resilience, opportunities, risks
Academia, media	Negative (and positive) environmental impacts, best practice
NGOs/NPOs/multi-stakeholder initiatives/industry associations	Negative (and positive) environmental impacts, best practice, expertise, knowledge
Suppliers	Stable business, no risk of losing reputation when working with us
Direct customers (e.g. spinners), indirect customers (brands, retailers)	Reaching their goals/commitments; their Scope 3 emissions, certifications, audits, LCAs and product footprint, traceability, no value chain risks, innovation opportunities
Own workforce	Secure employment, health & safety, training & skills development
Workers in the value chain	Working conditions, measures against violence and harassment in the workplace, diversity, child & forced labor, adequate housing, water and sanitation, privacy
Local communities	Noise & odor
End-consumers	Product safety

[SBM-2 45d]

The Supervisory Board and Managing Board receive partial information on the views and interests of affected stakeholders with regard to sustainability-related material impacts. The opinions of its own workforce are conveyed via the works council and the result of the Lenzing Climate survey. Feedback from consumers and end-

users is gathered indirectly through Lenzing's customers and communicated by Lenzing commercial teams. The views and interests of value chain workers (e.g. suppliers) are not actively communicated to the Boards.

## Own workforce

[S1 ESRS 2 SBM-2]

The interests, views and rights of Lenzing's workforce, including protection of their human rights, influence the strategy and business model. In alignment with its corporate culture, the Lenzing Group places people at the center of its strategic priorities, thereby forming an integral part of its holistic sustainability approach.

The corporate culture is built on long-term partnerships, close collaboration and mutual respect supported by open dialog and transparency. Employee interests are represented through established channels, including direct leadership engagement and dialog with employee representatives. These mechanisms enable the workforce to regularly contribute views on, and ensure shared understanding of business strategy, goals, performance, market conditions, the financial situation and policies as well as any matters relating to employment terms, conditions and benefits. For details on formats and exchange, please see the "Communication" section in the "S1 Own workforce" chapter.

Human rights, fair working conditions, equal opportunities, safety and well-being are reflected in Lenzing's internal policies and form guiding principles for how we engage, manage and develop people. Compliance with these standards is supported through training, leadership accountability and monitoring activities.

To navigate current market volatility and prepare for future challenges, Lenzing introduced its People Plan in 2024. The strategic framework focuses on four key areas: organizational performance, diversity and culture, leadership development and talent management.

## Workers in the value chain

[S2 ESRS 2 SBM-2]

The Lenzing Group supports globally recognized human rights and labor standards frameworks and does not tolerate violations of these principles. This commitment extends to safeguarding the rights of all workers within its sphere of influence, in alignment with the Universal Declaration of Human Rights, the UN Global Compact (UNGC), OECD Guidelines for Multinational Enterprises and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

In relation to workers in the value chain, Lenzing primarily relies on information from credible external sources, including NGOs, NPOs, trade unions, risk databases and governmental reports, which are supplemented by internal expertise, to identify and assess impacts. Lenzing's sphere of influence currently covers direct suppliers and to a lesser extent its downstream business partners involved in the distribution, transportation and storage of Lenzing products. At present, Lenzing's influence is limited to reviewing working conditions through audits and relying on external ratings and standards such as the EcoVadis rating. Acknowledging potential adverse impacts of sourcing on value chain workers, Lenzing implements a sustainable sourcing strategy.

# Material impacts, risks and opportunities

[SBM-3 48a, 48c, 48h]

The table below presents Lenzing’s material impacts, risks and opportunities (IROs). Short-term refers to one year (the reporting year), medium-term to two to five years and long-term to more than five years. Each topic chapter begins with a table linking the identified IROs to the corresponding policies, targets, actions and metrics.

Impact/ risk/ opportunity	Actual/ potential	Own operations (OO) / value chain (VC): up-/downstream	Timeframe: short-, medium-, longterm	Short description	IRO description
<b>E1 Climate change</b>					
<b>Climate change adaptation</b>					
Risk		OO & upstream VC	Medium- to long-term	Risk to Lenzing’s operations and supply chain due to the increasingly chronic physical climate hazards as indicated by climate risk assessment	Climate models indicate that rising global mean temperatures will lead to an increase in chronic physical climate hazards. Lenzing’s operations and supply chain could be increasingly affected by extreme weather events, water scarcity and other physical hazards of varying severity. All identified risks arising are managed by Lenzing through comprehensive supplier diversification and holistic inventory and resource management.
Risk		Upstream VC	Long-term	Risk of wood scarcity from non-resilient forests and effects of increasing global average temperature	As wood is one of Lenzing’s most important raw materials, risks of wood unavailability rise due to forest degradation (diseases, pests, etc.) as a direct consequence of higher average temperatures can affect its core business.
Risk		OO	Short- to medium-term	Risk of increasing wood prices due to climate changes and biomass competition	Wood is the most important natural resource for the Lenzing Group as it is needed for manufacturing regenerated cellulose fibers. Despite Lenzing’s sustainable sourcing policy and backward-integrated production, wood prices are at risk of increasing due to climate change and growing competition for biomass and land use.
<b>Climate change mitigation</b>					
Risk		OO	Short- to medium-term	Risk of increasing costs of GHG emissions from emerging regulations on carbon pricing in low-emission scenarios	Increasing regulation, especially on green taxation and carbon pricing, constitutes a relevant risk for Lenzing. In the countries where Lenzing has carbon-intensive processes, regulations on greenhouse gas (GHG) emissions have already been implemented (such as energy efficiency improvements and regulated emission allowances) and stricter regulations that could increase the costs of GHG emissions are under development. Lenzing is implementing stringent energy efficiency measures in order to reduce its potential exposure to green taxation.
Opportunity		OO	Medium- to long-term	Opportunity through low-carbon product innovation and decarbonization leadership	The Lenzing Group considers rapid decarbonization as a major business opportunity to derisk its operations, build resilience, launch products with lower climate impact and realize energy efficiency gains. Lenzing will substantially reduce its GHG emissions in the coming years through a set of measures under its decarbonization strategy and SBTs. Furthermore, Lenzing aims to reach net-zero GHG emissions by 2050.

## Energy

Negative impact	Actual	OO	Long-term	Negative impact on global climate change by generating GHG emissions with the use of non-renewable energy sources	By using non-renewable energy sources or inefficient energy conversion technologies, Lenzing generates GHG emissions which contribute to global climate change.
Risk		OO	Short-term	Risk of not achieving energy transformation in line with the Lenzing Group's science-based targets	Risk of not achieving energy transformation in line with the Lenzing Group's science-based targets.
Risk		OO	Medium- to long-term	Risk of reputational damage if sustainability requirements in regard to energy sources are not met and carbon footprint is not reduced	Lenzing's reputation could be damaged if the sustainability requirements with regard to energy sources are not met. Lenzing has energy-intensive processes that result in GHG emissions and is facing increasing pressure from customers and EU directives to address its carbon footprint, which poses a risk for Lenzing if expectations are not met.
Risk		OO	Medium- to long-term	Risk of increasing commodity costs (e.g. wood, pulp and chemicals) due to energy prices	Commodity prices (e.g. wood, pulp and chemicals) could increase due to the availability of energy and price volatility as a result of climate change. For example, an increase in the price of wood due to increasing demand for renewable energy sources, zero deforestation trends and/or more frequent pests and diseases (e.g. pest infestations) due to changing weather patterns as a result of climate change.
Risk		OO	Short-term	Risk of biomass being reclassified as non-renewable in the Renewable Energy Directive (RED II/III)	With the Renewable Energy Directive (RED II /III) biomass could be reclassified and no longer count as renewable.
Risk		OO	Short-term	Potential financial risk to Lenzing's operations and increased costs due to unforeseen energy shortages and loss of power supply	Unforeseen energy shortages could compromise Lenzing's operations, which can pose a financial risk.
Opportunity		OO	Medium- to long-term	Opportunity of decreasing energy costs by implementing concepts based on renewable energy in the long term	Lenzing identifies an opportunity to position itself favorably by proactively addressing environmental challenges. In addition, energy costs can potentially decrease in the long term by using renewable energy sources and new technologies. This can lead to a market advantage if the transition is done quickly.

## E2 Pollution

### Pollution of air

Negative impact	Actual and potential	OO	Short- to long-term	Negative impact on air pollution and emissions with potential negative effects on human health and environment	Lenzing contributes to air pollution and could potentially negatively impact health and environment. To prevent pollution Lenzing actively monitors and manages the environmental impact of its operations.
Risk		OO	Medium- to long-term	Risk of regulatory changes and consequent business loss potential	Lenzing could lose its license to operate (LTO) due to regulatory changes, e.g. by failing to meet more stringent emission levels in the EU BAT. This could result in the loss of the EU Ecolabel and failure to meet customer demands.
Opportunity		OO	Short- to medium-term	Opportunity for Lenzing by increased demand for low-emission products and innovation	Showing leadership in pulp and fiber manufacturing with low environmental and social impacts.

### Pollution of water

Negative impact	Potential	Downstream VC	Short- to long-term	Potential negative impact of Lenzing's downstream textile value chain on water pollution	Textile production is estimated to be responsible for about 20 percent of global clean water pollution from dyeing and finishing products. <sup>9</sup>
Negative impact	Actual and potential	OO	Short- to long-term	Negative impact on water pollution and emissions with potential negative effects on human health and environment	Lenzing discharges water in its own operations and therefore potentially impacts water bodies. In the unlikely case of a leakage, the consequences would be fatal for the ecosystems. Lenzing commits itself to comprehensively monitor, control and report direct and indirect interactions with water resources.
Opportunity		OO & downstream VC	Short- to medium-term	Opportunity for Lenzing by increased demand for low-emission products and innovation	Showing leadership in pulp and fiber manufacturing with low environmental and social impacts with low-emission products. For example spun-dyed Lenzing fibers.

### Substances of concern and substances of very high concern (SoCs & SVHCs)

Negative impact	Actual and potential	OO & VC	Medium-term	Potential for severe negative health and environmental impacts in the event of accidents or leakage related to SoCs and SVHCs	Potential for severe negative health and environmental impacts in the event of accidents or leakage. Substances of concern are still used within Lenzing's own operations and within the industry. Lenzing's fibers are controlled for residues by certifications and testing schemes.
Opportunity		OO	Medium- to long-term	Opportunity to secure business by developing and implementing industry benchmarks	Securing business by fulfilling stakeholder requirements and going beyond them. Developing industry benchmarks and contribution to multi-stakeholder initiatives such as Zero Discharge of Hazardous Chemicals (ZDHC).

### E3 Water and marine resources

#### Water withdrawals and water consumption

Negative impact	Actual and potential	OO & downstream VC	Short- to medium-term	Negative impact on water resources through water withdrawal by Lenzing and its value chain	Pulp and fiber production as well as textile manufacturing can be water-intensive. Water withdrawal by Lenzing and its downstream value chain partners can contribute to increasing water scarcity.
Opportunity		OO	Medium- to long-term	Opportunity to secure business by helping value chain partners meeting their targets through products with improved water footprint	Lenzing's fibers products are produced with a lower water footprint compared to generic regenerated cellulose fibers. This can help value chain partners to meet their water conservation targets and secure Lenzing's business. This strategy promotes efforts to reduce overall water usage across the supply chain.

### E4 Biodiversity and ecosystems

#### Land use change and dependencies on ecosystem services

Risk		OO & upstream VC	Short- to long-term	Risk of wood scarcity & high wood prices resulting from biodiversity loss	Wood scarcity due to non-resilient forests can lead to business losses as there might be no wood available or only at a high price. As biodiverse ecosystems are more resilient to outside stresses, biodiversity loss poses a great risk for Lenzing.
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### E5 Resource use and circular economy

#### Resources inflows, including resource use

Negative impact	Potential	Upstream VC	Short-term	Potential negative impact on circular economy through sourcing of conventional chemicals	Sourcing of conventionally produced chemicals relies on the use of virgin resources and does not enhance circular economy.
Positive impact	Actual	OO	Short- to long-term	Positive impact on resource use through Lenzing's adoption of circular practices including the use of renewable resource wood	Lenzing contributes to circular value chains by producing fibers with recycled content and renewable raw materials thereby reducing reliance on virgin inputs and lowering lifecycle emissions. These practices support broader environmental goals by minimizing resource extraction, promoting reuse and reducing waste across the textile supply chain.

#### Resource outflows related to products and services

Opportunity		OO	Medium-term	Opportunity to secure business by helping partners in the value chain to achieve their circularity and recycling goals	Lenzing's leadership in circular fiber innovation positions it to capture growing market demand for low-impact, resource-efficient and biodegradable materials. Through the use of recycled content, renewable wood and closed-loop production processes, Lenzing supports downstream partners in achieving sustainability targets while aligning with emerging regulatory frameworks such as the EU Textile Strategy. This strategic positioning enhances customer loyalty, opens new market segments, and reinforces Lenzing's role as a sustainability frontrunner in the textile sector.
Negative impact	Actual and potential	OO & upstream VC	Short- to long-term	Negative impact on GHG emissions and the carbon footprint through energy-intensive recycling processes	Recycling processes are energy-intensive, potentially resulting in higher greenhouse gas (GHG) emissions and a larger carbon footprint for products compared to using virgin materials. Whether the impact is negative, depends on the availability of future technologies, as well as the scale of recycling and recovery of chemicals.

## S1 Own workforce

### Working conditions - Secure employment

Risk and opportunity		OO	Short-term	Risk and opportunity for maintaining employer attractiveness through transparent communication	Maintaining employer attractiveness during workforce reductions and economic challenges, with an emphasis on transparent communication.
Opportunity		OO	Medium-term	Opportunity to secure business by being listed as preferred supplier for customers	Lenzing sees a growing requirement for social certificates from its customers. By being certified, Lenzing secures business by being listed as a preferred supplier.

### Working conditions - Work-life balance

Positive impact	Actual	OO	Short-term	Positive impact on workforce well-being through beneficial working models	The implementation of flexible working time models, comprehensive leave options, and employee benefits supports a healthier work-life balance for the workforce. These measures are designed to reduce stress, enhance job satisfaction, and enable employees to better manage personal and professional responsibilities, contributing to overall well-being and retention.
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### Working conditions - Health and safety

Negative impact	Potential	OO	Medium-term	Potential negative impact on health and well-being of Lenzing's workforce in case of accidents	Inadequate safety precautions can impact and potentially expose its workforce at operated assets to potential health and well-being impacts.
Risk		OO	Short-term	Risk of a poor working climate leading to employee turnover or a reduction of their productivity	A poor working climate can lead to employee turnover or reduce their productivity. (Due to mental health.)

### Equal treatment and opportunities for all – Gender equality and equal pay for equal work

Negative impact	Actual	OO	Medium-term	Negative impact on gender equality and equal pay for equal work	Lenzing has challenges in the area of equal pay for equal work due to cultural issues and unconscious bias. Lenzing recognises the importance of gender equality and equal pay for equal work and is committed to continuous improvement in this area.
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### Equal treatment and opportunities for all - Training and skills development

Risk		OO	Short- to medium-term	Risk of a decline in productivity through insufficient quality in succession planning	Insufficient quality in succession planning can lead to a decline in productivity.
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### Equal treatment and opportunities for all - Diversity

Negative impact	Potential	OO	Short-term	Negative psychological impact on employees if diversity is not supported	A lack of support of diversity can lead to exclusion, isolation as well as discrimination and can have psychological consequences for employees.
Opportunity		OO	Medium-term	Opportunity to drive innovation and performance with diversity	Diversity drives innovation and performance. Diverse and inclusive workplaces are linked to better talent retention, innovation and market competitiveness.

## S2 Workers in the value chain

### Other work-related rights - Child labor

Negative impact	Potential	VC	Short-term	Negative impact on children in the value chain of the textile industry, as child labor is common in textile manufacturing	Child labor remains a significant issue in the textile industry, where children are stripped of their rights, exposed to health and safety risks, denied access to education, and trapped in a cycle of poverty and inequality. Given the prevalence of child labor in textile manufacturing, there is a possibility that it could exist within the value chain of Lenzing.
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### Other work-related rights - Forced labor

Negative impact	Potential	VC	Short-term	Negative impact on forced laborers in the value chain of the textile industry, as forced labor is common in textile manufacturing	Forced labor remains a persistent issue in the textile industry, where individuals' basic rights and freedoms are violated, often resulting in physical and psychological harm while perpetuating cycles of poverty and inequality. Given its prevalence in textile manufacturing, there is a potential risk of forced labor being present in Lenzing's value chain.
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## G1 Business conduct

### Corporate culture

Risk		OO	Short- to medium-term	Risk of lawsuits, monetary and reputational loss in case of non-compliance	Non-compliance, such as non-compliance with health and safety standards, can lead to lawsuit, monetary loss and reputation loss.
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### Protection of whistleblowers

Negative impact	Potential	OO	Medium-term	Potential negative impact on business conduct efforts regarding whistleblowers in the absence of ongoing efforts, training, reaction and clear procedures	The absence of ongoing efforts, training, reaction and clear procedures can lead to termination of employment and retaliation against the whistleblower, ultimately undermining overall business conduct efforts and compliance activities.
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### Corruption and bribery - Incidents

Negative impact	Actual and potential	OO	Short-term	While a compliance program is in place, incidents may still occur if individuals engage in non-compliant behavior	While a compliance program is in place, incidents may still occur if individuals engage in non-compliant behavior.
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### Management of relationships with suppliers including payment practices

Risk		OO	Medium-term	Risk of non-compliance with the Corporate Supply Chain Due Diligence Directive (CSDDD) if internal processes are not implemented	There is a risk of non-compliance with the Corporate Supply Chain Due Diligence Directive (CSDDD) if internal processes are not implemented.
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a) <https://www.europarl.europa.eu/topics/en/article/20201208STO93327/fast-fashion-eu-laws-for-sustainable-textile-consumption>

OO...Own operations

VC...Value chain

## Embedding sustainability for resilience

[SBM-3 48b, 48f]

Lenzing demonstrates strategic and operational resilience, supported by scenario-based risk assessments, execution of sustainability targets such as sustainable sourcing and innovation-driven opportunities. However, resilience highly depends on continued execution of climate and biodiversity strategies, regulatory developments, access to renewable energy, and collaboration with key value chain partners.

The sustainability strategy as well as Lenzing's corporate strategy reflect and address the material impacts, risks and opportunities identified through its strategic drivers, principles and strategic focus areas (see the "Sustainability strategy" section in this chapter for the strategic principles). The development of Lenzing's net-benefit products is based on these strategies and informed by the IROs identified. Further information on net-benefit products is provided in the "Resource outflows" section in the "E5 Resource use and circular economy" chapter.

The transformation towards a more sustainable and climate-compatible economy presents market opportunities through new technologies and innovations with low impacts. By offering products that make a positive contribution to sustainability, Lenzing can unlock new business opportunities. At the same time structural barriers remain including limited access to grid-based renewable electricity, cost disparities between renewable fuels (green hydrogen, ammonia) compared to fossil alternatives, the lack of a level playing field for low-carbon products, and the willingness of business partners to share the costs and risks of investments. Many of the negative impacts identified relate to the textile industry and forestry, such as greenhouse gas emissions, pollution, water, biodiversity and resource utilization. Lenzing addresses these impacts through responsible business practices, including sustainable sourcing, resource efficiency, renewable energy use and circular economy principles. Positive impacts can be accelerated through collaboration with Lenzing's stakeholders, such as suppliers, by offering its customers net-benefit products and through efforts to promote diversity and inclusion across the workforce.

Lenzing's strategy and business model were reviewed for climate resilience on the basis of multiple scenario analyses. A nature-related resilience assessment was also carried out, which resulted in the development of a biodiversity approach. These analyses highlighted key trends, such as emerging regulations on carbon pricing or increased demand for low-emission products. Further methodological details and time horizons are provided in the sections "Climate-related risk assessment" and "Nature-related risk assessment" in this chapter. For information on material impacts, risks and opportunities and their interaction with the strategy and business model please see the relevant SBM-3 sections in the topical standards.

## Current financial effects

[SBM-3 48d]

The current financial effects of Lenzing's material risks and opportunities mainly related to its revenue from specialty (net-benefit) products, the Group's investments activities to implement climate and pollution targets in line with the corporate strategy, the impairment testing of assets and the valuation of biological assets. The Lenzing Group has concluded several long-term power purchase agreements in the last years for electricity from renewable energy sources in order to achieve its climate targets and hedge against fluctuating prices.

Relevant investments (investment activities) in this context include:

- Natural gas pipeline, gas boiler and turbine at the Nanjing (China) site replacing coal-based steam generation became operational in 2025
- Replacement of gas boilers with a more efficient model has been completed at Lenzing's Mobile (USA) site in 2025
- Wastewater treatment plant in Grimsby (UK) became fully operational in 2025. Wastewater treatment plants in Mobile (USA) and Purwakarta (Indonesia) are progressing well
- An extraction agent purification plant was completed in Lenzing (Austria) in 2025
- Efficiency and improvement measures

The CapEx of the projects can be found in the "Actions" section of the "E1 Climate Change" and "E2 Pollution" chapters. Further details on current financial effects can be found in the note 1 in the Notes to the Consolidated financial statement as well as the Consolidated income statement, Consolidated statement of financial position, and Consolidated statement of cash flows in the Financial Statements.

## Changes to the previous reporting period

[SBM-3 48g]

Due to Lenzing's double materiality revision in 2025, changes to the impacts, risks and opportunities (IROs) compared to the previous period occurred. The number of material IROs was significantly reduced. While they are no longer considered material, the affected IROs remain relevant and will continue to be monitored periodically. The table below lists the IROs that were removed or merged into other IROs. Changes were made for several reasons including the absence of a business relationship, overlaps with existing topics and updated materiality rules. For a detailed explanation of the revision process and underlying rationale, please refer to the "Revision of materiality" section of this chapter.

## Removed impacts, risks and opportunities

Impact/risk/opportunity	Long description	Reason for revision
<b>E1 Climate change</b>		
<b>Climate change mitigation</b>		
Positive impact	Carbon sinks, such as forests, absorb more carbon dioxide than they release, helping to mitigate climate change. Managing forest sustainably and therefore maintaining healthy carbon sinks is important. Lenzing is contributing by sourcing its wood and pulp from certified or controlled sources, which have a positive effect on carbon sinks.	Materiality rule
Positive impact	Providing customers of its downstream value chain with low-carbon fiber products directly contributes to their Scope 3 emissions' reduction and achieving climate-related goals.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
<b>Energy</b>		
Positive impact	Driving the transition to fossil-free production through a circular business model and innovation. This leads to lower GHG emissions in the future, which has a positive impact on Lenzing's overall emissions.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
Positive impact	Supplier assessment and engagement to increase the use of renewable energy sources can lead to reduced GHG emissions along Lenzing's value chain.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
<b>E2 Pollution</b>		
<b>Microplastics</b>		
Positive impact	Microplastics are plastic particles smaller than 5 mm and can be released from plastic fibers through abrasion, e.g. from laundering. Laundering accounts for 35% of primary microplastics released into the environment. There are increasing concerns about microplastics harming humans and the environment. Lenzing's fibers do not release microplastics and can be an alternative to plastic fibers.	No business relations after mapping. Lenzing's products neither use nor generate microplastics. (See the opportunity in "E5 Resource use and circularity" chapter.)
<b>E4 Biodiversity and ecosystems</b>		
Risk and opportunity	Two risks for Lenzing belong to all material biodiversity sub-topics: Wood scarcity and high wood price. Wood scarcity due to non-resilient forests can lead to business losses as there might be no wood available or only at a high price. As biodiverse ecosystems are more resilient to outside stresses, biodiversity loss poses a great risk for Lenzing.	The climate risk aspect of this risk is already covered by risks in the "E1 Climate change" chapter. The other subtopics remain material for the "E4 Biodiversity and ecosystems" chapter.
<b>Climate change as an impact driver of biodiversity loss</b>		
Negative impact	Lenzing and its value chain contribute with its GHG emissions to climate change and with that to biodiversity loss. Lenzing has set an ambitious target to become net-zero by 2050.	Already covered by existing E1 Climate change IRO
Positive impact	Sustainably-managed forests can contribute to more biodiversity. Lenzing only sources wood from sustainably-managed forests and plantations. Outside of its value chain, Lenzing also engages in afforestation projects to protect areas vulnerable to deforestation.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
<b>Land-use change as an impact driver of biodiversity loss</b>		
Negative impact	Suppliers could potentially perform land-use change (e.g. transformation of natural grassland into plantations, or natural forest into plantation), which can potentially destroy ecosystems.	New calculation logic - likelihood curve
Opportunity	Positive positioning with best practice wood sourcing, Lenzing sources only from sustainably-managed forests and plantations. Outside of its value chain, Lenzing also engages in afforestation projects to protect areas vulnerable to deforestation.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
<b>Invasive alien species as an impact driver of biodiversity loss</b>		
Negative impact	The introduction of invasive alien species, whether accidental or intentional, can have significant impacts on ecosystems. This can occur directly, when the invasive species competes for resources with native species, or indirectly, if the invasive species carries new pathogens. Lenzing does not use any invasive alien species in its plantations in Brazil, as these plantations are FSC®-certified (FSC-C175509), and does not source from plantations that do. There are strong international precautions regarding the transport of plant material, which could potentially carry invasive species, to prevent such introductions.	Materiality rule
<b>Impacts on the state of species - Species global extinction risk</b>		
Negative impact	In general, part of Lenzing's assessment is whether species at risk of global extinction are negatively impacted by the company, e.g. through the effects of pollution at the production sites. In Brazil, the status (risk of extinction) of species is monitored. Some red-listed species occur in the vicinity of the plantations. Lenzing takes great care to manage conservation areas for these species.	Materiality rule
<b>Impacts and dependencies on ecosystem services</b>		
Negative impact	Lenzing, the economy and society are highly dependent on ecosystem services. The impacts on biodiversity described above can lead to a decline of ecosystem services (social, cultural, environmental, provisional etc.). As a supplier of regenerated cellulose fibers for the textile and nonwovens industry, some of these dependencies are essential for the upstream value chain, e.g. forestry. Lenzing is currently assessing this topic further. Preliminary assessment showed biggest dependencies on provisioning services, while Lenzing's supply chain may be impacting both in positive and negative ways, regulating and maintenance services (sequestration, bio-remediation, control of water erosion, run off, mitigation of floods, pest controls etc.) but also provisioning services such as water withdrawals.	This is a dependency risk and is already covered by the existing risk in the "E4 Biodiversity and ecosystems" chapter.

## E5 Resource use and circular economy

### Waste

Negative impact	Waste is a major outflow from the entire textile industry that can damage the environment if it is not disposed of properly.	Materiality rule
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### Sustainable innovations (entity-specific)

Positive impact	Providing customers of its downstream value chain with low-carbon fiber products directly contributes to their Scope 3 emissions' reduction and achieving climate-related goals.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
Opportunity	Showing leadership in pulp and fiber manufacturing with low environmental and social impacts with low-emission products. For example spun-dyed Lenzing fibers.	Integrated into ESRS structure, into the "E2 Pollution" chapter.
Opportunity	Lenzing's leadership in circular fiber innovation positions it to capture growing market demand for low-impact, resource-efficient materials. Through the use of recycled content, renewable wood, and closed-loop production processes, Lenzing supports downstream partners in achieving sustainability targets while aligning with emerging regulatory frameworks such as the EU Textile Strategy. This strategic positioning enhances customer loyalty, opens new market segments, and reinforces Lenzing's role as a sustainability frontrunner in the textile sector.	Integrated into ESRS structure, into the "E5 Resource use and circularity" chapter.

## S1 Own workforce

### Working conditions - Work-life balance

Negative impact	A lack of work-life balance can lead to physical, psychological and chronic impacts on the workforce.	New calculation logic - likelihood curve
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### Working conditions - Health and safety

Positive impact	Risk management in the workplace, training & education as well as supporting health measures & services contribute to a healthy and risk-aware workforce.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
Opportunity	A safe work environment, and supportive health measures for employees fosters an engaged and productive workforce.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.

### Equal treatment and opportunities for all - Measures against violence and harassment in the workplace

Negative impact	Harassment in the workplace can lead to serious negative psychological consequences for employees.	New calculation logic - likelihood curve
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### Equal treatment and opportunities for all - Diversity

Positive impact	Lenzing has a positive influence on diverse workforce through diversity-promoting measures.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
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## S4 Consumers and end-users

### Personal safety of consumers and/or end-users - Health and safety

Negative impact	Non-compliance with health and safety standards/regulations can impact the health and safety of consumers.	Is a risk and not an impact, already covered by existing risk in the "G1 Business conduct" chapter.
Risk and opportunity	Non-compliance can lead to lawsuit, monetary loss and reputation loss.	Integrated into "G1 Business conduct" chapter.
Opportunity	Achieving business and sustainability targets by monitoring and improving manufacturing processes.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions. No sufficient connection to the topic.
Opportunity	Leading the market in terms of product safety, product consistency, application performance, and service.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions. No sufficient connection to the topic.

## G1 Business conduct

### Corporate culture

Negative impact	Intransparency undermines the trust of stakeholders and decreases the morale of employees and may jeopardize the company's reputation. The director of the company may be held liable.	New calculation logic - likelihood curve
Positive impact	Transparency is essential for all compliance actions, as maintaining transparency in every aspect of your operations helps prevent corruption, bribery, and conflicts of interest.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.

### Corruption and bribery - Prevention and detection including training

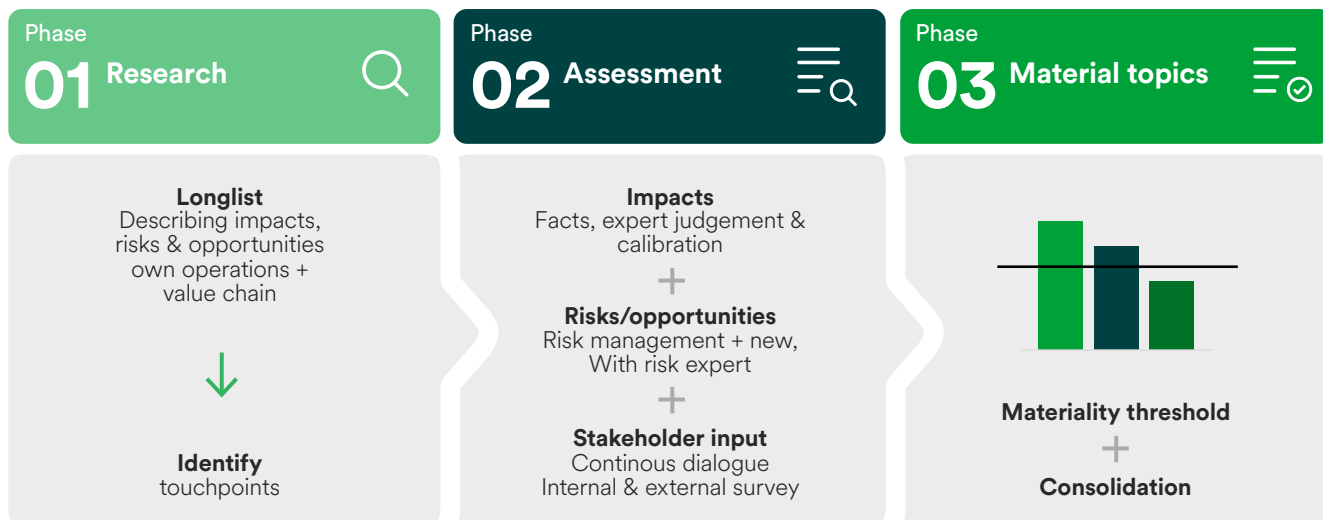
Negative impact	The absence of ongoing efforts, training, reaction and clear procedures can undermine your overall business conduct efforts and whole compliance activity.	Likelihood score was added, as this is a potential impact. With new score, the IRO is not material anymore.
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### Transparency (entity-specific)

Positive impact	Transparency is essential for all compliance actions, as maintaining transparency in every aspect of operations helps building trust with stakeholder.	No positive IRO according to ESRS, and was integrated into other elements of the report, such as actions.
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# Double materiality analysis

## Materiality analysis



## Revision of materiality

[IRO-153h]

Following its first ESRS-compliant Double Materiality Analysis (DMA) in 2024, Lenzing revised the methodology in the reporting year to improve structural clarity while maintaining the original assessment parameters (such as scale, scope and likelihood). A key enhancement was the introduction of clearer criteria for distinguishing between positive impacts and opportunities versus actions to mitigate negative impacts or address risks. The updated assessment is now more reflective of Lenzing’s key business relationships across the value chain, ensuring that both direct and indirect impacts are captured appropriately. In addition, selected IROs were either reassessed or consolidated to reflect updated insights and structural changes in the DMA process. This ensures that the materiality determination remains aligned with current business realities and the evolving relevance within the revised DMA framework. To ensure alignment with ESRS materiality requirements, the previous rule of automatic materiality – triggered when a single parameter was scored at highest level – was removed. Instead, such cases were subject to further scrutiny to determine actual materiality.

## Research and information sources

[IRO-153a]

Starting with the compilation of a so-called longlist, Lenzing conducted a comprehensive examination of activities within its own business operations and value chain. The primary focus was on assessing IROs, considering impacts the company has on ESG topics

and the impact the ESG topics have on the company (double materiality).

[IRO-153g]

The IRO assessment was informed by insights into sustainability issues, stakeholder needs and value chain research. Internal data collection involved drawing information from existing sources and internal expert knowledge. External data collection involved consulting scientific papers, reports from NGOs and reviewing industry reports.

[IRO-153e, 53f]

Lenzing’s risk management team provided expertise in assessing risks and opportunities. Most ESG risks and opportunities were already part of Lenzing’s risk management system and process, which is described in the “Risk management reporting” section in this chapter. The risks and opportunities that were additionally identified will be integrated successively into the risk management system. At present, impacts are not part of the risk management process.

## Context analysis

[E2 IRO-1 11a, E3 IRO-1 8a, E5 IRO-1 11a]

For environmental impacts, including the topics of climate, pollution, water and resource use, a context analysis is performed annually at Lenzing’s production sites to screen assets and activities, with findings consolidated at global level.

The context analysis and the other parts of the environmental management system are integrated into the DMA process. At product

level, LCA is the primary tool used for assessing cradle-to-gate impacts within direct and indirect operations, including the company's own pulp and fiber production and upstream supply chains. This not only supports substantiation of product-related environmental claims but also enables identification of areas for improvement such as pulp production (including recycling) or key chemicals. The procedure is supported by the environmental data collection process relating to in-house operations, including energy consumption and GHG emissions, other air emissions, water use, effluents, discharges of priority substances of concern and waste. In addition, primary data collection from suppliers is steadily increasing (e.g. on water use): while the focus was initially on pulp suppliers, primary data are now also being requested from important chemical suppliers. This systematic collection of data from Lenzing's own production and its suppliers is performed on demand and feeds into the continuous updates of LCA calculations for Lenzing's products.

### Pollution

In addition to the in-house environmental data collection process, the Higg Facility Environmental Module and the platform ZDHC Gateway help to evaluate performance. This is further supported by Lenzing's chemical management system and the chemicals inventory.

### Water

Water risk assessment at the corporate level is carried out by collecting contextualized qualitative and quantitative information on the supply chain and Lenzing's own production using the WRI Aqueduct Water Risk Atlas and WWF Water Risk Filter. These data and tools not only support evaluation of the current water situation and identification of areas with water risk for specific locations, including regions of high water stress. They also provide insight into future scenarios, such as those reflecting the effects of climate change on water availability and quality. This activity is a continuous annual process and was again conducted in the reporting year.

### Resource use and circular economy

Resource use and circular economy affect various areas – from measuring resource inflows and waste to the circularity of products. These areas are assessed and measured using the tools mentioned above.

## Approach

[IRO-1 53b i, ii]

In general, Lenzing endeavors to use a conservative approach for its double materiality analysis. The company mapped its key business relationships within its value chain, ensuring that indirect impacts are appropriately captured. An example of environmental impacts that Lenzing is aware of and that result from its business relationships are impacts from its wood and pulp suppliers. In this case, the environmental impacts are well established.

When considering environmental impacts and environmental-related risks in its own operations, Lenzing focused on production sites, as these inherently pose a higher risk of adverse impacts compared to office locations. The assessment of social impacts on workers in the value chain is an area where Lenzing recognizes the need for further improvement.

[IRO-1 53c i]

Lenzing considered the interconnections between IROs and tracked their cause-and-effect relationships to ensure that no IRO is overlooked during the evaluation process.

## Assessment

### Impact assessment

[IRO-1 53b, 53b iv, 53d]

The evaluation of impacts' severity was based on the following factors: scale, scope (for all impacts), irremediability (for negative impacts) and likelihood (for potential impacts). Impacts were then assigned following attributes:

- positive/negative
- actual/potential
- direct/indirect
- short-term (under one year)/medium-term (one to five years)/ long-term (more than five years)

All factors (scale, scope, irremediability and likelihood) ranged from zero to five, with five considered the highest level (such as not recoverable or irreversible when measuring irremediability). Severity was assessed by the topic experts according to scale, scope, and irremediability. Scale depicts the magnitude of the impact regarding the respective ESG topic. Scope considered the geographic reach of environmental impacts or the number of people affected in the event of social impacts. Irremediability, which is only applicable to negative impacts, illustrates how difficult it is to reverse an impact. Likelihood describes the frequency of potential impacts, from once in ten years to several times per month.

For an impact to be considered material, three rules were applied:

**1)** If any of the values of scope, scale, irremediability or likelihood is a five, the assessed impact is further scrutinized to determine actual materiality. **2)** If the severity (average of scale, scope, irremediability) lies above the materiality threshold of 3.7, the assessed impact is material. **3)** For "potential" impacts, the likelihood was also taken into consideration in the form of a severity/likelihood matrix. For human rights topics an additional matrix was used, in which severity takes precedence over likelihood.

To validate the results (which continue to apply in 2025), the assessment in 2024 was reviewed on two workshop days, including experts from the Corporate Sustainability and other relevant departments. Every impact evaluation was explained by experts and reflected as well as discussed in the group to achieve mutual agreement and interpretation of the results.

### Risk and opportunity assessment

[IRO-1 53c, 53c ii]

The following scales were used in relation to Lenzing's ESG risks and opportunities and their financial impact at the sub-topic level: on a scale of one to four (with four being the highest, at over EUR 3 million) describing the magnitude of the financial impact of the risk/opportunity for Lenzing; on a scale of one to five, the likelihood of occurrence (with five representing the highest likelihood).

The assigned time horizons are identical to those of the impact assessment. The nature of the impacts was attributed to the following categories: financial/manufacturing/natural/intellectual/human/social & relationship. A financial impact/likelihood matrix was defined to determine materiality.

The assessment was substantially supported by a Lenzing risk expert who helped to harmonize the approach based on knowledge, data and guidance. For more information on the climate-related risk assessment and the nature-related risk assessment, please see the corresponding sections below in this chapter.

[IRO-1 53c iii]

The above-mentioned approach for the risk and opportunity assessment was chosen to find a qualitative way to evaluate Lenzing's heterogeneous ESG risks. Risks in Lenzing's risk management system are usually assessed quantitatively applying the Monte Carlo method. In Lenzing's risk management system, however, ESG risks are either assessed qualitatively or quantitatively using different methods depending on their nature, data availability and requirements from different standards and ratings, such as TCFD and CDP.

## Stakeholder interests

[IRO-1 53b iii, E2 IRO-1 11b, E3 IRO-1 8b, E5 IRO-1 11b]

Throughout the year, Lenzing maintains a continuous dialog with its stakeholders. For information on Lenzing's stakeholders, please see the "Stakeholder management" section in this chapter.

The frequency of involvement varies depending on the topic and production site. For example, consultation with affected communities about environmental topics, such as noise and odor, varies greatly from site to site, especially at Lenzing sites with high proximity to potentially affected communities such as Nanjing (China), Lenzing (Austria) and Purwakarta (Indonesia), which are consulted on a regular basis.

To gather further input, both internal (including the Managing Board and heads of various departments and relevant experts) and external stakeholders (suppliers, customers, NGOs, the Supervisory Board, investors and academia) participated in a survey. The continuous dialog and the results of the survey were used in the double materiality analysis for informing and prioritizing Lenzing's material topics.

The process identified key stakeholder interests related to Lenzing, including expectations regarding ESG topic prioritization. These interests were subsequently evaluated to determine their significance for the material topics.

For further information on the updated materiality analysis, please see the "[Double materiality analysis](#)" focus paper.

## Climate-related risk assessment

Lenzing applies the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify, assess and manage climate-related impacts, risks, and opportunities. This process is embedded in the Enterprise Risk Management (ERM) system and reviewed annually to ensure alignment with evolving market and regulatory expectations. It includes consideration of the company's greenhouse gas emissions across Scope 1, 2, and 3 and evaluates how these emissions influence Lenzing's exposure to climate-related risks and opportunities.

[E1 IRO-1 20b, 20c]

The assessment uses a digital twin approach, which models Lenzing's assets and business activities in a virtual environment including the value chain. This enables the simulation of climate-related hazards and transition events under different scenarios and provides directional insights into potential financial impacts on cash flows, including revenue and cost implications. Physical risks refer to the potential impacts of climate-related hazards such as heatwaves, droughts, flooding, and windstorms, which may lead to asset damage, operational disruptions, and supply chain interruptions. Transition risks refer to the potential impacts arising from the shift to a low-carbon economy, including regulatory changes, carbon pricing, technology developments, and changes in consumer preferences, which may affect production costs, market demand, and reputation. Opportunities identified include the development of low-carbon products and technologies that support the transition to climate change mitigation scenarios.

[E1 IRO-1 20b, 21]

Scenario analysis is the basis for the identification and assessment of these risks and opportunities over short- (five years), medium- (ten years), and long-term (twenty years) horizons. The company applies multiple climate pathways based on IPCC's Shared Socio-economic Pathways (SSPs)<sup>4</sup>, ranging from low-emission scenarios to high-emission scenarios. The two opposite extreme climate scenarios for high emission levels (SSP3-7.0, "Current Policies") as well as the "Net Zero 2050" low-emission scenario (SSP1-2.6) were taken into special consideration for the assessment of physical and transition risks, respectively. The results of these two scenarios and a "Nationally Determined Contributions (NDCs)" scenario (SSP2-4.5) as well as their characteristics are described in detail in the tables "Risk and opportunity assessment – climate scenario characteristics" and "Projected Climate Risk Potential" in the "E1 Climate change" chapter.

Following last year's assessment, few methodological changes were introduced in 2025. These updates replace previous outlooks with latest storylines from the Network for Greening the Financial System (NGFS) Phase V, offering a clearer and more current view of how the world may respond to climate challenges. Lenzing maintained its TCFD-aligned approach and continued to monitor developments in climate science and regulation. Minor database updates required for model refinements have been included during the reporting year, such as wildfire impacts for physical risks on assets and raw materials like eucalyptus, hence the recalculated simulation produced updated results with slight changes to previous

<sup>4</sup> IPCC, Sixth Assessment Report, 2021.

year. The company acknowledges that climate risk quantification involves inherent uncertainty due to complex interdependencies and evolving external conditions. For this reason, in order to guide strategic decision-making and resilience planning, results are presented qualitatively.

## Nature-related risk assessment

[E4 IRO-1]  
[E4-1 13a, 13d]

In the reporting year, Lenzing continued its work under the Taskforce on Nature-related Financial Disclosures (TNFD) framework. This builds on the initial resilience analysis conducted in the previous year using the LEAP approach (Locate, Evaluate, Assess, Prepare)<sup>5</sup>. The company maintained its focus on evaluating nature-related physical, transition, and systemic risks as part of its Biodiversity Approach and Action Plan.

The assessment is based on three climate scenarios<sup>6</sup>: SSP1-1.9, SSP2-4.5, and SSP5-8.5. These scenarios provide insights into potential impacts under different emission pathways. They were applied to short-term (0–1 year), mid-term (1–5 years), and long-term (5–30 years) horizons.

[E4-1 13b, 13e]

The scope covers nine production sites in Austria, the Czech Republic, the United Kingdom, China, the USA, Thailand, Indonesia and Brazil. It also includes the wood supply chain in Austria and the Czech Republic. This supply accounts for about 70 to 80 percent of the wood used in Lenzing's European pulp mills.

[E4-1 13c, 13f]

Key assumptions remain unchanged. The resilience analysis did not assume a collapse of planetary ecosystems in the short- and medium-term scenarios. Detailed ecosystem scenario modeling was not yet included due to limited data availability. Expansion of the analysis, including broader coverage of the wood supply chain, is planned for future reporting periods. Upcoming methods and frameworks for state-of-nature assessment and ecosystem scenario modelling are monitored and assessed for applicability to Lenzing's context through the research collaboration with Wood K Plus (see in the "Actions" section in the "E4 Biodiversity and ecosystems" chapter). No stakeholders participated in the assessment, but Lenzing aims to increase their involvement in upcoming phases.

[E4-1 13e]

## Dependencies

Wood is the most important raw material for Lenzing. Lenzing is also mainly dependent on healthy forest ecosystems, as biodiversity and ecological functioning underpin the availability of wood.

Lenzing addresses these dependencies by prioritizing wood from well-managed forests and plantations certified under internationally recognized standards such as FSC<sup>®</sup> and PEFC.<sup>7</sup> These certifications include stringent biodiversity protection criteria and help maintain ecosystem services such as carbon sequestration, water regulation and habitat provision.

Lenzing uses two types of forestry in different global regions. In the Northern Hemisphere, wood and pulp suppliers in Europe and North America apply sustainable, multi-functional forest management. In the Southern Hemisphere, plantation forestry with high sustainability standards is practiced by Lenzing's pulp supplier in South Africa and at its own pulp plant in Indianópolis (Brazil).

Plantation forestry helps reduce pressure on natural forests by providing high-yield wood as an alternative to sourcing from primary forests. Although plantations represent only three percent of global forest area, they supply around 33 percent of global timber.<sup>8</sup>

## Risks

Risks identified in previous years remain relevant. Physical risks include droughts, floods, water stress, and forest health decline. Transition risks relate to regulatory changes and biodiversity requirements. Systemic risks arise from ecosystem disruptions and governance inconsistencies. These risks may cause operational disruptions, supply chain interruptions and resource price volatility over time, especially under high-emission scenarios.

Systemic risks and physical hazards such as floods and droughts require ongoing contingency planning. In the short term, these risks remain moderate but show early signs of stress. They become more pronounced over the medium-term. In the long-term, systemic and physical risks could escalate significantly, especially under high GHG emission scenarios. This highlights the need for adaptive strategies to ensure long-term sustainability and resilience.

For more information on mitigation of nature-related risks, please see the "Actions" section of the "E4 Biodiversity and ecosystems" chapter.

## Impacts

The primary potential impact on biodiversity and ecosystems arises from forestry-related land use in the Lenzing Group's operations and supply chain.

No significant impacts have been documented on biodiversity-sensitive or protected areas within 10 km of Lenzing's production sites or up to 30 km downstream. Likewise, no effects on threatened species have been attributed to Lenzing's operations. Therefore, it is not necessary to implement biodiversity mitigation measures in this regard. Further information on "Biodiversity sensitive areas and protected sites near Lenzing production sites" can be found in the section of the same name in the "annex".

<sup>5</sup> Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

<sup>6</sup> SSP1-1.9, SSP2-4.5 and SSP5-8.5. For a description see <https://www.dkrz.de/en/communication/climate-simulations/cmip6-en/the-ssp-scenarios>

<sup>7</sup> License codes: FSC-C041246, PEFC/06-33-92

<sup>8</sup> Bousfield et al., Nature Geoscience 16(2023), 1145-50 <https://www.nature.com/articles/s41561-023-01323-y>

Potential impacts on water, soil, and air can arise from production facility emissions or from transportation. For more information, please see the chapters “E2 Pollution”, and “E3 Water and marine resources”.

At the end of the textile and nonwoven value chain, biodiversity impacts may occur if non-degradable materials enter the environment due to incorrect disposal. For more information on biodegradability of Lenzing’s fibers, please see the “Metrics” section in the “E5 Resource use and circular economy” chapter.

## TNFD disclosures

For TNFD disclosures in metrics addressing wood scarcity and related to changes in land use, please see the table in the “Metrics” section of the “E4 Biodiversity and ecosystems” chapter. Additional metrics and indicators recommended by TNFD that are not directly connected to Lenzing’s ESRS IROs, can be found on the [Lenzing report website](#).

## Compliance-related assessment

[G1 ESRS 2 IRO-1]

In the process of identifying material impacts, risks and opportunities, materiality was evaluated based on metrics such as the number of reported cases, confirmed incidents as well as stakeholder interests. For example, the evaluation of the whistleblower protection topic and the prevention and detection of corruption was influenced heavily by Lenzing’s stakeholders, such as investors, reflecting their high interest in this topic.

## Data points from other EU legislation

[IRO-2 56]

### Datapoints derived from other EU legislation

Disclosure requirement		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/Not material
ESRS 2 GOV-121d	Board’s gender diversity	x		x		ESRS 2 General disclosures: Composition and diversity of board members
ESRS 2 GOV-121e	Percentage of board members who are independent			x		ESRS 2 General disclosures: Composition and diversity of board members
ESRS 2 GOV-4 30	Statement on due diligence	x				ESRS 2 General disclosures: Statement on due diligence
ESRS 2 SBM-140d i	Involvement in activities related to fossil fuel activities	x	x	x		Not material
ESRS 2 SBM-140d ii	Involvement in activities related to chemical production activities	x		x		Not material
ESRS 2 SBM-140d iii	Involvement in activities related to controversial weapons	x		x		Not material
ESRS 2 SBM-140d iv	Involvement in activities related to cultivation and production of tobacco			x		Not material
ESRS E1-114	Transition plan to reach climate neutrality by 2050				x	E1 Climate change: Climate action plan
ESRS E1-116g	Undertakings excluded from Paris-aligned benchmarks		x	x		Not material
ESRS E1-4 34	GHG emission reduction targets	x	x	x		E1 Climate change: Targets

ESRS E1-5 38	Energy consumption from fossil sources disaggregated by sources	x			E1 Climate change: Energy and fuels
ESRS E1-5 37	Energy consumption and mix	x			E1 Climate change: Energy and fuels
ESRS E1-5 40, 41, 42, 43	Energy intensity associated with activities in high climate impact sectors	x			E1 Climate change: Energy and fuels
ESRS E1-6 44	Gross Scopes 1,2,3 and total GHG emissions	x	x	x	E1 Climate change: Lenzing's greenhouse gas emissions
ESRS E1-6 53, 54, 55	Gross GHG emissions intensity	x	x	x	E1 Climate change: Lenzing's greenhouse gas emissions
ESRS E1-7 56	GHG removals and carbon credits			x	Not material
ESRS E1-9 66	Exposure of the benchmark portfolio to climate-related physical risks			x	Material; Phase-in
ESRS E1-9 66a	Disaggregation of monetary amounts by acute and chronic physical risk		x		Material; Phase-in
ESRS E1-9 66c	Location of significant assets at material physical risk		x		Material; Phase-in
ESRS E1-9 67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x		Not material
ESRS E1-9 69	Degree of exposure of the portfolio to climate-related opportunities			x	Material; Phase-in
ESRS E2-4 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x			E2 Pollution: Pollution of air and water
ESRS E3-19	Water and marine resources	x			E3 Water and marine resources: Policies
ESRS E3-113	Dedicated policy paragraph	x			E3 Water and marine resources: Policies
ESRS E3-114	Sustainable oceans and seas	x			Not material
ESRS E3-4 28c	Total water recycled and reused	x			E3 Water and marine resources: Water consumption
ESRS E3-4 29	Total water consumption in m <sup>3</sup> per net revenue on own operations	x			E3 Water and marine resources: Water consumption
ESRS 2 E4 SBM-3 16a i	Activities related to sites located in or near biodiversity-sensitive areas negatively affect these areas where conclusions or necessary mitigation measures have not been implemented or are ongoing	x			E4 Biodiversity and ecosystems: Biodiversity-sensitive areas
ESRS 2 E4 SBM-3 16b	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	x			Not material
ESRS 2 E4 SBM-3 16c	Own operations affect threatened species	x			Not material
ESRS E4-2 24b	Sustainable land / agriculture practices or policies	x			E4 Biodiversity and ecosystems: Policies
ESRS E4-2 24c	Sustainable oceans / seas practices or policies	x			Not material
ESRS E4-2 24d	Policies to address deforestation	x			E4 Biodiversity and ecosystems: Policies
ESRS E5-5 37d	Non-recycled waste	x			Not material (but can be found in Annex: Waste)
ESRS E5-5 39	Hazardous waste and radioactive waste	x			Not material (but can be found in Annex: Waste)
ESRS 2 S1 SBM-3 14f	Risk of incidents of forced labour	x			Not material (but can be found in S1 Own workforce: Managing social sustainability)
ESRS 2 S1 SBM-3 14g	Risk of incidents of child labour	x			Not material (but can be found in S1 Own workforce: Managing social sustainability)
ESRS S1-1 20	Human rights policy commitments	x			S1 Own workforce: Policies
ESRS S1-1 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x	S1 Own workforce: Policies
ESRS S1-1 22	Processes and measures for preventing trafficking in human beings	x			S1 Own workforce: Policies
ESRS S1-1 23	Workplace accident prevention policy or management system	x			S1 Own workforce: Policies
ESRS S1-3 32c	Grievance/complaints handling mechanisms	x			S1 Own workforce: Channels to raise concerns

ESRS S1-14 88b, c	Number of fatalities and number and rate of work-related accidents paragraph	x	x	S1 Own workforce: Health and Safety
ESRS S1-14 88e	Number of days lost to injuries, accidents, fatalities or illness	x		S1 Own workforce: Health and Safety
ESRS S1-16 97a	Unadjusted gender pay gap	x	x	S1 Own workforce: Gender pay gap
ESRS S1-16 97b	Excessive CEO pay ratio	x		S1 Own workforce: Annual total remuneration ratio
ESRS S1-17 103a	Incidents of discrimination	x		Not material (but can be found in S1 Own workforce: Raised concerns and human rights incidents)
ESRS S1-17 104a	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	Not material (but can be found in S1 Own workforce: Raised concerns and human rights incidents)
ESRS 2 S2 SBM-3 11b	Significant risk of child labour or forced labour in the value chain	x		S2 Workers in the value chain: Workers across the value chain
ESRS S2-1 17	Human rights policy commitments	x		S2 Workers in the value chain: Policies
ESRS S2-1 18	Policies related to value chain workers	x		S2 Workers in the value chain: Policies
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	x	x	S2 Workers in the value chain: Policies
ESRS S2-1 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8		x	S2 Workers in the value chain: Policies
ESRS S2-4 36	Human rights issues and incidents connected to its upstream and downstream value chain	x		S2 Workers in the value chain: Actions
ESRS S3-1 16	Human rights policy commitments	x		Not material
ESRS S3-1 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x	x	Not material
ESRS S3-4 36	Human rights issues and incidents	x		Not material
ESRS S4-1 16	Policies related to consumers and end-users	x		Not material
ESRS S4-1 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	Not material
ESRS S4-4 35	Human rights issues and incidents	x		Not material
ESRS G1-1: 10b	United Nations Convention against Corruption	x		G1 Business conduct: Policies
ESRS G1-1 10d	Protection of whistleblowers	x		G1 Business conduct: Policies
ESRS G1-4 24a	Fines for violation of anti-corruption and anti-bribery laws	x	x	G1 Business conduct: Metrics
ESRS G1-4 24b	Standards of anti-corruption and anti-bribery	x		G1 Business conduct: Metrics

# HIGHLIGHTS

# ENVIRONMENT

## CIRCULAR ECONOMY

### Turning waste into value

In 2025, Lenzing advanced chemical recycling technologies for cotton-rich textile waste and prepared for processing post-consumer textiles, the next big challenge. Our collaboration with Södra on textile recycling has continued and remained successful throughout the year. A highlight in 2025 was production of Lyocell staple fiber with 30% recycled content from Circ Inc., which recovers both polyester and cotton from polycotton garment waste. We also explored alternative raw materials like hemp, banana fibers, and aquatic plants, keeping innovation at the heart of our sustainability journey.

[More in the chapter >](#)



## BIODIVERSITY & ECOSYSTEMS

### Growing nature conservation areas

In 2024, we surpassed our goal of 20,000 hectares of nature conservation area in Brazil. By 2025, we expanded to over 23,000 hectares, prompting us to increase our ambition to 24,500 hectares. This progress reflects our commitment to restoring ecosystems and driving positive change.

[More in the chapter >](#)



## CLIMATE CHANGE

### Driving Decarbonization

Seven out of nine production sites run on 100% renewable grid electricity. Despite current market challenges, we continue to position low-carbon fibers to help our customers to reduce their supply chain emissions. Aligned with the Paris Agreement and UN SDG 13, Lenzing is driving ambitious climate goals: 42% reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions and 25% reduction in Scope 3 by 2030 (baseline 2021), as well as net-zero GHG emissions by 2050.

[More in the chapter >](#)



## CIRCULAR ECONOMY

### Proven bio-degradability

Scientifically confirmed: regenerated cellulose behaves like natural cellulose (e.g. cotton). A 2025 study by the Hydra Institute tested 122 scenarios across soil, compost, freshwater, and marine environments. The conclusion? Viscose, modal, and lyocell degrade as naturally as cotton. Environmental impact depends on product treatments, such as dyeing and finishing, not the fiber itself, reinforcing the sustainability of our cellulose fibers.

[More in the chapter >](#)



# EU Taxonomy Disclosures pursuant to Article 8 of Regulation (EU) 2020/852

In accordance with Regulations (EU) 2020/852 of the European Commission as of June 18, 2020, (EU) 2021/2139 of the European Commission as of June 4, 2021, (EU) 2021/2178 of the European Commission as of July 6, 2021, (EU) 2022/1214 of the European Commission as of March 9, 2022 and the adaptation of the Environmental Delegated Act (EU) 2023/2485 and 2023/2486 as of June 27, 2023, the Lenzing Group is required to disclose three key performance indicators, turnover, CapEx and OpEx. For the financial years 2025 and 2024, the Lenzing Group must disclose taxonomy-eligibility and taxonomy-alignment of its economic activities with respect to environmental objectives 1-6. The Lenzing Group has developed an EU Taxonomy Accounting Guideline that defines the methodology for determining and disclosing the three key performance indicators in accordance with Delegated Regulation (EU) 2021/2178. As part of the European Commission's Omnibus Initiative I in 2025, Delegated Regulation (EU) 2026/73—published in the Official Journal of the European Union on 8 January 2026—introduced amendments to Delegated Regulation (EU) 2021/2178 concerning Article 8 of the EU Taxonomy Regulation. These amendments result in reductions in the scope of reporting templates and, under certain conditions, simplifications in the assessment of covered economic activities.

The Lenzing Group applies the simplifications provided for in Delegated Regulation (EU) 2026/73 for the 2025 financial year. The disclosure of information pursuant to the EU Taxonomy Regulation (EU) 2020/852 in conjunction with Delegated Regulation (EU) 2021/2178 is made as of 31 December 2025 in the applicable version. As uncertainties regarding the legal interpretation of certain provisions still remain, the legal interpretations published by the European Commission in its notices in the Official Journal were considered appropriate. Taxonomy-eligibility refers to economic activities that are defined as such in the Taxonomy Regulation. Taxonomy-alignment goes beyond eligibility and implies that the respective economic activities meet the applicable technical screening criteria, make a substantial contribution to at least one of the six environmental objectives, do not significantly harm any of the other environmental objectives ("Do No Significant Harm"), and comply with the minimum safeguards.

To determine the Taxonomy-eligible activities, the Lenzing Group assessed all economic activities listed in the EU-Taxonomy for all consolidated group companies. The taxonomy-eligibility was determined based on the description of the economic activities. Due to the current state of EU legislation, not all economic activities and industries are covered by the six currently applicable environmental objectives. In 2022, the first two environmental targets were reported, which did not include Lenzing Group's core business activities (regenerated cellulose fiber production, dissolving wood pulp

production and supporting activities). The publication of the four additional environmental objectives and the adaptation of the existing goals have not changed this situation. Thus, the information on Taxonomy-eligible economic activities for the financial years 2025 and 2024 covers only a very small portion of activities within the Lenzing Group.

For the financial year 2025, the proportion of taxonomy-eligible turnover, capital expenditures (CapEx) and operating expenditure (OpEx) is each below the materiality threshold of 10% set out in Delegated Regulation (EU) 2026/73. In application of the simplification rules introduced through the Omnibus Initiative I, a further assessment of the taxonomy-alignment of the taxonomy-eligible economic activities was therefore not carried out. Within the company, social and human rights due diligence obligations are given a high priority and are embedded in internal policies, processes, and training. As part of the EU taxonomy reporting, the minimum social safeguards (Art. 18) were not assessed separately or in depth, as the share of taxonomy-eligible activities is below 10% and the simplification rules were applied accordingly. In accordance with Article 2(1a) of the EU Taxonomy Regulation, as amended by Delegated Regulation (EU) 2026/73, those economic activities of the Lenzing Group that are assigned to individual subordinate economic sectors are considered non-material, as their shares of turnover, CapEx and OpEx each fall below the 10% materiality threshold. These activities relate to non-core or supporting areas and do not have a material impact on the overall performance of the Lenzing Group.

The non-assessed considered non-material activities include economic activities that do not have a material impact on the key performance indicators turnover, capital expenditure (CapEx) and operating expenditure (OpEx) of the Lenzing Group. These activities comprise the following sectors: manufacture of soda ash (3.12), transmission and distribution of electricity (4.9), cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels (4.19), cogeneration of heat/cool and power from bioenergy (4.20), transport by motorbikes, passenger cars and light commercial vehicles (6.5) and acquisition and ownership of buildings (7.7).

The Lenzing Group avoids any double counting by evaluating the data for each key performance indicator independently. All identified economic activities only count once for the environmental objective of "Climate Change Mitigation". The Lenzing Group calculates the 3 KPIs (turnover, CapEx and OpEx) according to the definition of the Delegated Regulation (EU) 2021/2178. There were no significant changes in the application of the calculations compared to the previous financial year. The use of automatic data processing tools can lead to rounding differences in the addition of rounded amounts and percentage rates.

**Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities**

**Financial year 2025**

KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial years 2024	Proportion of Taxonomy-aligned activities in previous financial years 2024
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	EUR mn	%	EUR mn	%	%	%	%	%	%	%	%	%	%	EUR mn	%
Turnover	2,602.4	0.0%	0.0	0.0%									1.4%	0	0.0%
CapEx	144.7	0.0%	0.0	0.0%									8.8%	0	0.0%
OpEx	218.8	0.0%	0.0	0.0%									7.9%	0	0.0%

The total turnover covers the revenue recognized pursuant to International Accounting Standard (IAS) 1.82 (a), as adopted by Commission Regulation (EC) 1126/2008 and is reported in the consolidated financial statements 2025 (see consolidated income statement position "revenue"). The turnover derived from products or services, including intangibles, associated with Taxonomy-eligible and -aligned economic activities, is presented in relation to the total turnover.

The total CapEx covers book (not cash-effective) additions to property, plant and equipment, intangible assets, biological assets and right of use assets. The CapEx related to assets or processes associated with Taxonomy-eligible and -aligned economic activities, is presented in relation to the total CapEx.

### EU Taxonomy CapEx

	EUR mn 1-12/2025	EUR mn 1-12/2024
Additions to intangible assets (see note 17 of consolidated financial statements 2025)	1.3	0.8
Additions to property, plant and equipment excluding down payments	121.8	134.7
Additions to land and buildings (see note 18 of consolidated financial statements 2025)	3.3	11.1
Additions to technical equipment and machinery, factory and office equipment (see note 18 of consolidated financial statements 2025)	65.5	64.5
Additions to down payments and assets under constructions (see note 18 of consolidated financial statements 2025)	54.4	56.7
Reclassification of down payments (see note 18 of consolidated financial statements 2025)	-1.3 <sup>a</sup>	2.4 <sup>a</sup>
Additions to biological assets (see note 19 of consolidated financial statements 2025)	5.2	7.3
Additions to right of use assets (see note 20 of consolidated financial statements 2025)	16.4	13.1
<b>Total</b>	<b>144.7</b>	<b>155.9</b>

a) Additions include prepayments amounting to EUR 2.3 mn (2024: EUR 4.5 mn), which were capitalized in the financial year. The increase in advance payments made compared to the previous period amounts to EUR 3.6 mn (2024: EUR 2.1 mn).

The total OpEx covers direct non-capitalized operating expenses that relate to research and development, building renovation measures, short-term leasing, maintenance and repair. Maintenance and repair expenses relate to the day-to-day servicing of

property, plant and equipment assets (including maintenance material). OpEx associated with taxonomy-eligible economic activities are presented in relation to total OpEx.

### EU Taxonomy OpEx

	EUR mn 1-12/2025	EUR mn 1-12/2024
Maintenance and repairs including maintenance material (see note 6 of consolidated financial statements 2025)	184.2	180.7
Rental and leasing expenses (see note 21 of consolidated financial statements 2025)	7.1	8.5
Research and development expenses (see consolidated financial income statement 2025)	29.1	29.2
Less amortization and depreciation included in research and development expenses (see note 6 of consolidated financial statements 2025)	-1.7	-1.6
<b>Total</b>	<b>218.8</b>	<b>216.8</b>

# E1 Climate change

## ABSTRACT

Climate change is a core challenge for Lenzing due to the energy-intensive nature of dissolving wood pulp and fiber production. This chapter details Lenzing's climate strategy, which includes eliminating fossil fuels, deploying renewable energy, and investing in advanced technologies to enhance energy efficiency and reduce greenhouse gas (GHG) emissions across global operations. Progress is measured against science-based targets (SBTs) validated by the Science Based Targets initiative (SBTi), with near-term goals and a long-term ambition to achieve net-zero emissions by 2050 in line with the Paris Agreement. The chapter also addresses climate-related risks and opportunities in a changing regulatory and market environment, highlighting the importance of innovation and resilience. Lenzing reports transparently through CDP and TCFD frameworks and has achieved CDP "A" rating for Climate Change for five consecutive years, thereby underscoring its leadership position in climate action.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
Climate change adaptation	Risk - OO & upstream VC - Medium- to long-term	Climate models indicate that rising global mean temperatures will lead to an increase in chronic physical climate hazards. Lenzing's operations and supply chain could be increasingly affected by extreme weather events, water scarcity and other physical hazards of varying severity. All identified risks arising are managed by Lenzing through comprehensive supplier diversification and holistic inventory and resource management.	*Sustainability Policy (also VC)  *Group Environmental Policy and Standard	*No target  *VC: Supplier engagement	*Risk and opportunity assessment    Lenzing's response on chronic physical climate risks [E1 SBM-3] (also VC)	*GHG emissions (E1-6)
	Risk - Upstream VC - Long-term	As wood is one of Lenzing's most important raw materials, risks of wood unavailability rise due to forest degradation (diseases, pests, etc.) as a direct consequence of higher average temperatures can affect its core business.	*VC: Sustainability Policy	*Outside VC: Conservation projects	*Nature-based solution	No metric
	Risk - OO - Short- to medium-term	Wood is the most important natural resource for the Lenzing Group as it is needed for manufacturing regenerated cellulose fibers. Despite Lenzing's sustainable sourcing policy and backward-integrated production, wood prices are at risk of increasing due to climate change and growing competition for biomass and land use.	*Sustainability Policy	*Outside VC: Conservation projects	*Nature-based solution	No metric
Climate change mitigation	Risk - OO - Short- to medium-term	Increasing regulation, especially on green taxation and carbon pricing, constitutes a relevant risk for Lenzing. In the countries where Lenzing has carbon-intensive processes, regulations on greenhouse gas (GHG) emissions have already been implemented (such as energy efficiency improvements and regulated emission allowances) and stricter regulations that could increase the costs of GHG emissions are under development. Lenzing is implementing stringent energy efficiency measures in order to reduce its potential exposure to green taxation.	*Sustainability Policy  *Policy for Health, Safety and Environment  *Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever	*GHG emissions (E1-6)

	Opportunity - OO - Medium- to long-term	The Lenzing Group considers rapid decarbonization to be a major business opportunity to de-risk its operations, build resilience, launch products with lower climate impact and realize energy efficiency gains. Lenzing will substantially reduce its GHG emissions in the coming years through a number of corresponding measures (decarbonization strategy) and science-based targets. Furthermore, Lenzing aims to reach net-zero greenhouse gas emissions by 2050.	*Sustainability Policy  *Policy for Health, Safety and Environment  *Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target  *FEM	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever	*GHG emissions (E1-6)
<b>Energy</b>	Negative impact - Actual - OO - Long-term	By using non-renewable energy sources or inefficient energy conversion technologies, Lenzing generates GHG emissions which contribute to global climate change.	*Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target  *FEM	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)  *GHG emissions (E1-6)
	Risk - OO - Short-term	Risk of not achieving energy transformation in line with the Lenzing Group's science-based targets.	*Sustainability Policy  *Policy for Health, Safety and Environment  *Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)  *GHG emissions (E1-6)
	Risk - OO - Medium- to long-term	Lenzing's reputation could be damaged if the sustainability requirements with regard to energy sources are not met. Lenzing has energy-intensive processes that result in GHG emissions and is facing increasing pressure from customers and EU directives to address its carbon footprint, which poses a risk for Lenzing if expectations are not met.	*Bioenergy Policy  *Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target  *FEM	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)  *GHG emissions (E1-6)
	Risk - OO - Medium- to long-term	Commodity prices (e.g. wood, pulp and chemicals) could increase due to the availability of energy and price volatility as a result of climate change. For example, an increase in the price of wood due to increasing demand for renewable energy sources, zero deforestation trends and/or more frequent pests and diseases (e.g. pest infestations) due to changing weather patterns as a result of climate change.	*Bioenergy Policy	*Near-term science-based target  *Long-term science-based net-zero target	*Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)
	Risk - OO - Short-term	With the Renewable Energy Directive (RED II /III) biomass could be reclassified and no longer count as renewable.	*Bioenergy Policy	*Near-term science-based target  *Long-term science-based net-zero target	*Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)
	Risk - OO - Short-term	Unforeseen energy shortages could compromise Lenzing's operations, which can pose a financial risk.	*Sustainability Policy  *Group Environmental Policy and Standard	*Near-term science-based target  *Long-term science-based net-zero target	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)
	Opportunity - OO - Medium- to long-term	Lenzing identifies an opportunity to position itself favorably by proactively addressing environmental challenges. In addition, energy costs can potentially decrease in the long term by using renewable energy sources and new technologies. This can lead to a market advantage if the transition is done quickly.	*Bioenergy Policy	*Near-term science-based target  *Long-term science-based net-zero target	*Continuous improvement lever  *Low-carbon fuels (fuel switching) lever  *Supplier engagement lever  *Renewable electricity lever	*Energy consumption and mix (E1-5)

OO...Own operations

VC...Value chain

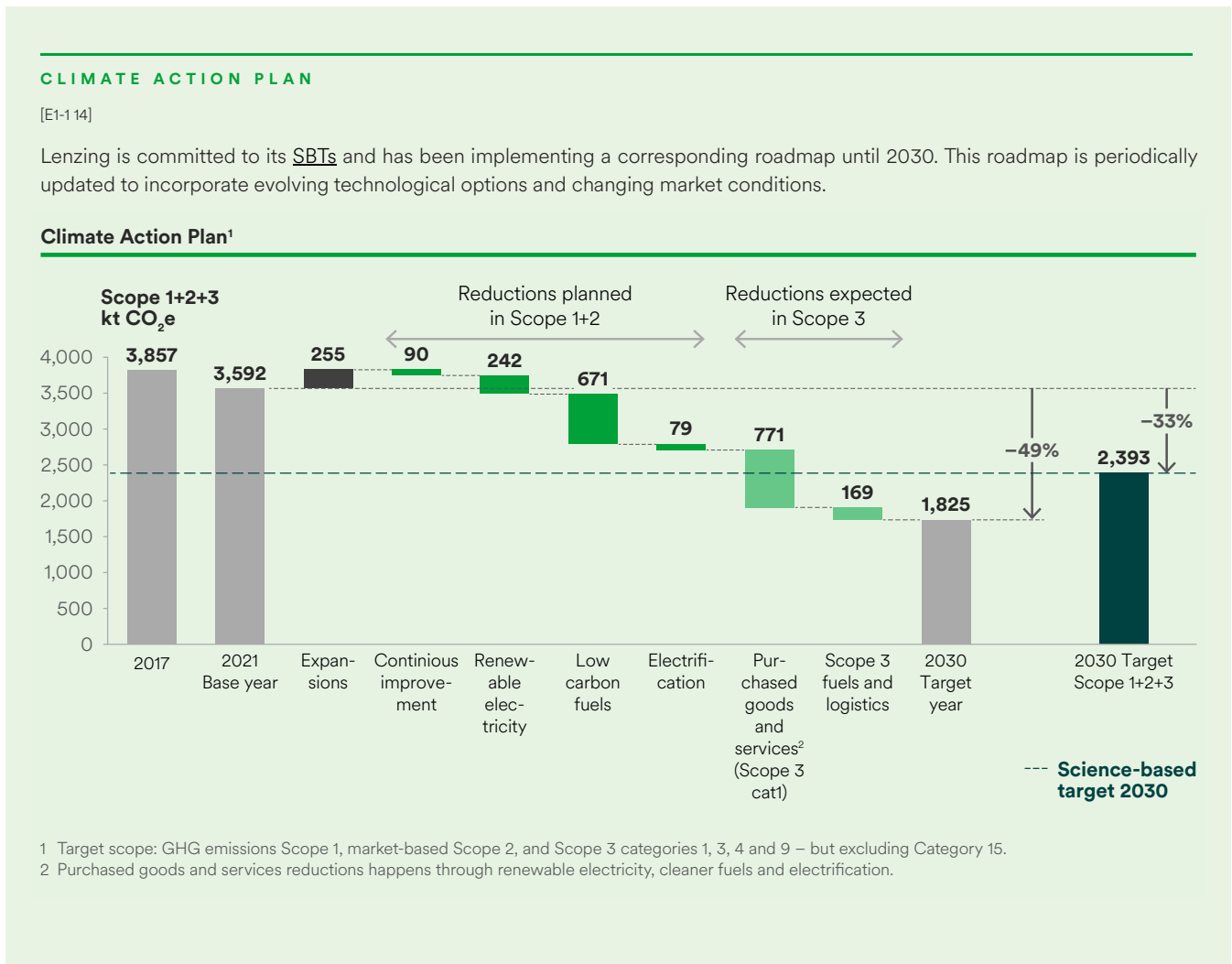
# Strategy

[ESRS E1-1]

## Climate action plan

[E1-116a, 16g]

In line with the Paris Agreement’s 1.5 °C target and UN SDG 13, Lenzing has set ambitious near- and long-term science-based targets (SBTs). By 2030, the company plans to reduce absolute GHG emissions by 42 percent in Scope 1 and 2 and by 25 percent in Scope 3 (baseline 2021). Lenzing has a climate action plan until 2030, which is presented in the following box. In addition, Lenzing also aims to achieve net-zero GHG emissions by 2050. The Lenzing Group is included in the EU Paris-aligned benchmarks.



## Alignment with business strategy

[E1-116h, 16i, 17]

Lenzing’s corporate strategy incorporates climate targets into its strategic decision-making. The climate action plan for mitigation, approved by the Managing Board, is part of Lenzing’s long-term business strategy. Projects are assessed for their benefits and their contribution to climate change impact as part of the Managing Board’s decision-making process. In the yearly mid-term plan (MTP) budgeting process, projects are assessed for their relevance to the climate action plan and their GHG emissions. The results serve as an additional decision criteria. Lenzing is working to strengthen the plan to meet the formal requirements for a transition

plan as defined under the European Sustainability Reporting Standards (ESRS) by 2028.

[E1-116b, 16c, MDR-A 69b]

Lenzing has invested around EUR 30 mn in its viscose site in Nanjing (China) to transition from coal to natural gas. In addition, Lenzing has implemented numerous climate-related initiatives. These include buying grid-based renewable energy at seven facilities globally and purchasing more than 70 percent biomass energy for its lyocell site in Prachinburi (Thailand). These initiatives have led to higher operational expenditures (OpEx) for the Group. Lenzing is able to offer premium products with a low-carbon footprint thanks to these measures. Additionally, Lenzing is constantly engaging with suppliers to procure low-carbon raw materials through long-

term contracts. In accordance with its set SBTs ambitions and the climate action plan, innovative concepts to further decarbonize Lenzing sites and the supply chain in different countries are evaluated continuously (please see the roadmap for key levers). For example, Lenzing is considering an investment at its Heiligenkreuz (Austria) site in a project that would significantly reduce fossil fuel use and GHG emissions. For more information on the key actions described by the decarbonization levers, see the “Actions” section in this chapter.

## Status and barriers

[E1-116 j]

At present, a challenging market environment, among other factors, hampers the implementation of key elements of the action plan. These include the availability and accessibility of grid-based renewable electricity and unequal costs of renewable fuels (such as green hydrogen and ammonia) compared to fossil-based energy sources. Further barriers include the lack of a level playing field for low-carbon products and the limited willingness of business partners to share the costs and risks of investments.

Lenzing collaborates with partners and policy makers to explore solutions that overcome these barriers, create incentives for implementing climate action plans, and support the transformation of the industry.

The existing cross-functional project team remains in place and is dedicated to deploying Lenzing’s decarbonization strategy under the leadership of the global project manager and with the sponsorship of the Chief Pulp & Technology Officer (CPO). The project management team includes a steering committee that aligns across all decision-makers and functions, expedites decisions and ensures the involvement of different owners of capital projects, sites and functions. The global project manager is operationally responsible for facilitating roadmap preparation and bringing best practice examples to implement climate targets at facility and group levels. This manager also supports functions in integrating climate considerations in business decisions. To ensure engagement and empowerment, production sites and functions are responsible for developing and implementing roadmaps to manage their portfolios and specific agendas in the medium- and long-term, facilitated by the global project manager.

## Locked-in GHG emissions

[E1-116d]

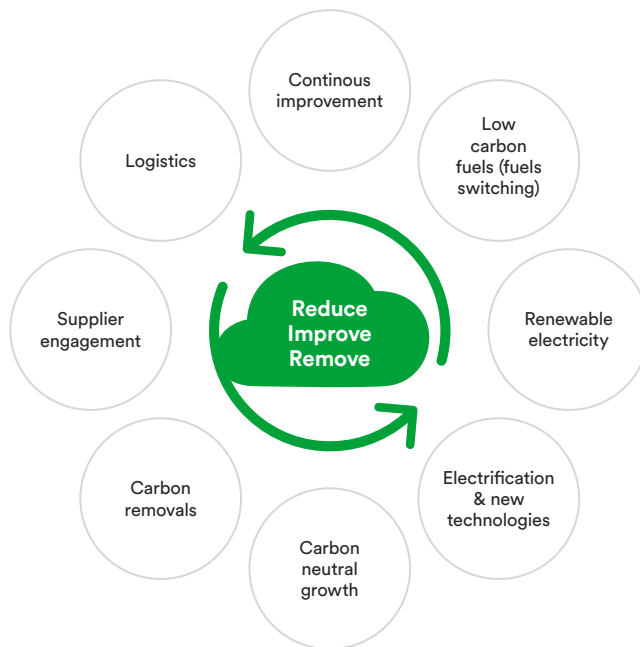
Lenzing’s coal boilers at the site in Purwakarta (Indonesia) and the waste incineration plant at the site in Lenzing (Austria) are significant sources of future locked-in GHG emissions throughout their operational lifetimes. These emissions could jeopardize the achievement of near-term and net-zero SBTs if the current infrastructure is not changed. Replacing coal boilers with new equipment compatible with alternative fuels could substantially mitigate these risks and support the GHG emission reduction targets. However, many barriers and challenges remain and need to be addressed with the support of business partners and initiatives (see “Status and barriers” section).

## Levers to reach science-based targets

[E1-116b]

Based on technical feasibility, Lenzing deploys different levers to reduce Scope 1, 2 and 3 emissions, as shown in figure “Levers to reach science-based targets”. For additional information on the key actions described by the decarbonization levers, see the “Actions” section in this chapter.

### Levers to reach science-based targets



# Risk and opportunity assessment

[E1 ESRS 2 SBM-3 19a, 19b]

The Task Force on Climate-related Financial Disclosures (TCFD) assessment procedure was implemented at Lenzing for the first time in 2020. After adopting a TCFD risk assessment procedure based on an external Software-as-a-Service solution in 2024, the evaluation has been further refined in the reporting year to include

most recent emission pathway narratives for quantification of climate change-related risks in Lenzing’s operations and its value chain. The analysis covered effects on short-, medium- and long-term time frames and took into consideration different emission scenarios to capture drivers of physical and transitional risks. The following table “Risk and opportunity assessment - climate scenario characteristics” summarizes the scenarios’ narratives and assumptions.

## Risk and opportunity assessment - climate scenario characteristics<sup>a</sup>

NGFS climate scenario	Current Policies	NDCs	Net Zero 2050
<b>Associated Shared Socio-economic pathways (SSP)</b>	<b>SSP3-7.0</b>	<b>SSP2-4.5</b>	<b>SSP1-2.6</b>
Global temperature rise (by 2100)	3.0 °C	2.3 °C	1.4 °C
Policy narrative	Only currently implemented policies are preserved, leading to high physical risks.	Includes all pledged country targets even if not yet backed up by implemented effective policies.	Limits global warming to <1.5 °C through stringent climate policies and innovation, reaching global net-zero GHG emissions around 2050.
Policy reaction	None (current policies)	Aligned with Nationally Determined Contributions (NDCs)	Immediate and smooth
Technology change	Slow	Slow	Fast
Carbon dioxide removal	Low	Low-medium	Medium-high
Regional variation	Low	Medium	Medium
Global carbon price (2030, 2050)	\$ 13	\$ 107	\$ 244
Global sustainable purchasing trend - % share of population purchasing sustainably (2030)	37%	38%	52%

a) Source: Resilience carbon price and consumer trend analysis including the Network for Greening the Financial System (NGFS) Scenarios Portal

## Assessment outcome

[E1 ESRS 2 SBM-3 18, 19c]

Outcomes of the quantified risks are summarized in the table “Projected Climate Risk Potential”. They are presented qualitatively in low-, medium- and high-risk categories in line with the internal Enterprise Risk Management (ERM) framework and the double materiality approach.

## Projected Climate Risk Potential

Risk category <sup>a</sup>	Current Policies			NDCs			Net Zero 2050			Result description	Key assumptions
	0-5	6-10	11-20	0-5	6-10	11-20	0-5	6-10	11-20		
Transitional risks	Policy			NDCs			Net Zero 2050			In a Net Zero 2050 scenario, the transition to a low-carbon economy would involve more stringent carbon regulations, reflected globally in carbon prices to keep temperatures below 1.5 °C. This would result in a greater policy risk for Lenzing. The risk "Emerging regulations on carbon pricing" is further described in table "Transition risks, physical risks and transition opportunities".	The policy model contains carbon pricing data per country and sector which is then applied to each country and scope of emissions. Upstream impacts relate to costs of carbon pricing, while downstream impacts affect revenue (as reflected in higher product prices).
	Technology			NDCs			Net Zero 2050				

Consumer sentiment						<p>In a Net Zero 2050 scenario, the shift to a low-carbon economy would lead to a contraction in some of the sectors that Lenzing serves, thereby reducing Lenzing's customer base and hence overall demand.</p> <p>At product level, Lenzing's product portfolio is positioned as a sustainable alternative and could therefore benefit from increased demand as customers shift towards more sustainable purchasing decisions. This is addressed in two transition opportunities that are described in more detail in the table "Transition risks, physical risks and transition opportunities".</p>	<p>The Consumer Demand model covers not only consumer demand for products, but also the macro demand of business sectors for Lenzing's products. A generalised sector split to the demand model still needs improvement to better reflect B2B relations of Lenzing.</p>
Liability						<p>Liability risk for Lenzing is minimal as their sector and location is less likely to be subject to litigation and emissions intensity is close to the sector average.</p>	<p>Liability risk is based on Lenzing's sector, location, market share and emissions intensity compared to sector average.</p> <p>No additional risk assumed in long-term projection as 10 years are considered to peak for lawsuits.</p>
Investor sentiment						<p>Investor risk for Lenzing is minimal as its emissions intensity is close to the sector average.</p>	<p>Investor risk is based on Lenzing's cost of capital and the emissions intensity of Lenzing compared to the sector average.</p> <p>No additional risk assumed in long-term projection as 10 years are considered to peak for investor sentiment.</p>
Reputation						<p>In a Current Policies scenario, global action on climate change slows and high-emitting industries are therefore increasingly targeted by consumer activism.</p> <p>On the other hand, the transition to a lower carbon economy in a Net Zero 2050 scenario means that individual companies that are not taking action to combat climate change in line with their peers will be at great risk of consumer activism.</p> <p>The risk "Reputational risk in the textile sector" is further described in the table "Transition risks, physical risks and transition opportunities".</p>	<p>The reputation model shows impacts in terms of reduced demand for products, as activism and boycotts increase.</p> <p>No additional risk assumed in long-term projection as 10 years are considered to peak for boycotts.</p>
Physical risks Facility disruption & Supply risk						<p>The increasing severity and frequency of heatwave events is potentially the largest driver of revenue loss at Lenzing facilities.</p> <p>The raw materials risk for Lenzing is assessed as minimal under the applied model, as the analysis currently covers only spruce and eucalyptus.</p> <p>Despite no significant financial risk being evaluated in this process as well as given limitations on background data availability, such as for beech, the "Chronic physical climate risks" are further described in table "Transition risks, physical risks and transition opportunities".</p>	<p>The facility disruption model applies vulnerability curves, showing operational days lost and time to recover, of different climatic events to each facility based on their facility type. A value per day of disruption is then generated for each facility to calculate the overall revenue loss and assets damage costs.</p> <p>Supply risk is based on Lenzing's raw material volume for European spruce and pine, the sourcing footprints and the dependency of Lenzing products on the availability of this raw material. In the latest iteration, only data for climate change-related effects on spruce and eucalyptus was available. However, other tree species important for Lenzing, such as beech, are not yet available in the model, thus a comprehensive risk analysis of the entire raw material supply base was not yet possible.</p>

a) Description of risk categories

Policy: Legislation enacted by governments to price and penalize GHG emissions.

Technology: Disruptive lower-carbon technology changes in key economic sectors and risks to carbon-intensive assets and operations.

Consumer sentiment: Consumer preferences shift towards sustainable alternative products and services, thereby transforming market demand.

Liability: Litigation initiated by plaintiffs against companies for alleged liabilities arising from climate-change-related harm.

Investor sentiment: Investors prioritize returns from lower-carbon companies, driving changes in the cost of capital and company valuations.

Reputation: Customer activism influenced by the company's actions to address climate change risk.

Physical risks: Combines risk categories of "Facility disruption" (Climate change causes a variety of weather events that impact the ability to operate facilities and cause damage to assets.) and "Supply risk" (Changes in temperature and precipitation due to climate change affect the yield of raw materials at growing locations.)

**Color code**

Low risk

Medium risk

High risk

The following table, "Transition risks, physical risks and transition opportunities", outlines key climate-related risks and opportunities identified in the Lenzing ERM system and provides details of Lenzing's response and mitigation measures. A TCFD index in the "Annex" of this report shows the link between the TCFD recommendations, the contents of this report and other external publications such as the CDP Climate Change questionnaire.

## Transition risks, physical risks and transition opportunities

Characterization	Risk/opportunity description	Lenzing's response
<b>Transition risks</b>	<b>Emerging regulations on carbon pricing</b>	
	Emerging regulations, especially on green taxation and carbon pricing, constitute relevant risks to Lenzing. In the countries where Lenzing has carbon intensive processes, regulations on GHG emissions have already been implemented (energy efficiency improvements, regulated emission allowances). More stringent regulations that could increase the costs of GHG emissions are under development. A qualitative impact assessment, including a detailed description of this risk, is provided in the climate risk analysis under the "policy" category in table "Projected Climate Risk Potential".	Lenzing's risk response strategy aims to reduce its exposure to potential green taxation by implementing stringent measures to reduce GHG emissions and by proactively managing its technology portfolio. Lenzing's SBTs were updated in 2023 to align with the 1.5 °C pathway and aim to reduce total GHG emissions by 42 percent in Scope 1 and 2 and by 25 percent in Scope 3 by 2030, compared to a 2021 baseline. Therefore, the company is mitigating risks associated with emerging carbon pricing regulations. Lenzing also has a validated long-term science-based net-zero target, committing to a 90 percent absolute reduction of Scope 1, 2 and 3 emissions by 2050, based on the same baseline.
	<b>Increased biomass costs</b>	
	Wood is the Group's most important natural resource for manufacturing regenerated cellulose fibers. Despite Lenzing's sustainable sourcing policy and backward-integrated production, wood prices are at risk of increasing due to climate change, rising global biomass demand and alternative land use. Growing competition for land use and natural resources is affecting long-term structural biomass prices. The risk of increased biomass costs is not fully reflected in the results of the climate risk analysis as the risk model was limited to a few wood species relevant to Lenzing, such as spruce and pine.	Lenzing has already taken various measures to mitigate this risk, with supplier diversification serving as the key risk mitigation approach. By procuring wood from a broader range of countries or less risk exposed wood species (such as pine), Lenzing minimizes the risk of supply chain disruption that may occur in a single sourcing region. In 2022, Lenzing also started producing dissolving wood pulp at its new pulp mill in Brazil. This mill is supplied by Lenzing's own FSC® certified plantation (License codes: FSC-C175509, FSC-C165948) located next to the mill. Consequently, Lenzing's pulp mills are not exclusively dependent on European wood supplies. To further reduce long-term residual risk, Lenzing endorses sustainable forest management to improve forest resilience to the negative impacts of climate change. Lenzing also invests in selected conservation projects to strengthen forest resilience.
	<b>Reputational risk in the textile sector</b>	
	The textile industry, where Lenzing's products are commonly used, is under scrutiny for its sometimes unsustainable and resource-intensive raw material consumption and production processes. This could lead to negative media coverage and further stigmatize the sector, which may, in turn, affect the Group's revenue. A qualitative impact analysis for Lenzing resulting from the reputational risk in the textile sector is reflected in the results of the climate risk analysis in the "Reputation" section and to a lesser extent in the "Consumer sentiment" category in table "Projected Climate Risk Potential".	Lenzing has various targets to address important sustainability impacts and continuously improves its environmental footprint. Lenzing proactively and transparently discloses information on its business practices and environmental footprint to respond to potential negative media coverage of the fashion and textile industry. Through its communication channels, Lenzing underlines its contributions to a low-carbon economy and the net-benefits created by its specialty products compared to generic products on the market.
<b>Physical risks</b>	<b>Chronic physical climate risks</b>	
	Climate models indicate that rising global mean temperatures will lead to an increase in chronic physical climate hazards. The Lenzing Group's operations and supply chain could be increasingly affected by extreme weather events, water scarcity or other physical hazards of varying severity. From a supply chain perspective, climate change impacts such as heavy rainfall or forest fires could disrupt Lenzing's key pulp supplies or affect the new pulp plant in Brazil. This could lead to shortages of high-quality pulp and bottlenecks in fiber production. Climate-change-induced disruptions such as heat stress could lead to more frequent pest outbreaks, droughts and rising winter temperatures. These conditions could disrupt wood suppliers' planned harvest schedules and pose risks to Lenzing's wood supply, especially for European pulp mills. For Lenzing's own production facilities, water scarcity could limit water withdrawals from the Ager river at the Lenzing site during extended dry periods, especially in the summer. This would reduce production capacity. The effects of climate-related physical risks on Lenzing's own production facilities as well as on Lenzing's supply chain including a number of key suppliers, were taken into account in the climate risk analysis presented in table "Projected Climate Risk Potential".	All identified risks from disruption in the supply chain for raw materials, chemicals and energy needed for pulp and fiber production are managed by Lenzing. This is performed through comprehensive supplier diversification and holistic inventory and resource management. In addition, Lenzing has initiated the "Safe Supply" project. This includes around 300 initiatives for alternative suppliers and supply routes for important raw materials and chemicals. The effects of heavy rainfalls and potential flooding caused by climate change at affected locations are mitigated through flood protection and evacuation plans. These plans are based on flood risk assessments. Possible water shortages due to prolonged dry periods at affected production sites are addressed through targeted measures in water efficiency, reuse, recycling and conservation.

As consumer needs and preferences shift toward low-carbon products, the development and expansion of low-carbon goods and services is expected to offer substantial growth potential. Lenzing applies life-cycle thinking, sustainable sourcing, efficient biomass use and partnerships with stakeholders along the value chain in order to contribute to more sustainable consumption and production patterns. Taken together, these factors mean that Lenzing's products offer net-benefits.

In order to benefit from the expected higher demand for responsibly produced and low-carbon products, Lenzing has embarked on an ambitious growth strategy. In 2022, Lenzing commissioned a new lyocell fiber plant in Thailand and a new pulp plant in Brazil as well as the conversion of the Indonesian site to LENZING™ ECOVERO™ viscose fibers with lower emissions. This conversion led to EU Ecolabel certification. The site also switched to modal fiber production. In 2023, the Nanjing (China) site shifted from coal to natural gas-based energy and a new biomass power plant in Heiligenkreuz (Austria) was also acquired. Lenzing makes an important contribution to reducing GHG emissions and to strengthening the Group's low-carbon product portfolio.

**Decarbonization strategy de-risks operations**

The Lenzing Group considers rapid decarbonization as a major business opportunity to de-risk its operations, build resilience, launch products with lower climate impact and realize energy efficiency gains. Lenzing will substantially reduce its GHG emissions in the coming years through a set of measures under its decarbonization strategy and SBTs. Furthermore, Lenzing aims to reach net-zero GHG emissions by 2050.

Lenzing's SBTs are approved by the Science Based Targets initiative (SBTi), making Lenzing one of the first regenerated cellulose fiber producers with approved SBTs. Lenzing's decarbonization strategy is based on reducing its emissions rather than offsetting them. To reach these targets, Lenzing set up a cross-functional steering committee under the leadership of the Managing Board to make necessary decisions. Lenzing's GHG abatement activities will involve a series of measures to reduce carbon emissions both within its operational boundaries and along its supply chain.

## Policies

[E1-2, MDR-P 65]

Policy	Bioenergy Policy
<b>Accountability</b>	Chief Pulp Officer (CPO) Vice President (VP) Operations and site directors
<b>Scope and coverage</b>	Lenzing Group  Upstream value chain
<b>Objective and key elements</b>	Objective: The objective is to provide guidance on biomass sourcing for Lenzing's energy production as well as for the biomass sourcing of third parties delivering bioenergy to members of the Lenzing Group.  Key elements: Lenzing aims to source biomass from non-controversial sources. For woody by-products and agricultural residues, Lenzing requires transparency about the sourcing region, legal harvesting and a low risk of deforestation. Compliance with the policy is ensured through regular risk assessments specific to sourcing regions, audits and on-site visits, as well as independent third-party certification of biomass for energy programs.
<b>Third party standards / initiatives</b>	ILO Declaration on Fundamental Principles SURE (Sustainable Resources Verification Scheme)
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	E1 Climate Change E1-2 25d Switching to renewable energy is a core objective of Lenzing's climate action plan.

Three further policies also govern the topic of climate change. For the minimum disclosure requirements and information about all topic-specific requirements - climate change mitigation, climate change adaptation, energy efficiency and renewable energy - of the "Sustainability Policy", please see the "Sustainability strategy" section of the "ESRS 2 General information" chapter. For those – including topic-specific requirements climate change mitigation and energy efficiency - relating to the Policy for Health, Safety and Environment as well as the Group Environmental Policy and Standard, please see the "Policies" section of the "E2 Pollution" chapter.

## Actions

[E1-3, MDR-A 68a]

List of key actions

- Continuous improvement lever
- Low-carbon fuels (fuels switching) lever
- Renewable electricity lever
- Supplier engagement lever
- Nature-based solutions

Roadmaps are updated at both Group and site levels, including governance and oversight by the steering committee. Actions of defined roadmaps either lead directly to emission reductions or influence the emission reductions trajectory through the planning and implementation of the decarbonization levers.

Customer engagement actions create the pull for implementing measures in Scopes 1, 2 and 3. Lenzing aims to engage TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ customers, as well as customers with approved SBTs and climate commitments. It is crucial to engage these customers in purchasing products with a low-carbon footprint. Such partnerships thereby boost GHG emission reduction ambitions and contribute to the achievement of SBTs.

[E1-3 29a, E1-3 AR 21]

The most important actions taken by Lenzing during the reporting year are linked to the critical decarbonization levers. These actions are described in more detail as follows. Depending on the type of action, such as fuel switching or supplier engagement, Lenzing allocates currently available internal resources as necessary.

### Continuous improvement lever

[E1-3 29a]

Continuous improvement involves regular optimization of processes, systems and operations to enhance energy efficiency and reduce GHG emissions over time.

[E1-2 29b, MDR-A 68a, 68b, 68c]

As part of its continuous improvement efforts, Lenzing has replaced existing gas boilers with more efficient models at the Lenzing site in Mobile (USA). These gas boilers are crucial for generating the steam required for fiber production process. The implementation was completed in 2025, and the new boilers are estimated to avoid approximately 8,000 tons of Scope 1 GHG emissions annually at this site. This measure supports the corporate strategy for operational improvements, enhances energy efficiency and cost competitiveness and contributes to achieving the SBTs. Lenzing invested around EUR 12 mn for the replacement of the gas boilers. The Capital Expenditures (CapEx) for this project is part of the total CapEx, which can be found in the segment report of the Consolidated Financial Statements. Further, the project is also mentioned in the "Investments" section of the Management Report.

### Low-carbon fuels (fuel switching) lever

[E1-3 29a]

Lenzing is taking a range of actions to further improve its energy mix. The majority of Scope 1 and 2 reductions by 2030 will be achieved by transitioning to low-carbon emission fuels to cover primary energy consumption. This transition was further extended by a recent project in Nanjing (China) to phase out coal and will be continued with projects at other sites where Lenzing is considering the replacement of fossil fuels with low-carbon alternatives.

[E1-3 29b, 29c, MDR-A 68a, 68b, 68c, 69]

In 2025, the installation and successful commissioning of a new natural gas pipeline and equipment (boiler and turbine) at the Nanjing (China) production site marked a significant step towards transitioning from coal-based steam to a 100 percent natural gas-based system. The system has been operational since April 2025 and constitutes a solid basis for further reducing GHG emissions. Once the natural gas-based energy supply is fully established by 2027, a reduction of 100,000 tons of GHG emissions as compared to 2021 is expected. To realize this transition, Lenzing has invested around EUR 30 mn in its viscose site in Nanjing (China). The CapEx for this project is part of the total CapEx, which can be found in the segment report of the Consolidated Financial Statements. Further, the project is also mentioned in the "Investments" section of the Management Report.

[E1-3 29b, MDR-A 68a, 68b, 68c]

At the Lenzing site in Indianópolis (Brazil), the transition from heavy oil to natural gas has been initiated. A contract with the gas supplier has been successfully finalized. The site has an agreement in place for the delivery of Liquefied Natural Gas (LNG) starting from 2026 onwards. This is planned as an ongoing measure and is expected to result in a reduction of around 38,000 tons in Scope 1 GHG emissions.

[E1-3 29b, MDR-A 68a, 68b, 68c]

The Prachinburi (Thailand) site has faced challenges in consistently receiving 100 percent biomass energy due to reliability issues at the supply partner's biomass co-generation plant. The site achieved 100 percent biomass energy for only a few months during the reporting year. Therefore, both parties have agreed to work together on developing both short-term and long-term technical solutions. Negotiations to secure consistent 100 percent biogenic energy supplies in the future are ongoing. There will be no immediate reduction of Scope 1 and Scope 2 emissions once this action is fully achieved. However, GHG emissions reductions are expected to correspond to the site's current emission level of approximately 64,000 tons and are expected to materialize by 2030 at the latest.

### Renewable electricity lever

[E1-3 29a, 29b, MDR-A 68a, 68b, 68c]

In 2025, the Lenzing Group purchased 100 percent grid electricity from renewable sources at seven production sites (Heiligenkreuz (Austria), Indianópolis (Brazil), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Purwakarta (Indonesia)), resulting in a mitigation of around 420,000 tons of GHG emissions. This action is planned to continue in the following years. By transi-

tioning to renewable electricity, Lenzing minimizes its environmental impact and accelerates progress in reducing its carbon footprint across all operations. This approach is a key part of Lenzing's broader decarbonization strategy and contributes to reducing Scope 2 emissions.

[E1-3 29b, MDR-A 68a, 68b, 68c]

In 2025, Lenzing commissioned a new photovoltaic (PV) plant with a capacity of 1.3 megawatt peak (MWp) at the headquarter in Lenzing (Austria), in cooperation with VERBUND. This increased the total PV capacity to 8.3 MWp. This activity is part of the above-mentioned action and entails a Power Purchase Agreement (PPA). This contributes to the diversification of energy supplies, strengthens energy independence and aligns with Lenzing's long-term energy and decarbonization strategy.

## Supplier engagement lever

[E1-3 29a]

Supplier engagement is a crucial lever for reducing Scope 3, Category 1 GHG emissions ("Purchased goods and services"). This applies to the entire Lenzing Group. Lenzing collaborates with key suppliers to provide low-carbon sodium hydroxide (NaOH) produced using renewable electricity. NaOH is one of the most important raw materials for both pulp and fiber production. This type of engagement makes suppliers aware of both their product's carbon footprint as well as potential improvements, while ensuring the availability of low-carbon NaOH for Lenzing.

[E1-3 29b, MDR-A 68a, 68b, 68c]

As part of its supplier engagement and in line with its climate targets for 2030 and 2050, Lenzing is in continuous discussions to share expertise on green electricity and life cycle assessments (LCAs). Supplier-specific carbon footprints are regularly requested. In 2025, Lenzing purchased low-carbon NaOH from two suppliers in Europe and one in Asia. This saved around 85,000 tons of GHG emissions compared with conventional NaOH. In the coming years, Lenzing expects mitigation amounts to increase as a result of this action. Using low-carbon NaOH reduces GHG emissions along Lenzing's value chain.

## Nature-based solution

[E1-3 29a]

Sustainably managed semi-natural forests and forest plantations in their active growth phase absorb more carbon in trees and harvested wood products than aging forests with many trees near the end of their life span. They can therefore act as a net carbon sink over the long term.

[E1-3 29b, MDR-A 68a]

Lenzing contributes to sustainable forestry by sourcing wood from sustainably managed forests, managing its own forest plantations, engaging actively with pulp suppliers for improvements and carrying out other stakeholder activities. In addition, Lenzing supports conservation projects that protect and restore forests. Although these actions do not lead to direct GHG emission reductions within Lenzing's Scope 1, 2 or 3 reporting boundaries, they contribute to climate change mitigation and adaptation by increasing carbon sinks, stabilizing regional climates and enhancing ecosystem resilience. Lenzing supports and has supported various conservation projects globally, both within its value chain and beyond, such as in China, DR Congo, Tanzania and Burundi. For more information on the conservation projects and their minimum disclosure requirements, please see the "Action" section of the "E4 Biodiversity and ecosystems" chapter.

# Targets

[E1-4, MDR-T 80a, 80g, 80j]

Lenzing's SBTs are in line with Lenzing's Bioenergy Policy and Sustainability Policy and Environmental Policy and Standard. The process of setting and monitoring targets is outlined in the "Sustainability targets" section in the "ESRS 2 General disclosures" chapter.

## Science-based targets

[E1-4 33, 34a, 34b, MDR-T 80b, 80c, 80d, 80e, 80i]

<b>Near-term science-based target</b>	<b>To reduce Scope 1 and 2 absolute greenhouse gas (GHG) emissions by 42 percent and Scope 3 absolute GHG emissions by 25 percent until 2030 (baseline 2021)<sup>a,b</sup></b>	<b>2030 On track</b>
<b>Long-term science-based net-zero target</b>	<b>To achieve at least a 90 percent reduction in absolute GHG emissions (Scopes 1, 2 and 3) (baseline 2021)<sup>a,b</sup></b>	<b>2050 On track</b>
<b>Sub-targets</b>	<b>Lenzing achieves 100 percent green electricity for four sites</b>	<b>2024 Achieved</b>
	<b>Lenzing phases out coal in its Nanjing (China) operations</b>	<b>2022 Measures implemented</b>
	<b>Lenzing's lyocell facility in Prachinburi (Thailand) achieves Scope 1 and 2 carbon neutrality by 2030 by using 100 percent bioenergy and in the medium term achieves 95 percent biomass energy by 2027</b>	<b>2030 On track</b>
	<b>Lenzing engages 20 key suppliers, by spend and CO<sub>2</sub> impact, in order to reduce Lenzing's Scope 3 emissions and incentivize the suppliers that help Lenzing offer more low-carbon-footprint fibers</b>	<b>Continuous On track</b>
	<b>Lenzing engages and enables 80 percent of "customers with approved SBT and commitment" (textile and nonwoven brands/retailers as well as manufacturers working with LENZING™ fibers) to fulfill their ambition by providing information on low-carbon footprint specialty products such as TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ branded fibers</b>	<b>2030 On track</b>
	<b>Lenzing runs a campaign to reach 50 percent of TENCEL™ and VEOCEL™ customers (textile and nonwoven brands/retailers as well as manufacturers using the TENCEL™ and VEOCEL™ brands) to promote the use of innovative Lenzing fibers with environmental benefits such as low-carbon intensity and to reduce reliance on fossil based materials wherever possible.</b>	<b>Continuous On track</b>
Scope	Scope 1 and 2: Fully aligned with GHG inventory boundaries, covering direct operations and energy use. Scope 2 GHG emissions are calculated using the market-based method. Scope 3: Around 97 percent of reported Scope 3 GHG emissions including Categories 1, 3, 4, and 9 and excluding Category 15 (investments)	
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Indianópolis (Brazil), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Prachinburi (Thailand), Purwakarta (Indonesia)	
Base year	2021	
Baseline value	Near-term SBT: Scope 1 and 2: 1.77, Scope 3: 1.82 million tons CO <sub>2</sub> eq. Long-term SBT: Scope 1,2 and 3: 3.59 million tons CO <sub>2</sub> eq.	
Target value	Near-term SBT: Scope 1 and 2: 1.03, Scope 3: 1.37 million tons CO <sub>2</sub> eq. Long-term SBT: Scope 1,2 and 3: 0.36 million tons CO <sub>2</sub> eq.	
Status 2025	Seven production facilities procured 100 percent renewable electricity. The natural gas pipeline and equipment (boiler and turbine) were installed and commissioned at the Nanjing (China) site, and the system has been operational since April 2025. However, it will take sometime to phase-out coal. The Together for Sustainability (TfS) product carbon footprint platform was adopted internally and external trainings are taking place. Lenzing is in continuous discussions with top suppliers and also shares its expertise on obtaining low-impact chemicals (e.g. as green electricity and LCA). The site in Prachinburi (Thailand) has been facing some challenges in consistently receiving 100 percent biomass energy due to the reliability of the supply partner's biomass co-generation plant. However, the site achieved 100 percent biomass energy for a few months during the year. Lenzing has been working with the industrial park for securing biogenic energy to reach 100 percent consistently in the future. The industrial park is currently investing in a biomass boiler (currently under construction) which will act as a backup from 2027 and increase the reliability of biomass energy supply. In addition, given the current global economic situation, many businesses and end customers have been deprioritizing sustainability in favor of low-cost sourcing and are therefore less willing to pay for low-carbon products. Despite this difficult market situation, customer engagement has been taking place to position fiber products with a low-carbon footprint to support a reduction in customers' Scope 3 emissions.	

a) Scope 3 emissions include those from the harvesting of raw material wood, the production of purchased materials (chemicals & pulp), the production of fuels, the transportation of purchased raw materials & fuels, and the transportation of fibers to customers.

b) According to SBTi, the remaining 10 percent of emissions can be carbon removals for the net-zero target.

[E1-1 16a, E1-4 34e, MDR-T 80f]

Lenzing established its first SBTs in 2019 and revised them in 2023 to reflect the latest climate science and to raise ambition. While the previous targets were aligned with a 2 °C pathway and expressed as GHG intensity reductions (i.e., emissions per ton of pulp and fiber produced), the updated targets commit to absolute GHG reductions in line with the more ambitious 1.5 °C scenario. The SBTi verified and approved these targets in 2024. This commitment reflects Lenzing’s highest level of climate ambition and is fully aligned with the goals of the Paris Agreement and UN SDG 13 on climate action.

[E1-1 16a, E1-4 34b, 34e, E1-4 AR 25a, AR 25b, AR 30c, MDR-T 80f, 80g]

The baseline year and value were set to 2021 in accordance with the SBTi framework. This baseline reflects Lenzing’s typical operations and GHG emissions. It excludes any one-time events or anomalies to ensure representativeness. The targets cover all greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>) as defined under international standards, such as the GHG Protocol, and are expressed as CO<sub>2</sub> equivalents (CO<sub>2</sub> eq.). They follow the cross-sector Absolute Contraction Approach (ACA), which defines absolute emissions reductions in line with global decarbonization pathways. These pathways are science-based and aim to limit global warming to 1.5 °C or to well below 2 °C above pre-industrial levels. The targets have been independently verified and approved by the SBTi to ensure alignment with climate science and with SBTi criteria compatible with a 1.5 °C scenario.

[MDR-T 80 h]

Internal stakeholders, including commercial, investor relations, operations, procurement, strategy and corporate sustainability functions as well as the Managing Board were involved in setting the

targets. External stakeholders were also engaged, including key pulp and chemical suppliers, customers requesting SBTs and multi-stakeholder initiatives such as the UN Fashion Charter, which advocates commitment to the Paris Agreement. Selected stakeholders contributed through meetings and conferences. The SBTi was involved in verifying and approving the targets. The Lenzing team is further engaging with SBTi regarding its Forestry, Land and Agriculture (FLAG) guidance.

[E1-1 16b, E1-4 34f, E1-4 AR 30b]

For more information about decarbonization levers and their quantitative contributions to achieving the SBTs, see the “Climate Action Plan” at the beginning of this chapter. Details of actions described by decarbonization levers are provided in the “Action” section. Not every action described by the levers is listed as a target measure but each nevertheless contributes to their achievement. New technologies will play an important role in mitigating CO<sub>2</sub> emissions and in achieving the GHG emission reduction targets. Depending on technology maturity and market developments, additional measures for the period of 2030-2050 will be disclosed once available.

### Specific GHG emission intermediate target linked to corporate and remuneration targets

The specific GHG emission target that was formulated in the context of the previous SBT, with a 2017 baseline, remains relevant for remuneration and corporate targets. It also contributes as an intermediate target to the near- and long-term SBT expressed in terms of absolute reduction.

## Lenzing reduces 50 percent of specific GHG emissions per ton of pulp and fiber produced (baseline 2017)

**2027**  
**On track**

Scope	Scope 1 and 2: Fully aligned with GHG inventory boundaries, covering direct operations and energy use. Scope 2 GHG emissions are calculated using the market-based method. Scope 3: Around 97 percent of reported Scope 3 GHG emissions including Categories 1, 3, 4, and 9 and excluding Category 15 (investments)
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Indianópolis (Brazil), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Prachinburi (Thailand), Purwakarta (Indonesia)
Base year	2017
Baseline value	100%
Target value	50%

The upstream value chain aspects of the “Risk for Lenzing’s operations and supply chain due to the increasing chronic physical climate hazards as indicated by climate risk assessment” are addressed through the Supplier Engagement target. This target will further intensify efforts related to climate change adaptation. For information on the minimum disclosure requirements of the Supplier Engagement target, please refer to the “Targets” section of the “S2 Workers in the value chain” chapter.

The “Risk of wood scarcity from non-resilient forests and effects of increasing global average temperature” and the “Risk of increasing wood prices due to climate change and biomass competition” are addressed by the Conservation Projects target. This target focuses on conservation, biodiversity protection and restoration activities in regions where forests are at risk. The aim is to improve the forests’ resilience so they can better adapt to climate change. For

more information on the minimum disclosure requirements of the Conservation Project target, please see the “Targets” section of the “E4 Biodiversity and ecosystems” chapter. The FEM target addresses the following impacts, risks and opportunities: opportunity through low-carbon product innovation and decarbonization leadership; negative impact on global climate change by generating GHG emissions with the use of non-renewable energy sources; risk of reputational damage if sustainability requirements with regard to energy sources are not met and carbon footprint is not reduced. The underlying Higg Facility Environmental Module (FEM) supports measurement and evaluation of annual environmental performance at a facility level, including energy and GHG emissions. For more information on the minimum disclosure requirements of the FEM target, please refer to the “Targets” section of the “E3 Water and marine resources” chapter.

## Metrics

### Energy and fuels

[voluntary information]

Lenzing's absolute consumption of fossil energy decreased by 12 percent, while the use of renewable energy increased by 7 percent. The total energy consumption at the Group level slightly increased compared to the previous year. This change is largely due to a decrease of production at the Lenzing site in Purwakarta (Indonesia) in 2025.

#### Fuel sources used in the Lenzing Group

Lenzing (Austria)	Biomass, waste, natural gas and coal
Heiligenkreuz (Austria)	Biomass, biogas and natural gas
Paskov (Czech Republic)	Biomass, biogas and natural gas
Grimsby (UK)	Natural gas
Mobile (USA)	Natural gas
Nanjing (China)	Coal and natural gas
Purwakarta (Indonesia)	Coal and natural gas
Prachinburi (Thailand)	Biomass and coal
Indianópolis (Brazil)	Biomass and oil

[E1-5 37, 38, 40]

### Energy consumption and mix

Energy consumption in million megawatt hours (MWh)	2025	2024
(1) Fuel consumption from coal and coal products	1.44	1.89
(2) Fuel consumption from crude oil and petroleum products	0.46	0.37
(3) Fuel consumption from natural gas	1.59	1.60
(4) Fuel consumption from other fossil sources	0.52	0.44
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	0.79	1.16
<b>(6) Total fossil energy consumption (calculated as the sum of the lines 1 to 5)</b>	<b>4.79</b>	<b>5.46</b>
Share of fossil sources in total energy consumption (%)	28.56	32.80
(7) Consumption from nuclear sources	0.00	0.00
Share of consumption from nuclear sources in total energy consumption (%)	0.00	0.00
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	10.96	10.14
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	1.03	1.02
(10) Consumption of self-generated non-fuel renewable energy	0.00	0.00
<b>(11) Total renewable energy consumption (calculated as the sum of the lines 8 to 10)</b>	<b>11.99</b>	<b>11.16</b>
Share of renewable sources in total energy consumption (%)	71.44	67.20
<b>Total energy consumption (calculated as the sum of lines 6 and 11)</b>	<b>16.79</b>	<b>16.63</b>
<b>Energy intensity based on revenue from activities in high climate impact sectors (MWh/EUR)</b>	<b>0.0065</b>	<b>0.0063</b>

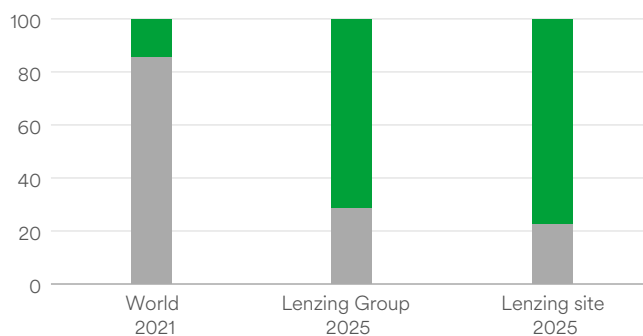
[E1-5 39]

### Energy production

Energy production in million megawatt hours (MWh)	2025
Renewable energy	8.99
Non-renewable energy	3.28
<b>Total energy production</b>	<b>12.27</b>

For a description of the minimum disclosure requirements of the metrics "energy consumption", "energy production" and "energy intensity", the high climate impact sectors and the line item in the financial statement used to calculate the energy intensity. Please see the "Accounting principles" section of this chapter.

### Energy sources

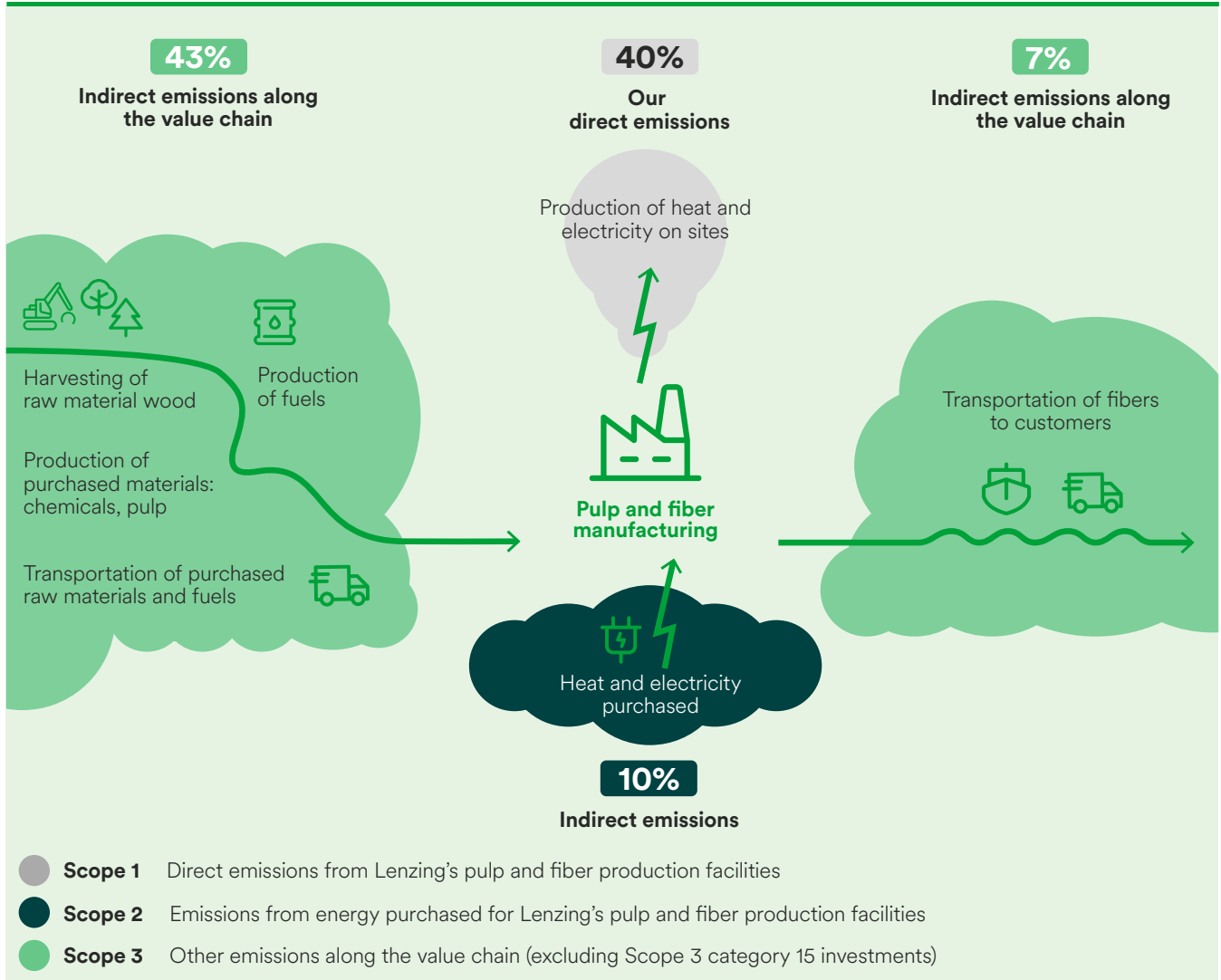


- Renewables (biomass, wind, solar, hydro, waste, etc.)
- Non-renewables (Natural gas, coal, crude oil, nuclear, other)

Sources: IEA Energy Statistics Data Browser "World 2021", Lenzing AG. Includes own energy consumption and energy from providers, excluding grid power, which is a minor fraction of total scope 1 and 2 energy consumption in the Lenzing Group. The production sites in Paskov, Grimsby, Mobile, and Heiligenkreuz do not use coal as a fuel source in their own operations, whereas the Asian sites, i.e. Nanjing and Purwakarta, predominantly use coal.

# Lenzing's greenhouse gas emissions

## Lenzing's carbon footprint



### Changes over time

[voluntary information]

Lenzing's absolute Scope 1 and 2 GHG emissions decreased by 0.27 million tons (16 percent) year on year. This is mainly due to the decrease of fossil energy, as explained in the "Energy and fuels" section.

Lenzing's absolute Scope 3 GHG emissions decreased by 0.09 million tons (6 percent) year on year, mainly due to lower volumes of fuel and energy-related activities as well as reduced upstream transportation and distribution. This was primarily driven by the lower production volume at the Purwakarta (Indonesia) site and the partial switch from coal to natural gas at the Nanjing (China) site.

**Absolute greenhouse gas emissions of the Lenzing Group<sup>a</sup>**

Absolute emissions in million metric tons CO <sub>2</sub> eq. (mn t CO <sub>2</sub> eq.)	2017	2021 (base year)	2025	Retrospective	
				2024	relative change 2025 to 2024
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions <sup>b</sup>	1.33	1.24	1.15	1.28	-11%
% of Scope 1 GHG emissions from regulated emission trading schemes (%)	23	20	28	15	34%
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions			0.69	0.80	-13%
Gross market-based Scope 2 GHG emissions <sup>c</sup>	0.63	0.53	0.27	0.40	-32%
Total gross Scope 1 and Scope 2 GHG emissions (market-based) <sup>d, e</sup>	1.96	1.77	1.42	1.69	-16%
Significant Scope 3 GHG emissions					
Total gross indirect Scope 3 GHG emissions <sup>f</sup>	1.96	1.88	1.45	1.54	-6%
C1: purchased goods and services	1.35	1.31	0.88	0.92	-4%
C3: fuel- and energy-related activities	0.30	0.28	0.20	0.25	-20%
C4: upstream transportation and distribution	0.12	0.11	0.12	0.14	-11%
C9: downstream transportation	0.12	0.12	0.20	0.19	2%
C15: investments	0.07	0.06	0.05	0.04	7%
<b>Total Scope 1, 2, 3 GHG emissions</b>					
<b>Total GHG emissions (location-based)</b>			<b>3.29</b>	<b>3.62</b>	<b>-9%</b>
<b>Total GHG emissions (market-based)</b>	<b>3.92</b>	<b>3.65</b>	<b>2.87</b>	<b>3.23</b>	<b>-11%</b>
Total biogenic CO <sub>2</sub> emissions, Scope 1		1.74	3.55	3.29	8%
Total biogenic CO <sub>2</sub> emissions, Scope 2			0.20	0.19	2%
Total biogenic CO <sub>2</sub> emissions, Scope 3 <sup>g</sup>			0.88	0.92	-4%

a) GHG accounting regarding GHG Protocol using GWP potential for greenhouse-gases from the IPCC Sixth Assessment Report (AR6 – 100 year). Scope 1 emissions factor source: measurements and Ecoinvent values. Scope 2 emissions factor source: suppliers. Scope 3 emission factor source: Ecoinvent, EcoTransIT and supplier data.

b) Scope 1 emissions were recalculated for the years 2017-2023.

c) Lenzing uses various contractual instruments to manage the sale and purchase of energy with power grid suppliers and/or specific local suppliers. The main types of contractual instruments for energy purchased from the grid are PPAs with Renewable Energy Certificates (REC), power supply contracts with Green Energy Certificate (GEC), Guarantees of Origin (GoO) and supplier contracts. Of the total purchased power (electricity and steam), 52% is bundled with attributes and 4% is unbundled with GEC.

d) Includes both Scope 1 and 2 emissions of all greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>), expressed as CO<sub>2</sub> equivalents. Scope 1 emissions are calculated based on emission factors from the EU Emission Trading System and Scope 2 emissions are calculated according to a market-based method.

e) In 2025, Scope 1 emissions operational control (RVL Restoffverwertung Lenzing GmbH, Lenzing, Austria) amounted to 0.162 million tons CO<sub>2</sub> eq. (2024: 0.131 million tons CO<sub>2</sub> eq.), which are included in Lenzing's total Scope 1 emissions and Scope 2 GHG emissions amounted to zero.

f) For all years, Category 15 investments was included in the Scope 3 emissions.

g) Includes the same Scope 3 categories (C1, C3, C4, C9, C15) as reported under Scope 3.

[E1-6 53, 54]

**Greenhouse gas emissions intensity**

Total GHG emissions <sup>a</sup> in metric tons CO <sub>2</sub> eq. per revenue (t CO <sub>2</sub> eq./EUR)	2025	2024	relative change 2025 to 2024
GHG emissions intensity (location-based)	0.00127	0.00136	-7%
GHG emissions intensity (market-based)	0.00110	0.00121	-9%

a) The GHG accounting methodology is equivalent to the methodology applied in the table "Absolute greenhouse gas emissions of the Lenzing Group".

[E1-4 34a, 34b, 34c, 34d, MDR-T 80b, 80d, 80e]

**Absolute greenhouse gas emissions of target scope<sup>a, b</sup> (near-term and long-term SBTs with baseline 2021)**

Absolute emissions of target scope <sup>b, c</sup> (SBT) in million metric tons CO <sub>2</sub> eq. and absolute emissions index <sup>d</sup> (mn t CO <sub>2</sub> eq., 2021 = 100%)	2017	2021 (base year)	2025	2024	Near-term SBT 2030 <sup>d</sup>	Long-term SBT 2050 <sup>d</sup>
Absolute Scope 1 and 2 GHG emissions	1.96	1.77	1.42	1.69	1.03	
Absolute Scope 3 GHG emissions	1.89	1.82	1.40	1.49	1.37	
Absolute Scope 1, 2 and 3 GHG emissions	3.85	3.59	2.82	3.18		0.36
Scope 1 and 2 index	111%	100%	80%	95%	58%	
Scope 3 index	104%	100%	77%	82%	75%	
Scope 1, 2 and 3 index	107%	100%	79%	89%		10%

a) The GHG accounting methodology is equivalent to the methodology applied in the table "Absolute greenhouse gas emissions of the Lenzing Group".

b) Target scope: GHG emissions Scope 1, market-based Scope 2 and Scope 3 categories 1, 3, 4, 9 - but excluding Category 15.

c) Due to the recalculated Scope 1 emissions for 2017-2023, base year emissions (2021) increased.

d) SBT target values according to required reduction of absolute GHG emissions, i.e. 42 percent in Scope 1 and 2, 25 percent in Scope 3 for the near-term SBT as well as 90 percent in Scope 1, 2 and 3 for the long-term SBT.

## Specific greenhouse gas emissions<sup>a,b</sup> (linked to remuneration and corporate strategy targets with baseline 2017)

Specific emissions <sup>b,c</sup> in metric tons CO <sub>2</sub> eq. per ton of fiber & pulp produced and index <sup>d</sup> (t CO <sub>2</sub> eq/t, 2017 = 100 %)	2017 (base year) <sup>a</sup>	2021	2025	2024	Target 2025 <sup>d</sup>	Target 2026 <sup>d</sup>	Target 2027
Specific Scope 1, 2 and 3 emissions	2.59	2.38	1.34	1.49			
Specific Scope 1, 2 and 3 emissions index (2017 = 100 %)	100%	92%	52%	58%	55%	53%	50%

a) The GHG accounting methodology is equivalent to the methodology applied in the table "Absolute greenhouse gas emissions of the Lenzing Group".

b) Target scope: GHG emissions Scope 1, market-based Scope 2 and Scope 3 categories 1, 2, 3, 4, 9 - but excluding Category 15.

c) Due to the recalculated Scope 1 emissions for 2017-2023, base year emissions (2017) increased.

d) This KPI is relevant to the Managing Board long-term incentive (LTI) bonus targets.

e) The previous SBT was developed in 2018, hence 2017 has been chosen as baseline year.

## Accounting principles

[E1-5 MDR-M, E1-6 MDR-M]

[MDR-M 77a]

Production sites report energy and fuel input data, as well as emissions factors and calorific values to the Group database on a monthly basis. Energy and GHG accounting at both site and Group level follows the GHG Protocol and ESRS E1 requirements. The reporting scope includes production sites and excludes stand-alone offices, as their emissions are not relevant. Offices that are part of a reporting unit with commercial production are included. The accounting principles are disclosed using ESRS terminology.

[MDR-M 77a]

**Calorific values und emissions factors** used by EU sites are the same as those applied under the EU Emission Trading Scheme. Non-EU sites may use measured emission factors or literature values according to local legal requirements. Otherwise, references to the Intergovernmental Panel on Climate Change (IPCC) are used.

[MDR-M 77a]

**Energy consumption** for Lenzing's own operations is measured as the input of purchased electric power, heat (steam) and fuels. Monitoring is based on meter readings or invoices that quantify fuels directly. Fuel quantities are multiplied by calorific values to calculate energy consumption (in MWh). The metrics for non-renewable and renewable energy production include steam and electricity after turbines and are based on estimates classified as accuracy level 3 (rough estimate), consistent with the data quality classification described in the Scope 3 section.

[E1-5 42, 43, MDR-M 77a]

**Energy intensity** is calculated as Lenzing's total energy consumption per revenue from activities in high climate-impact sectors. These sectors entail the manufacturing of man-made cellulose fibers and dissolving wood pulp. The revenue used for this calculation is shown in the table "Revenue from external customers by products and services" in the notes of the financial statements, using the sum of the line items "Division Fiber" and "Division Pulp" is used. Energy consumption of the revenue category "Others" was not excluded, as its impact on the indicator is not significant. "Others" mainly includes central headquarters functions, overarching activities, and the Bildungszentrum (BZL), Lenzing's training and personnel development center. An error occurred in the report 2024 when displaying the unit for energy intensity. The unit presented was mn MWh/EUR instead of MWh/EUR.

[MDR-M 77a]

**Scope 1** includes direct GHG emissions at Lenzing's production sites. These are calculated by multiplying the quantity of the fuel consumed by suitable emission factors.

[E1-6 AR 45d, MDR-M 77a]

**Scope 2** refers to all indirect GHG emissions related to the generation of acquired electricity and heat (Lenzing does not use external cooling energy). All consumed energy is monitored by meter readings or invoices.

Location-based accounting involves multiplying the energy consumed from the public grid by relevant location-based emission factors. These factors typically reflect residual mixes and are obtained from the IPCC 2021 GWP100 V1.02 (country and regional data). Market-based accounting takes the energy source of purchased electricity and heating as well as the corresponding emission factors into consideration. This information is provided by energy suppliers or public traders and substantiated by Energy Attribute Certificates, such as Guarantees of Origin or Renewable Energy Certificates (REC). Supplier-specific emission factors are applied for purchased steam and electricity at the Prachinburi (Thailand) and Grimsby (UK) sites, as well as steam at the Nanjing (China) site. These factors are based on respective regulations and methodologies developed by the IPCC. The market-based approach is used for calculating Scope 2 GHG emissions that are relevant for the target scope.

[ESRS 2 BP-2 10, E1-6 AR 46i, MDR-M 77a]

**Scope 3** covers all other indirect GHG emissions within the accounting scope. Lenzing identified five significant categories out of 15 defined by the GHG Protocol, as listed in the table "Absolute greenhouse gas emissions of the Lenzing Group". The SBT scope includes Categories 1, 3, 4 and 9 but excludes Category 15 (97 percent of Scope 3 covered by target). The relevant Scope 3 categories have an estimation accuracy of 2: calculation / exact estimate (1 - exact figure, 2 - calculation / exact estimate, 3 - rough estimate). An exact estimate is based on reliable, readily available data (e.g. from a recognised database), whereas a rough estimate is based on incomplete or generic information, and therefore only provides a rough approximation.

[E1-6 AR 46h, MDR-M 77a]

Scope 3 Category 1: Lenzing's purchased goods and services are calculated using the supplier-specific method and the average-data method. Supplier-specific data amounts to 43 percent of Scope 3 Category 1 emissions. These goods and services are divided into three subcategories:

1. Wood harvesting and forestry operations: calculations are based on volumes of externally supplied round wood multiplied by Ecoinvent emission factors.
2. Purchased external pulp: calculations are based on purchased volumes and supplier LCA data.
3. Purchased chemicals: calculations are based on volumes of purchased chemicals multiplied by generic emission factors from Ecoinvent and, where available, data provided by suppliers.

Scope 3 Category 3: indirect fuel- and energy-related activities (not included in Scope 1 or Scope 2) are calculated using average emission factors. GHG emissions generated upstream during extraction and processing of fuels (coal, natural gas, biomass etc.) are derived from fuel consumption and Ecoinvent emission factors.

Scope 3 Category 4: Lenzing's upstream transport includes logistics operation for purchased external pulp, round wood and purchased chemicals. The distance-based method was applied. Transport volumes, transport routes and transportation modes are obtained from the ERP logistics system. Emission factors are derived from EcoTransIT.

Scope 3 Category 9: Lenzing's downstream transport includes fiber and pulp sold as well as by-products (sodium sulfate, acetic acid, furfural, soda etc.). The distance-based method was applied. Transport volumes, transport routes and transportations modes are obtained from the ERP logistics system. Emission factors are derived from EcoTransIT.

Scope 3 Category 15: for Lenzing's equity investments, calculations are performed using the investment-specific method. Publicly available data, such as sustainability reports or the EU ETS register, are used.

The following Scope 3 categories are relevant but not material: Category 2 (capital goods), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting) and Category 8 (upstream leased assets). For this reason, these categories are excluded from the inventory.

[E1-6 AR 46i, MDR-M 77a]

Scope 3 Category 10 (processing of sold products): in line with the GHG Protocol Scope 3 guidance, Lenzing excluded this category from the inventory. As a producer of intermediate products, the company has no visibility into over the processing methods applied

by downstream users. The GHG emissions associated with further processing vary significantly depending on the processor's technology, energy source, location and setup. Given this wide variability, it is consequently not feasible to estimate GHG emissions associated with this category. Lenzing also does not exert operational or financial control or influence over the facilities in this category with regard to emission reductions.

The following Scope 3 categories are not relevant: Category 11 (use of sold products), Category 12 (end-of-life treatment of sold products), Category 13 (downstream leased assets) and Category 14 (franchises).

[E1-6 55, MDR-M 77a]

**GHG emissions intensity** is based on total location-based and market-based GHG emissions and revenue as reported in the consolidated financial statements. This refers to the line item "Revenue as per consolidated income statement". For the revenue used in this calculation, please refer to the table "Revenue from external customers by products and services" in the notes of the financial statements. An error occurred in the report 2024 when displaying the unit for GHG emissions intensity. The unit presented was mn t CO<sub>2</sub> eq./EUR instead of t CO<sub>2</sub> eq./EUR. Likewise an error occurred in the report 2024 when displaying the unit for specific GHG emissions. The unit presented was mn t CO<sub>2</sub> eq./t instead of t CO<sub>2</sub> eq./t.

#### External assurance provider

[MDR-M 77b]

The metrics reported in the sections "Energy and fuels" and "Lenzing's greenhouse gas emissions" are not subject to additional external verification other than the assurance provider.

#### Recalculation of 2017 and 2021, Scope 1 GHG emissions

[ESRS 2 BP-2 13]

The recalculation of Scope 1 GHG emissions for 2017 and 2021 in 2024 is due to a regulatory change at the Lenzing site in Austria. Previously, the fossil share of external waste burned at the site was estimated, but is now based on direct measurements. As the measured fossil share is higher than the initial estimate, this increases the fossil Scope 1 GHG emissions and proportionally reduces the bio-genic Scope 1 GHG emissions by around 160 to 170 kilotons of CO<sub>2</sub> eq..

# E2 Pollution

## ABSTRACT

Lenzing acknowledges the critical importance of preventing pollution to protect ecosystems and human health. The chapter outlines how the company monitors, manages and reduces environmental impacts across pulp and fiber production, with a focus on emissions, effluents, and waste. Pollution prevention goes beyond regulatory compliance, with Lenzing implementing advanced technologies and stringent control measures to minimize risks throughout its operations. These efforts are embedded in the company's environmental management system and supported by continuous improvement initiatives. By addressing pollution risks proactively, Lenzing contributes to a cleaner environment and reinforces its commitment to sustainable development and responsible corporate citizenship.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
Pollution of air	<ul style="list-style-type: none"> <li>Negative impact</li> <li>- Actual and potential</li> <li>- OO</li> <li>- Short- to long-term</li> </ul>	Lenzing contributes to air pollution and could potentially negatively impact health and environment. To prevent pollution Lenzing actively monitors and manages the environmental impact of its operations.	*Policy for Health, Safety and Environment	*ZDHC viscose *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)	*Emissions to air (E2-4)
			*Group Environmental Policy and Standard		*Higg Facility Environmental Module (FEM)	*Sulfur (entity-specific)
			*Chemical Management Group Standard			
Risk	<ul style="list-style-type: none"> <li>- OO</li> <li>- Medium- to long-term</li> </ul>	Lenzing could lose its license to operate (LTO) due to regulatory changes, e.g. by failing to meet more stringent emission levels in the EU BAT. This could result in the loss of the EU Ecolabel and failure to meet customer demands.	*Policy for Health, Safety and Environment	*ZDHC viscose *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)	*Emissions to air (E2-4)
			*Group Environmental Policy and Standard		*Higg Facility Environmental Module (FEM)	*Sulfur (entity-specific)
			*Chemical Management Group Standard			*Specific emissions to air (voluntary information)
Opportunity	<ul style="list-style-type: none"> <li>- OO</li> <li>- Short- to medium-term</li> </ul>	Showing leadership in pulp and fiber manufacturing with low environmental and social impacts.	*Policy for Health, Safety and Environment	*ZDHC viscose *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)	*Emissions to air (E2-4)
			*Group Environmental Policy and Standard		*Higg Facility Environmental Module (FEM)	*Sulfur (entity-specific)
			*Chemical Management Group Standard			

<b>Pollution of water</b>	Negative impact - Potential - Downstream VC - Short- to long-term	Textile production is estimated to be responsible for about 20 percent of global clean water pollution from dyeing and finishing products. <sup>a</sup>	VC: Water Policy	VC: No target	VC: No action	VC: No metric
	Negative impact - Actual and potential - OO - Short- to long-term	Lenzing discharges water in its own operations and therefore potentially impacts water bodies. In the unlikely case of a leakage, the consequences would be fatal for the ecosystems. Lenzing commits itself to comprehensively monitor, control and report direct and indirect interactions with water resources.	*Policy for Health, Safety and Environment  *Group Environmental Policy and Standard  *Chemical Management Group Standard	*Wastewater  *ZDHC viscose  *ZDHC lyocell  *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)  *Higg Facility Environmental Module (FEM)  *Wastewater treatment plants (WWTPs)  *Sulfate and COD reduction	*Emissions to water (E2-4)  *SO <sub>4</sub> (entity-specific)  *Amines (entity-specific)  *Specific emissions to water (voluntary information)
	Opportunity - OO & downstream VC - Short- to medium-term	Showing leadership in pulp and fiber manufacturing with low environmental and social impacts with low-emission products. For example spun-dyed Lenzing fibers.	*Policy for Health, Safety and Environment  *Group Environmental Policy and Standard  *Chemical Management Group Standard	*Wastewater  *ZDHC viscose  *ZDHC lyocell  *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)  *Higg Facility Environmental Module (FEM)  *Wastewater treatment plants (WWTPs)  *Sulfate and COD reduction	*Emissions to water (E2-4)  *SO <sub>4</sub> (entity-specific)  *Amines (entity-specific)  *Specific emissions to water (voluntary information)
<b>Substances of concern and substances of very high concern (SoCs &amp; SVHCs)</b>	Negative impact - Actual and potential - OO & VC - Medium-term	Potential for severe negative health and environmental impacts in the event of accidents or leakage. Substances of concern are still used within Lenzing's own operations and within the industry. Lenzing's fibers are controlled for residues by certifications and testing schemes.	*Group Environmental Policy and Standard  *Chemical Management Group Standard  *VC: No policy	*ZDHC lyocell  *ZDHC viscose  *FEM  *VC: No target	*Zero Discharge of Hazardous Chemicals (ZDHC)  *Higg Facility Environmental Module (FEM)  *VC: No action	*Substances of concern and Substances of very high concern (E2-5)
	Opportunity - OO - Medium- to long-term	Securing business by fulfilling stakeholder requirements and going beyond them. Developing industry benchmarks and contribution to multi-stakeholder initiatives such as Zero Discharge of Hazardous Chemicals (ZDHC).	*Group Environmental Policy and Standard  *Chemical Management Group Standard	*ZDHC lyocell  *ZDHC viscose  *FEM	*Zero Discharge of Hazardous Chemicals (ZDHC)  *Higg Facility Environmental Module (FEM)	*Substances of concern and Substances of very high concern (E2-5)

a) <https://www.europarl.europa.eu/topics/en/article/20201208STO93327/fast-fashion-eu-laws-for-sustainable-textile-consumption>

OO...Own operations

VC...Value chain

## Strategy

[ESRS 2 SBM-3 46]

Lenzing's strategy for preventing environmental pollution is based on strict regulatory compliance, continuous improvement and the adoption of state-of-the-art technologies that reinforce the company's business model and sustainability goals. Additionally, pollution control is a crucial factor in mitigating operational risks, enhancing resource efficiency and maintaining stakeholder trust.

All production sites operate in full accordance with applicable environmental regulations and meet, if not exceed, the EU Best Available Techniques (BAT) performance criteria. Fiber products manufactured at global Lenzing sites carry the EU Ecolabel, confirming best-in-class environmental performance – including outside the

EU, where EU BAT jurisdiction does not apply. Compliance is ensured through robust monitoring systems, regular audits and transparent reporting to relevant authorities.

Beyond regulatory requirements, Lenzing applies advanced technologies and best practices to minimize emissions, effluents and waste. For example, biorefinery processes extract organic chemicals early in the production of dissolving wood pulp, thereby significantly reducing the chemical oxygen demand (COD) of wastewater. In fiber production, established recovery systems for process chemicals and water reduce the need for virgin resource inputs and replace conventionally produced commodities. These measures exemplify Lenzing's commitment to resource efficiency and circularity (for more information see the chapter "E5 Resource use and circular economy").

To maintain leadership in pollution prevention, Lenzing continuously invests in innovative technologies and process optimization. Regular upgrades of wastewater treatment, recovery technologies,

and process controls ensure that pollution-prevention measures evolve with technological progress. These initiatives are closely aligned with resource-efficiency strategies outlined in the “E5 Resources use and circular economy” chapter, promoting the efficient use of raw materials and energy along the entire value chain.

By integrating pollution control into all stages of pulp and fiber production, Lenzing not only reduces environmental impacts and regulatory risks but also captures opportunities for efficiency gains, cost savings and long-term value creation.

## Policies

[E2-1]

Policy	Policy for Health, Safety and Environment (HSE)
<b>Accountability</b>	Vice President (VP) Global Health, Safety and Environment
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective: The goal is to protect people from harm and preserve the environment with safety, health and environment anchored as corporate values.</p> <p>Key elements: The Policy focuses on environmental protection through resource efficiency, the minimization of emissions and waste as well as through fostering a strong safety culture and ensuring legal compliance. The monitoring process is conducted within the framework of the Global HSE management system, in accordance with ISO 14001 and ISO 45001.</p>
<b>Third party standards / initiatives</b>	ISO 14001 ISO 45001
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	<p>E1 Climate change E1-2 25a, 25c The Policy mentions minimizing emissions, and improving resource efficiency, which includes energy efficiency.</p> <p>E2 Pollution E2-1 15a The HSE Policy states that Lenzing protects the environment in which it operates in by minimizing emissions, waste and pollution as well as by improving resource efficiency. Corresponding objectives and targets are set and monitored.</p> <p>S1 Own workforce S1-1 19 The HSE policy covers all of Lenzing’s own workforce. 21 Please see row "Third party standards / initiatives" in this table for references to internationally recognized instruments. 23 The HSE Policy emphasizes the protection of people and the environment as core corporate values. All manufacturing sites are certified to ISO 45001. This Occupational Health and Safety Management Certification, covering employees and contractors, provides the framework to identify, control and mitigate risks associated with workplace health and safety.</p>

Policy	Group Environmental Policy and Standard
<b>Accountability</b>	Vice President (VP) Global Health, Safety and Environment
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective: The objective is to serve as a foundation for Lenzing’s environmental program and long-term targets.</p> <p>Key elements: Lenzing operates according to standards reflecting the industry’s best practice and applies advanced technologies to minimize emissions, effluents, and waste. The policy and standard is monitored through the environmental management system via audits at group companies and sites.</p>
<b>Third party standards / initiatives</b>	Zero Discharge of Hazardous Chemicals (ZDHC) Higg FEM EU Best Available Techniques (EU BAT) EU Ecolabel
<b>Accessibility</b>	Lenzing intranet
<b>Topical standards</b>	<p>E1 Climate change E1-2 25a, 25c The policy supports improving energy efficiency and reducing energy consumption.</p> <p>E2 Pollution E2-1 15a The Group Environmental Policy and Standard is designed to reflect the industry best practice and emission thresholds for the best available techniques for industrial pulp and fiber production (EU BAT). In addition, Lenzing adopted the Zero Discharge of Hazardous Chemicals (ZDHC) MMCF Guidelines. These guidelines are aimed at the continuous improvement of pollution parameters, particularly relating to the pollution of air and water. 15b In its Group Environmental Policy and Standard, Lenzing commits to eliminate hazardous chemicals (including Substances of Concern and Substances of very high concern) along the supply chain and to select, evaluate and develop the chemicals used in the production process.</p>

Policy	Chemical Management Group Standard
Accountability	Vice President (VP) Global Health, Safety and Environment
Scope and coverage	Lenzing Group
Objective and key elements	<p>Objective: The objective is to ensure that all risks associated with the handling, storage, transportation, use and disposal of chemicals are controlled and managed.</p> <p>Key elements: The standard includes comprehensive chemical inventories and approval processes as well as hazard and exposure assessment for each chemical to demonstrate its safe use for humans, the environment and the use of the products.</p>
Third party standards / initiatives	Zero Discharge of Hazardous Chemicals (ZDHC) EU Ecolabel ISO 14001 ISO 45001
Accessibility	Lenzing intranet
Topical standards	<p>E2 Pollution E2-1 15a The control of chemicals is ensured by the Chemical Management Group Standard through risk assessments, monitoring of release in wastewater, monitoring of residues and responsibility and competence assessments. Necessary actions are derived from these controls.</p> <p>15c Clear emergency procedures are established, necessary hardware equipment installed and regular drills conducted. In the event of an incident, emergency procedures will be followed. These procedures are registered with relevant authorities and communicated to employees. The equipment needed to mitigate emergency situations, such as firefighting tools, must be well-maintained. Detailed emergency plans and procedures can be found in site-specific documents and the Safety Data Sheet (SDS), which also includes information on suitable Personal Protective Equipment (PPE), first aid, firefighting measures and accidental release measures. Additional crisis management information is available in the Group Guideline on HSE Crisis Management.</p>

The topic pollution of water is also governed by the Water Policy. Its minimum disclosure requirements and topic-specific requirements, addressing mitigating negative impacts and minimising the use of substances of concern, are described in the “Policies” section of the “E3 Water and marine resources” chapter.

## Actions

[E2-2, MDR-A 68a]

List of key actions

- Zero Discharge of Hazardous Chemicals (ZDHC)
- Higg Facility Environmental Module (FEM)
- Wastewater treatment plants (WWTPs)
- Sulfate and COD reduction

### Zero Discharge of Hazardous Chemicals (ZDHC)

[MDR-A 68a, 68b]

The Zero Discharge of Hazardous Chemicals (ZDHC) multi-stakeholder platform focuses on reducing wastewater, sludge, solid waste and air emissions across the textile industry through dedicated task teams and harmonized guidelines.

#### ZDHC viscose

Lenzing is fully committed to the Supplier to Zero roadmap of the multi-stakeholder ZDHC initiative and has adopted the MMCF guidelines since they were introduced. All Lenzing viscose sites (Lenzing (Austria), Purwakarta (Indonesia), Nanjing (China)) completed the Supplier to Zero Platform assessment and achieved an overall “aspirational” performance level. Further details and timelines can be found in the “ZDHC viscose” target.

#### ZDHC Iyocell

Following the completion of wastewater testing at the Prachinburi (Thailand) and the Heiligenkreuz (Austria) sites in 2024, Lenzing also completed testing in accordance with the updated ZDHC laboratory guidelines at the Mobile (USA) site in 2025. With the commissioning of the newly built WWTP in Grimsby (UK) in the reporting year, the site is preparing to implement the ZDHC wastewater testing in 2026. More information is provided under the “ZDHC Iyocell” target.

### Higg Facility Environmental Module (FEM)

[MDR-A 68a, 68b, 68c]

In 2025, Lenzing continued to perform the Higg FEM self-assessments and third-party verifications at all production sites. Higg FEM takes place on an annual basis. The tool supports the monitoring of pollutant emissions and substances of concern, reduces pollution-related risks and helps identify measures to enhance overall environmental performance.

### Wastewater treatment plants (WWTPs)

[MDR-A 68a, 68b, 68c, 69]

Across the Lenzing Group, effluents are discharged in a controlled manner to prevent groundwater contamination. Process water is treated in biological WWTPs. In 2025, the newly built WWTP at the fiber site in Grimsby (UK) became fully operational. After initial start-up in 2024, biomass build-up and operational balancing were completed, enabling stable and efficient performance. COD and amine removal exceeded minimum requirements. The project has now moved into its second phase with further optimization underway to reach EU BAT limits in 2026. This strategic investment of EUR 24 mn, covering all project costs, represents a significant step in the site’s sustainability roadmap and supports the achievement of the ZDHC Iyocell and wastewater targets. The upgrades of the

WWTPs in Mobile (USA) and Purwakarta (Indonesia) are progressing successfully, with total investments of EUR 12 mn in Mobile (mainly in 2024) and EUR 26 mn in Purwakarta (mainly in 2023), including CapEx in 2025. The CapEx for these projects are part of the total CapEx, which can be found in the segment report of the Consolidated Financial Statements. Further, the Grimsby (UK) project is also mentioned in the "Investments" section of the Management Report.

A further improvement project was completed at the fiber production site in Nanjing (China) in the reporting year. Enhanced wastewater degassing led to a substantial reduction of sulfur emissions to water, thereby lowering carbon disulfide loads in the effluent.

## Sulfate and COD reduction

[MDR-A 68a, 68b, 68c]

Lenzing's plant in Purwakarta (Indonesia) upgraded its WWTP. Construction was concluded in 2023 and it has been fully operational since early 2024, significantly reducing wastewater emissions (COD and sulfate). In 2025, the site continued to optimize the WWTP to further reduce COD levels. Through improved monitoring of sulfate in wastewater and enhanced recovery of sodium sulfate, specific sulfate emissions were also reduced.

An extraction agent purification plant, with a CapEx of EUR 5 mn, was completed in Lenzing (Austria) in 2025. The plant will contribute to significant COD savings in the future. The CapEx for the plant are part of the total CapEx, which can be found in the segment report of the Consolidated Financial Statements.

There is no action regarding the "Potential negative impact of Lenzing's downstream textile value chain on water pollution". Lenzing has been prioritizing and working on key topics in a step-wise manner.

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

## To achieve 'aspirational' MMCF level for ZDHC wastewater and air emission guidelines at Lenzing viscose facilities by 2026

**2026**  
**On track**

Scope	All Lenzing viscose production sites
Geographical coverage	Lenzing (Austria), Nanjing (China), Purwakarta (Indonesia)
Base year	2020
Baseline value	0 production sites
Target value	3 production sites
Status 2025	Lenzing viscose sites have continuously implemented the ZDHC MMCF guideline in its revised version 2.2 and Lenzing has actively engaged in the MMCF version 3 revision, which was published in 2025. The implementation of the wastewater guideline continued in 2025. In addition to the Wastewater target all Lenzing viscose sites completed their 2024/5 Supplier to Zero Platform assessment and successfully achieved the overall performance at 'aspirational' level.

## Targets

[E2-3, MDR-T 80a, 80f, 80g, 80j]

To ensure harmonized reporting of environmental data and performance, and to establish the baseline and target progress, Lenzing has defined and implemented an Environmental Data Reporting Guideline covering all production processes at all sites. The guideline sets minimum requirements and standardized methods for environmental data monitoring, assessment and reporting. Environmental data are collected monthly and form the basis for environmental performance reporting as well as target setting at both Group- and site level. All targets defined in this chapter are in full alignment with the key elements of the Safety, Health and Environmental Policy and the Group Environmental Policy and Standard, which provide the framework to continuously minimize emissions, waste and pollution.

The process for setting and monitoring targets is described in the "Sustainability targets" section in the "ESRS 2 General disclosures" chapter.

## ZDHC Lyocell target and ZDHC Viscose target

[E2-3 23d, 25, MDR-T 80h]

Lenzing has defined its voluntary targets for implementing the ZDHC guidelines for both viscose/modal and lyocell operations. The ZDHC program is an industry initiative that aims to reduce the discharge of hazardous chemicals (including SoCs and SVHCs) from the textile and apparel sector and provides guidance based on best available techniques and good industry practices. The certification framework of ZDHC includes a platform (ZDHC Gateway) for monitoring, tracking, reporting and sharing results along the supply chain. To ensure implementation at highest quality, ZDHC nominates authorized laboratories in various countries to conduct testing and reporting. Customers and brands support implementation by requesting evidence of clean production and certification, such as ZDHC. Stakeholder engagement with ZDHC in developing its guidelines, together with customer expectations, forms the foundation for setting targets relating to responsible fiber manufacturing. The target setting process is led by the Corporate Sustainability function and involves internal stakeholders, such as the HSE team, Operations and Commercial teams and the Managing Board.

<b>To achieve 'aspirational' MMCF level for ZDHC wastewater and responsible production guidelines at Lenzing lyocell facilities by 2028<sup>a</sup></b>		<b>2028</b> <b>On track</b>
<b>Sub-targets</b>	<b>Lenzing lyocell sites<sup>b</sup> achieve 'aspirational' level for wastewater and responsible production</b>	<b>2025</b> <b>Delayed</b>
	<b>Lenzing site in Grimsby (UK) achieves 'foundational' level for wastewater and responsible production</b>	<b>2026</b> <b>On track</b>
	<b>Lenzing site in Grimsby (UK) achieves 'aspirational' level for wastewater and responsible production</b>	<b>2028</b> <b>On track</b>
Scope	All Lenzing lyocell production sites	
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Lenzing (Austria), Mobile (USA), Prachinburi (Thailand)	
Base year	2022	
Baseline value	0 production sites	
Target value	5 production sites	

Status 2025 Lenzing facilities Heiligenkreuz (Austria) and Prachinburi (Thailand) have successfully achieved aspirational levels in 2025, however the facility in Lenzing (Austria) has achieved aspirational level for all parameters except one. In 2025, ZDHC granted the use of ISO certified laboratories in the USA in the absence of ZDHC authorized laboratories. Hence, the Lenzing site in the USA has also completed wastewater testing in 2025 and will be able to perform the MMCF assessment for 2025/6. Due to the above reasons, the sub-target has been slightly delayed. The modern WWTP at Grimsby (UK) was completed in January 2025 and brought into beneficial operation in May 2025. Currently there are no ZDHC authorized testing laboratories available in the UK.

- a) Relevant for the Managing Board long-term incentive (LTI) bonus targets
- b) Lenzing (Austria), Heiligenkreuz (Austria), Mobile (USA), Prachinburi (Thailand)

## Wastewater target

<b>To improve Lenzing Group's specific wastewater emissions (chemical oxygen demand (COD)) by 20 percent by 2024 (baseline 2014)<sup>a</sup></b>		<b>2024</b> <b>Achieved</b>
Scope	The same scope of facilities as the 2014 baseline (i.e. production sites excluding the new sites in Prachinburi (Thailand) and Indianópolis (Brazil)).	
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Purwakarta (Indonesia)	
Base year	2014	
Baseline value	6,110 tons COD	
Target value	4,888 tons COD	

Status 2025 The construction of the wastewater treatment plant in Purwakarta (Indonesia) took place in 2023 and the start-up was completed at the beginning of 2024. The first phase of the modern WWTP at Grimsby (UK) was completed in January 2025 and brought into operations in May 2025. It has achieved good performance levels, therefore the wastewater target was successfully achieved, reducing specific COD emissions by 24 percent from the baseline.

- a) Relevant for the Managing Board long-term incentive (LTI) bonus targets

In line with Lenzing's sustainability strategy and in response to increasing expectations for improved environmental performance in the supply chain, Lenzing has set a voluntary Group-level wastewater target focusing on the reduction of specific COD emissions. The target is based on the performance levels required by the EU Ecolabel, the EU Best Available Technique (EU BAT) under the EU Industrial Emissions Directive and relevant scientific measurements. The targets also reflect the requirements of external stakeholders, including customers and NGOs, such as the Changing Markets Foundation, as well as brands committed to the Changing Markets Roadmap. Internal stakeholders including the Corporate Sustainability team, the Health, Safety and Environment (HSE) team, the Operations and Commercial teams as well as the Managing Board were actively involved in the target-setting process. In addition, a wastewater emission target (reduction of COD emissions) was set for Lenzing's site in Grimsby (United Kingdom). This target was defined together with the responsible authorities in the context of implementing the EU Best Available Techniques Reference Document (BREF; Common Waste Water and Waste Gas Treatment/Management Systems in the Chemical Sector).

## FEM target

Lenzing's target to implement and annually update the Higg FEM and share verified module with customers applies to all Lenzing production sites, including both fiber and pulp facilities. The Higg FEM is a standardized tool used to measure and evaluate management practices and environmental performance at facility level. It provides a comprehensive overview of key impact areas such as energy use, water consumption, air emissions and waste management. In this context the FEM target supports monitoring, tracking, management, and reduction of pollutant emissions and substances of concern. There is no group-level aggregated FEM reduction target, as targets are set and monitored at site level. For additional information on the minimal disclosure requirements to the FEM target, please refer to the "Targets" section in the "E3 Water and marine resources" chapter.

## Metrics

### Pollution of air and water

[E2-4 30c]

Pollution of air and water includes the significant emissions from the Lenzing Group's pulp, viscose/modal and lyocell production units as well as the joint venture RVL Reststoffverwertung Lenzing GmbH. There are no material emissions to soil. The tables "Absolute emissions to air" and "Absolute emissions to water after wastewater treatment plant" include disclosures required under the Pollutant Release and Transfer Register (PRTR) and entity-specific disclosures of sulfur emissions to air, as well as amines and sulfate (SO<sub>4</sub>) emissions to water. Lenzing also reports selected specific emissions in the tables "Specific emissions to air" to monitor legally relevant sulfur emissions and "Specific emissions to water after wastewater treatment plant" to track the wastewater targets and assess reductions in specific amine and sulfate emissions.

In line with ESRS requirements, annual emissions of PRTR pollutants are included in the reportable Group total only if the relevant emission threshold defined in EC No 166/2006 Annex II is exceeded at a given site. However, Lenzing chooses not to apply these thresholds to the following parameters:

- COD emissions, as they are relevant to the Wastewater target established prior to the applicability of ESRS.
- Sulfate and amine emissions to water and sulfur emissions to air, as they are not listed in Annex II of the PRTR and are therefore disclosed voluntarily.

The PRTR is a mandatory system used in the EU for tracking and reporting emissions of pollutants to air and water. While Lenzing's EU sites follow the EU legislation and their PRTR data can be directly included in the sustainability report, PRTR rules do not apply to non-EU sites. Hence the Lenzing Group has adopted the following internal reporting principle to include PRTR-relevant pollutants for non-EU sites even though such reporting is not a regulatory requirement for these facilities.

For non-EU sites, Lenzing has adopted the following principles:

- **Identification of relevant pollutants:** Pollutants are identified on the basis of disclosures from EU sites, under the assumption that comparable production processes (pulp, viscose, lyocell) generate similar environmental issues, such as emissions.
- **Assessment against PRTR thresholds:** Each non-EU site is assessed against PRTR thresholds, with the large Lenzing (Austria) site serving as a reference point.
- **Use of monitoring programs and third-party testing:** All non-EU sites operate environmental and pollution monitoring programs that meet or exceed national legislation. However, not all identified PRTR pollutants are included in these programs. In such cases, Lenzing relies on independent third-party testing (e.g. biannual ZDHC tests at Nanjing (China) and Purwakarta (Indonesia)) to estimate whether emissions exceed PRTR thresholds and should be included in the Group totals. Concentrations measured in wastewater samples are multiplied by the annual discharge volumes to calculate annual emissions.

- **Pollutants not measured:** Some sites may not measure certain PRTR pollutants as they are not generated or no measuring requirements exist in local permitting conditions.

The methods used for quantifying the emissions at EU sites are reported in the publicly available PRTR disclosures and are based on direct and periodic measurements by internal and external laboratories. They comply with local and EU regulatory requirements and best practices and are reported to the relevant authorities. At non-EU sites, emissions are quantified according to local permitting requirements or legal obligations, local standards, or in the absence of these, according to Lenzing's internal monitoring requirements.

[E2-4 31]

Methodological hierarchy for the PRTR quantification: the measurement methods are selected according to national regulations and permitting requirements. These may prescribe or allow inferior methods relative to direct measurements. However, employing inferior methods must be used for some pollutants because direct measurement technologies are not available. All sites follow a maintenance and calibration program for measuring instruments in line with internal and external requirements.

[MDR-M 77b]

No external body other than the assurance provider validates Group-level disclosures. At site level however, pollutants subject to permitting requirements are validated by the respective local authorities.

### Emissions to air

Air emissions are mainly attributed to the pulp and viscose processes, as well as to energy generation from fuel combustion.

[E2-4 28a, 30a]

#### Absolute emissions to air<sup>a</sup>

(Tons)	2014	2025	2024
Sulfur (CS <sub>2</sub> and H <sub>2</sub> S emissions expressed as sulfur) <sup>b,c</sup>	34,787	7,086	8,427
SO <sub>2</sub> <sup>c</sup>	3,908	2,148	2,535
NO <sub>x</sub> <sup>c</sup>		3,000	3,351
Particulate matter (PM10)		148	135

a) Includes all production sites and RVL Reststoffverwertung Lenzing GmbH. Sulfur emissions were calculated using mass balance, and SO<sub>2</sub> emissions are based on measurements.

b) Entity-specific

c) PRTR thresholds do not apply to sulfur emissions. As thresholds are applied to SO<sub>2</sub> and NO<sub>x</sub> emissions to air, the values are not directly comparable.

[voluntary information]

#### Specific<sup>a</sup> emissions to air

Index (based on kg/t, 2014 = 100 %)	2014	2025	2024
Sulfur (CS <sub>2</sub> and H <sub>2</sub> S emissions expressed as sulfur)		14.4 %	16.9 %
SO <sub>2</sub>	100.0 %	41.6 %	46.8 %

a) Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volume). The specific loads are only shown as a percentage, as the production volumes are confidential and are therefore not reported.

The final emissions are calculated as a product of airflow and concentration.

The PRTR thresholds do not apply to the disclosure of sulfur emissions. However, thresholds have been applied to SO<sub>x</sub> and NO<sub>x</sub> emissions since ESRS requirements became effective. As a consequence, sites below the threshold are not included in the Group totals. In addition, Lenzing calculates the maximum air emissions using a mass-balance approach. To avoid any risk of underreporting, Lenzing reports the mass-balance results whenever they exceeded the values obtained from direct measurements.

### Changes over time

[E2-4 30a]

After achieving the previous air emissions target in 2024, both absolute and specific **sulfur emissions** to air have been further reduced in the reporting year. All the Lenzing Group's viscose fiber production sites (Lenzing (Austria), Nanjing (China) and Purwakarta (Indonesia)) are equipped with the best available waste-gas purification and recovery technologies, which are essential for efficient operations while keeping air emissions as low as possible.

**Nitrogen oxide (NO<sub>x</sub>) emissions** are primarily linked to fuel combustion and pulp production processes. Absolute NO<sub>x</sub> emissions have been slightly decreased in the reporting year due to natural fluctuation of business activities.

**Sulfur oxide (SO<sub>2</sub>) emissions** occur in the pulp and viscose production processes and from the use of sulfur containing fuel for energy generation. Both absolute and specific SO<sub>2</sub> emissions decreased in 2025 due to decreased product output and energy generation.

**Particulate matter (PM10) emissions** arise from fuel combustion and pulp production. The indicator has been included in the reporting scope for the second consecutive year. In 2025, PM10 emissions slightly increased mainly due to higher pulp production volumes.

## Emissions to water

[E2-4 28a, 30a]

### Absolute emissions to water after wastewater treatment plant

(Tons)	2014	2025	2024
COD <sup>a</sup>	6,110	4,381	5,626
COD <sup>b</sup>		5,192	6,230
SO <sub>4</sub> <sup>b,c</sup>	173,648	162,396	189,298
Amines <sup>b,c</sup>	198	94	183
Total nitrogen		360	138
Total phosphorus		63	100
Nonylphenol and Nonylphenol ethoxylates (NP/NPEs)		0	0
Zinc and compounds (as Zn)		5	5
Halogenated organic compounds (as AOX)		18	24
Chlorides (as total Cl)		8,963	8,234
Fluorides (as total F)		5	4

a) Excluding the new production sites in Prachinburi (Thailand) and Indianópolis (Brazil). This KPI corresponds to the scope of the "wastewater" target, which was formulated before these new production sites were conceptualized.

b) Including the new production sites in Prachinburi (Thailand) and Indianópolis (Brazil).

c) Entity-specific

[voluntary information]

### Specific<sup>a</sup> emissions to water after wastewater treatment plant

Index (based on kg/t, 2014 = 100 %)	2014	2025	2024
COD <sup>b</sup>	100 %	76.1 %	92.6 %
COD <sup>c</sup>		60.1 %	71.3 %
SO <sub>4</sub> <sup>c</sup>	100 %	66.1 %	76.2 %
Amines <sup>c</sup>	100 %	33.6 %	64.7 %

a) Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volume). The specific loads are only shown as a percentage, as the production volumes are confidential and are therefore not reported.

b) Excluding the new production sites in Prachinburi (Thailand) and Indianópolis (Brazil). This KPI corresponds to the scope of the 'wastewater' target, which was formulated before these new legal entities were conceptualized.

c) Including the new production sites in Prachinburi (Thailand) and Indianópolis (Brazil).

[E2-4 30b, MDR-M 77a]

Emissions to water are calculated based on wastewater flow volumes and pollutant concentrations. All discharges from sites within Lenzing's operational or financial control are included. This also covers discharges from separate legal entities treated in a WWTP that is within Lenzing (Austria) site's operational control.

PRTR thresholds are not applied to COD and are not applicable to amine or sulfate emissions. All other emissions classified as PRTR pollutants are disclosed in the report for the second consecutive year. Reporting these values enables year-on-year comparisons with the previous reporting period.

### Changes over time

[E2-4 30a]

**COD emissions** originate from pulp and all fiber production processes and are directly linked to Lenzing's Group-level wastewater target. Total as well as specific COD emissions decreased compared to the previous year in both reporting scopes that comprise facilities relevant to the Wastewater target and all facilities including the two production sites in Indianópolis (Brazil) and Prachinburi (Thailand). To ensure consistency of the Wastewater target, COD

emissions excluding these two newer sites are reported separately (see the tables “Absolute emissions to water after wastewater treatment plant” and “Specific emissions to water after wastewater treatment plant”). In 2025, this target has been achieved by specific COD emissions reduction of 24 percent from base 2014 as recently upgraded wastewater treatment plant at the sites in Grimsby (UK) and Purwakarta (Indonesia) became fully operational in 2025 (please see the “Actions” section above for more information).

**Sulfate emissions** may occur during fiber and pulp production. Absolute and specific sulfate emissions significantly decreased mainly due to stabilized operations of the upgraded WWTP at the Purwakarta (Indonesia) site. Because sulfate is not classified as a PRTR pollutant, these emissions are disclosed voluntarily.

**Amine emissions** are specific to lyocell production. Lenzing monitors these emissions at all lyocell production sites. Both absolute and specific amine emissions decreased substantially, which corresponds to the start-up of the new WWTP at the Grimsby (UK) site. This is also true for total emissions of both phosphorus as well as halogenated organic compounds (AOX), which significantly decreased compared to the previous reporting year.

The increase of total **nitrogen emissions** is a result of improved monitoring of water pollutants at the viscose fiber production site in Purwakarta (Indonesia), which was not tested for nitrogen emissions to water before 2025.

In the reporting year, no production site exceeded emission thresholds for **nonylphenol and nonylphenol ethoxylates (NP/NPEs)**. Emissions at this site are estimated using third-party measurements conducted every seven years, adjusted in line with the effluent quantity.

**Other emissions** to water (zinc and compounds, chlorides, and fluorides) remained stable at similar levels compared to the previous year.

[E2-5 34]

### Substances of concern (SoCs) by hazard classes<sup>a</sup>

(Tons)	H-Phrase	2025		2024	
		Input <sup>b</sup>	Output	Input <sup>b</sup>	Output
Skin sensitisation category 1	H317	1,471.05	51.92	2,453.73	1.04
Respiratory sensitisation category 1	H334	0.03	0.03	0.04	0.04
Reproductive toxicity category 2	H361fd	64,938.30	6,604.20	71,466.79	8,732.85
Specific target organ toxicity, repeated exposure category 1	H372	64,910.63	6,605.03	71,464.60	8,731.32
Chronic hazard to the aquatic environment categories 1 to 4	H410, H411	4,149.13	4,149.13	37.53	37.53
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	EUH440, EUH441	2.17	2.17	2.19	2.19
Suspected of causing cancer	H351	80.69	6.68		
May cause damage to organs through prolonged or repeated exposure.	H373	88.61	7.92		

a) The input and output quantities are calculated on the basis of the best available information.

b) “Input” refers solely to chemicals that are used for pulp or fiber production and does not include any chemicals applied in wastewater treatment, machine maintenance or similar activities.

## Substances of concern and substances of very high concern

[E2-5 32]

Lenzing discloses all substances of concern (SoCs) and substances of very high concern (SVHCs) across the Group’s data inventory and production output. This includes purchased chemicals (whether imported or not), substances produced for on-site use as intermediates, chemical products placed on the market, and substances contained in articles sold.

[MDR-M 77a]

The definition of SoCs and SVHCs are included in the ESRS Annex II. Under this definition, a list of hazard classes or categories classified in Part 3 Annex VI to Regulation (EC) No.1272/2008 are outlined as criteria.

The chemicals containing SoCs and SVHCs are identified by mapping the hazard classes in the production chemical inventories of all Lenzing sites.

The amount of a SoCs or a SVHCs in a chemical mixture is calculated based on its percentage as disclosed in the Safety Data Sheet (SDS) provided by the supplier. The quantity breakdown of SoCs and SVHCs per hazard class are listed in the tables “Substances of concern (SoCs) by hazard classes” and “Substances of very high concern (SVHCs) by hazard classes”.

The total amount of SoCs is the absolute value irrespective of whether one SoCs falls under more than one hazard class (see table “Total amount of Substances of concern (SoCs)”).

### Total amount of Substances of concern (SoCs)<sup>a</sup>

(Tons)	2025		2024	
	Input <sup>b</sup>	Output	Input <sup>b</sup>	Output
Total SoCs	70,979	11,234	73,985	8,769

a) The input and output quantities are calculated on the basis of the best available information.

b) "Input" refers solely to chemicals that are used for pulp or fiber production and does not include any chemicals applied in wastewater treatment, machine maintenance or similar activities.

[E2-5 35]

### Substances of very high concern (SVHCs) by hazard classes<sup>a</sup>

(Tons)	H-Phrase	2025		2024	
		Input <sup>b</sup>	Output	Input <sup>b</sup>	Output
Respiratory sensitising properties (article 57f - human health)		0.022	0.022	0.005	0.005
Persistent, Bioaccumulative (article 57d) and Toxic or Very Persistent, Very Bioaccumulative properties (article 5e)	EUH440, EUH441	2.172	2.172	2.192	2.192

a) The input and output quantities are calculated on the basis of the best available information.

b) "Input" refers solely to chemicals that are used for pulp or fiber production and does not include any chemicals applied in wastewater treatment, machine maintenance or similar activities.

[MDR-M 77b]

The metrics in this section are not validated by an external body other than the assurance provider.

# E3 Water and marine resources

## ABSTRACT

Lenzing recognizes the importance of sustainable water and marine resource management for environmental protection and responsible fiber production. The chapter explains how the company strives to improve its product water footprint by increasing the share of Lenzing pulp and improving water efficiency across its operations and supply chain, particularly in specialty fiber manufacturing. Lenzing uses Life Cycle Assessment (LCA) data to inform partners about product-related water footprints and support them in achieving their water-related goals. These measures are embedded in its environmental management system and complemented by global sustainability commitments. For disclosures concerning emissions to water, please see the "E2 Pollution" chapter.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
<b>Water withdrawals and water consumption</b>	Negative impact - Actual and potential - OO & downstream VC - Short- to medium-term	Pulp and fiber production as well as textile manufacturing can be water-intensive. Water withdrawal by Lenzing and its downstream value chain partners can contribute to increasing water scarcity.	*Water policy (also VC)	*FEM *VC: No target	*Global water assessment tools integrated into risk management  *Water footprint assessment of fiber products and raw materials  *Continuous and targeted measures  *Higg Facility Environmental Module (FEM)  *VC: No action	*Water consumption (E3-4)
	Opportunity - OO - Medium- to long-term	Lenzing's fibers products are produced with a lower water footprint compared to generic regenerated cellulose fibers. This can help value chain partners to meet their water conservation targets and secure Lenzing's business. This strategy promotes efforts to reduce overall water usage across the supply chain.	*Water Policy	*FEM	*Integration of global water-related assessment tools into risk management  *Water footprint assessment of fiber products and raw materials  *Continuous and targeted measures  *Higg Facility Environmental Module (FEM)	*Water consumption (E3-4)

OO...Own operations  
VC...Value chain

# Strategy

[ESRS 2 SBM-3 46]

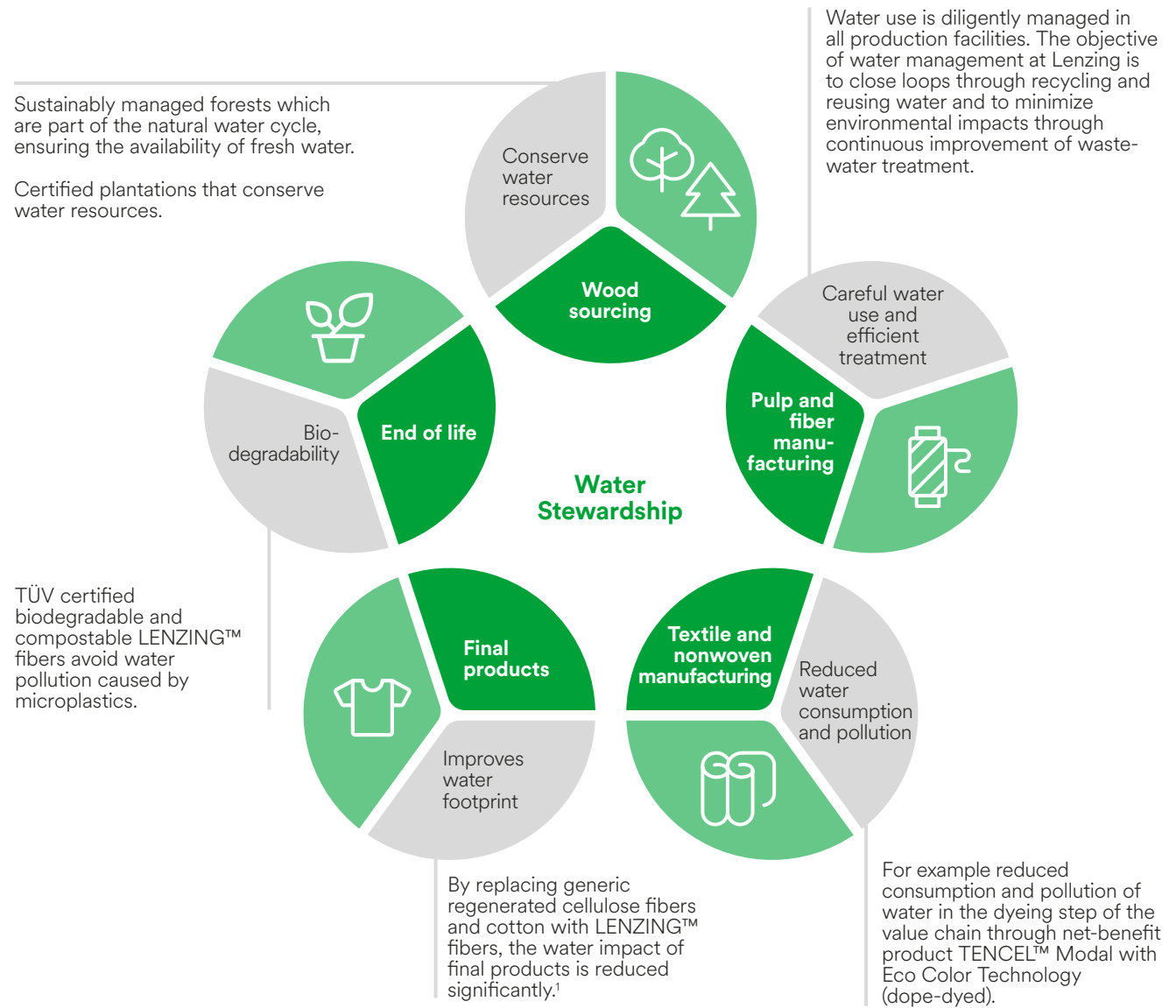
Water is a key resource for Lenzing’s production of dissolving wood pulp and cellulose fibers. Increasing water scarcity poses risks to the environment, local communities and sustainable economic development. Lenzing addresses this challenge by using water efficiently in its production and applying state-of-the-art wastewater treatment technologies.

Lenzing takes water-related aspects into consideration both in its own operations and throughout the upstream and downstream

value chain of its products. Water-stewardship is embedded in Lenzing’s operations, supported by ongoing monitoring and optimization programs that help reduce water consumption across various process steps (see the figure “Water stewardship”).

Lenzing identifies water-related hotspots through risk management tools and Life Cycle Assessments (LCA) and aims to contribute to the sustainable use of water. This commitment is reflected in Lenzing’s Group Environmental Policy and Standard and its Water Policy, which align with Environmental Management System ISO 14001, ESRS, CDP and other water-related standards and guidelines.

## Water stewardship



<sup>1</sup> Based on Higg MSI database v3.11 (Nov. 2025)

## Policies

[E3-1, MDR-P 65]

Policy	Water Policy
<b>Accountability</b>	Vice President (VP) Global HSE
<b>Scope and coverage</b>	Lenzing Group Local communities
<b>Objective and key elements</b>	Objective: To ensure responsible water stewardship by managing and conserving water resources throughout Lenzing's operations and value chain, minimizing impacts on communities and ecosystems.  Key Elements: Lenzing continuously monitors and manages its water use and water emissions, increasing efficiency and reuse while ensuring alignment with best practices and compliance with legal and environmental standards.
<b>Third party standards / initiatives</b>	EU Best Available Techniques (EU BAT) Zero Discharge of Hazardous Chemicals (ZDHC) UN SDGs
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	E2 Pollution E2-1 15a Lenzing actively manages and assesses its water footprint in its own operations and products which is governed by a Group-wide Performance Standard. Lenzing optimizes and improves its performance in terms of product water footprint through alignment with industry best practices, as well as through continuous efforts in technology and management innovations. 15b Lenzing aims to continuously reduce water-related emissions, including hazardous substances.  E3 Water and marine resources E3-1 12ai Lenzing actively manages and assesses its water use in its own operations and products which is governed by a Group-wide Performance Standard. 12aiii Lenzing aims to continuously reduce its water consumption and water-related emissions after wastewater treatment to levels that go beyond legal requirements thereby ensuring water quality and availability at its operating sites, and meeting stakeholder expectations. 12b Lenzing optimizes and improves its performance in terms of water use and product water footprint through alignment with industry best practices, as well as through continuous efforts in technology and management innovations. 12c,13 Lenzing recognizes the growing global issue of water stress and quality, which significantly impacts millions of lives. As part of its sustainability strategy, Lenzing has prioritized water stewardship, committing to responsibly manage and conserve water resources for the benefit of communities, future generations, and itself. For more information on areas of high water stress, please see the "Water consumption" section of this chapter.

## Actions

[E3-2, MDR-A 68a]

List of key actions

- Global water assessment tools integrated into risk management
- Water footprint assessment of fiber products and raw materials
- Continuous and targeted measures
- Higg Facility Environmental Module (FEM)

### Global water assessment tools integrated into risk management

[E3-2 19, MDR-A 68a, 68b, 68c]

Lenzing's operations depend on the use of water resources. Consequently, reliable access to freshwater potentially poses both environmental and business risks. Water risk assessment at the corporate level is carried out by collecting contextualized qualitative and quantitative information across the supply chain. Lenzing uses tools such as the WRI Aqueduct Water Risk Atlas and WWF Water Risk Filter to evaluate current watersheds and identify location-specific risks, including regions with high water stress. The facility

in Prachinburi (Thailand), which deploys water-efficient lyocell technology, is the Group's only site located in a region of high-water stress. Moreover, bespoke tools provide insights into future scenarios including potential impacts of climate change on water availability and quality. Water risk assessment is an ongoing annual process and was carried out again in the reporting year. This approach enables Lenzing to offer fibers to customers that address water scarcity concerns.

### Water footprint assessment of fiber products and raw materials

[E3-2 19, MDR-A 68a, 68b, 68c]

At product level, LCA is the primary tool for assessing cradle-to-gate impacts within direct and indirect operations, i.e. own pulp and fiber production and upstream supply chains. LCA supports the substantiation of product-related environmental claims and helps identify improvement opportunities such as in pulp production (including recycling) or the use of key chemicals. This assessment is supported by Lenzing's environmental data collection process for in-house operations. These include water use, effluents, the discharge of priority substances of concern as well as the increasing collection of primary data on water use from suppliers. While initial efforts focused on pulp suppliers, primary data is now

also requested from important chemical suppliers. Lenzing systematically collects operational and supplier data to ensure that LCA calculations are continuously updated and reflect the realistic water footprint of its products.

### Continuous and targeted measures

[E3-2 19, MDR-A 68a, 68b, 68c]

In 2025, the pulp plant in Paskov (Czech Republic) implemented corrective measures after a leakage of process and drinking water systems was detected. Additionally, an improvement project to save freshwater resources at the site by using more condensate for washing purposes was initiated in October 2025 and will be completed in 2026. At the fiber production site in Nanjing (China) an investment project to improve water use efficiency was completed in the reporting year. Wastewater is purified by a reverse osmosis unit and reused in cooling towers, thereby reducing freshwater withdrawal.

### Higg Facility Environmental Module (FEM)

[E3-2 19, MDR-A 68a, 68b, 68c]

Higg FEM assessment takes place on an annual basis. In 2025, Lenzing continued to implement the Higg FEM self- assessment and third-party verification at all production sites. Higg FEM requires production facilities to examine prospective water withdrawal and/or consumption, aiming for a reduction in the corresponding area. This tool provides a clear picture of a facility’s water footprint and supports operational and risk management related to water use. In addition, it supports the identification of measures to enhance water efficiency.

### Targets

[E3-3, MDR-T 80g, 80j]

The process of setting and monitoring the targets is described in the "Sustainability targets" section in the "ESRS 2 General disclosures" chapter. For targets relating to water pollution see the "E2 Pollution" chapter.

### FEM target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

#### To implement and annually update the Facility Environmental Module (FEM) in all pulp and fiber production facilities and share verified modules with customers from 2024

**Continuous  
On track**

Scope	All Lenzing production sites
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Indianópolis (Brazil), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Prachinburi (Thailand), Purwakarta (Indonesia)
Base year	2017
Baseline value	0 production sites
Target value	9 production sites
Status 2025	In 2025, Lenzing conducted FEM self-assessments and verifications for all sites. Therefore, the target is still on track.

[MDR-T 80g, 80h]

The Higg FEM is a standardized tool to measure and evaluate the environmental performance of production facilities. It provides a comprehensive assessment across key environmental impacts, including energy use, water consumption, air emissions and waste management.

Driven by industry initiatives and the growing use of standardized methods to monitor and improve environmental performance in the value chain, many customers have requested the implementation of FEM to capture data on suppliers’ environmental aspects. The Group Environmental Management team played a key role in defining the target, working closely with the Corporate Sustainability team.

[E3-3 23c, MDR-T 80f]

Lenzing aims to continuously reduce water-related emissions and water consumption to ensure water quality and availability at its production sites. The target-setting process considers multiple factors, including the changing water scarcity situation in many regions due to climate change. Targets were defined using a comprehensive approach that includes harmonized industry benchmarking to promote transparency in the value chain. They also reflect contributions to relevant Sustainable Development Goals

(SDGs), which strongly align with and significantly support the corporate sustainability strategy. Each site has set individual water-use targets for specific baseline and target years.

[E3-3 23a, 23c, 25, MDR-T 80a]

The FEM target aligns with the Lenzing Water Policy by providing monitoring mechanisms for continuous evaluation and improvement of water-related metrics. This supports the commitment to sustainable water management and conservation. Furthermore, Lenzing’s voluntary FEM target addresses the management of material impacts, risks and opportunities, such as water consumption at facility level and the management of operations in water risk and water stress areas. For more information on water risks areas, please see the “Water consumption” section. Actions to reduce negative impacts on water quality are addressed in the “E2 Pollution” chapter.

## Metrics

### Water consumption

[E3-4 28a, 28b, 28c]

#### Water consumption

(m <sup>3</sup> )	2014	2025	2024
<b>Total water consumption</b>	9,000,000	16,321,161	13,520,862
<b>of which in areas of water stress</b>	0	609,596	635,726
<b>Total water recycled and reused</b>		593,519,966	471,484,218

[E3-4 AR 32]

#### Water withdrawal<sup>a</sup>

(m <sup>3</sup> )	2014	2025	2024
<b>All areas</b>			
Surface water	103,000,000	97,764,520	101,429,595
freshwater	0	97,764,520	101,429,595
Groundwater	14,000,000	13,273,181	14,226,523
freshwater	0	13,273,181	14,226,523
Third-party water	0	9,665,818	9,600,396
freshwater	0	9,665,818	9,600,396
of which in areas of water stress	0	1,316,396	1,325,900
<b>Total water withdrawal</b>	<b>117,000,000</b>	<b>120,703,520</b>	<b>125,792,211</b>
<b>of which in areas of water stress</b>	<b>0</b>	<b>1,316,396</b>	<b>1,325,900</b>

a) From freshwater ( $\leq 1.000$  mg/l Total Dissolved Solids), no withdrawal from other water ( $> 1.000$  mg/l Total Dissolved Solids). No water is used from seawater and produced water.

[E3-4 AR 32]

#### Water discharge<sup>a</sup>

(m <sup>3</sup> )	2014	2025	2024
<b>Water discharged by destination</b>			
Surface water		46,150,257	53,709,893
Third-party water		58,232,102	58,561,456
of which in areas of water stress		706,801	690,174
of which third-party water sent for use to other organizations			
<b>Water discharged by water quality</b>			
Freshwater ( $\leq 1.000$ mg/l Total Dissolved Solids)		69,559,232	70,174,531
of which in areas of water stress		706,801	690,174
Other water ( $> 1.000$ mg/l Total Dissolved Solids)		34,823,127	42,096,818
<b>Total water discharged</b>	<b>108,000,000</b>	<b>104,382,359</b>	<b>112,271,349</b>
<b>of which in areas of water stress</b>	<b>0</b>	<b>706,801</b>	<b>690,174</b>

a) There is no water discharged to groundwater and seawater.

[E3-4 29]

#### Water intensity

	2025	2024
Total water consumption per revenue (m <sup>3</sup> /EUR mn)		
Water intensity	6,272	5,076

### Changes over time

Total water withdrawal and discharge volumes slightly decreased in 2025 but remain in stable range of typical fluctuation of business operations. However, water consumption significantly increased in group-wide operations mainly due to less water discharged at the pulp production facility in Brazil as an effect of both optimized operations and increase of recycled and reused water. Water use at the Prachinburi (Thailand) site – Lenzing’s only facility located in an area of water risk and high-water stress – remained stable on a year-on-year comparison.

The increase of total volume of water recycled and reused in 2025 is due to expansion and improvement of monitoring, as not all production facilities were able to report these indicators for the first time disclosure in 2024. The largest contributions come from recirculating cooling water and the reuse of process water in lyocell production. For details on scope, accounting principles and data limitations, see the “Accounting principles” section of this chapter.

### Contextual information

Lenzing’s objective in water management is to use water resources efficiently by maximizing recycling and reusing water within operations. The pulp mill at Paskov (Czech Republic) operates a closed-loop cooling water system that requires only a small amount of make-up water to compensate for losses. At the Lenzing site (Austria) the integrated pulp and fiber production saves water by eliminating the need to dry and re-moisten pulp due to integration with fiber production. Across the Lenzing Group, pulp and fiber production facilities obtain water from adjacent water bodies (mainly rivers and groundwater) and municipal local suppliers.

Water serves as a cooling and process agent during manufacturing. Substantial volumes of water are consumed by the inherent moisture uptake of cellulose fibers and vaporization in the cooling process. In the lyocell process, the spin bath contains water and the solvent NMMO to dissolve cellulose polymer prior to spinning. The viscose process uses a mixture of process chemicals and water. In both technologies water is efficiently recycled and reused by separating it from chemicals and/or solvents with high efficiency (see also the “E5 Resource use and circular economy” chapter). This state-of-the-art recovery technology is applied to all Lenzing facilities. It enables substantial water savings, provides optimal pretreatment for wastewater discharge and optimizes consistent fiber quality and performance.

## Accounting principles

[E3-4 28e; MDR-M 77a, 77b]

All production sites comply with local legal and permitting requirements. Water withdrawal and discharge are measured and reported on the basis of continuous metering. Sources of withdrawals as well as the destinations and quality of discharges are monitored and reported in the tables “Water withdrawal” and “Water discharge”. The sites submit this information to the Group database monthly. The data is then aggregated for Group-level reporting. The water consumption is calculated as the difference between discharge and withdrawal. While the Group-level data are not validated by any external body other than the assurance provider, water withdrawal and discharge monitoring are subject to inspections by local authorities at the sites.

### Water recycling and reuse

Water recycling and reuse is practiced at all Lenzing sites. Therefore, water entering the production sites is typically used multiple times before being discharged back into the environment. Process water, cooling water and steam condensate are generally recycled at the sites and are included in the “Water consumption” table. Factors influencing water recycling include local climate conditions, access to cooling water as well as technological and operational aspects.

This report comprises the recycling flows for specific pulp and lyocell process water streams. However, many complex recycling systems, such as the reuse of water in different fiber washing steps, are not yet represented and need further assessment. As the technical specifications are still under evaluation, there is currently no established foundation or sufficient data to provide a reasonable estimate of missing water recycling and reuse flows.

The reported total also includes water recycled in cooling towers and non-contact heat exchange operations. The Lenzing Group operates recirculating cooling systems with cooling towers. These systems enable the recycling of very large volumes of water compared to once-through cooling systems. The recycled water in the recirculating cooling systems is calculated using cooling tower parameters and direct measurements (flow meter readings).

# E4 Biodiversity and ecosystems

## ABSTRACT

Biodiversity and healthy ecosystems are fundamental for global resilience and for Lenzing’s long-term success. The World Economic Forum ranks biodiversity loss and ecosystem collapse among the top three global risks<sup>9</sup>, alongside climate change. As wood is Lenzing’s most important raw material, investing in biodiversity protection is essential. This chapter explains how Lenzing assesses nature-related risks, integrates biodiversity into its environmental management and implements targeted measures to safeguard ecosystem services. It highlights the company’s engagement in global initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD), the Science Based Targets for Nature (SBTN) and the European Business Nature Commitment. Through collaboration, monitoring and transparent reporting, Lenzing aims to reduce pressures on biodiversity and contribute meaningfully to global conservation goals.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
Land use change and dependencies on ecosystem services	Risk - OO & upstream VC - Short- to long-term	Wood scarcity due to non-resilient forests can lead to business losses as there might be no wood available or only at a high price. As biodiverse ecosystems are more resilient to outside stresses, biodiversity loss poses a great risk for Lenzing.	*VC: Wood and Pulp Policy	*Conservation area Brazil	*Avoid: Biodiversity due diligence via sustainable sourcing	*Land use area Brazil (entity-specific)
			*VC: Biodiversity Policy	*VC: Conservation projects (projects within the value chain)	*Restore: Lenzing’s plantations in Brazil *Restore: Maintenance and enhancement of ecosystem services in Austria *Transform: Biodiversity-related research activities *Beyond the value chain activities	*Biodiversity status Brazil (Land use intensity indirectly; entity-specific) *% wood sourced covered by FSC® and PEFC (entity-specific) *IRO-related TNFD metrics (entity-specific)

OO...Own operations  
VC...Value chain

The topic “Climate change as an impact driver of biodiversity loss” is material for Lenzing and is addressed in the “E1 Climate Change” chapter through the IRO “Negative impact on global climate change caused by generating GHG emissions from the use of non-renewable energy sources” as well as the related policies, targets, actions and metrics.

As a leading cellulose fiber producer, Lenzing focuses on three areas to reduce its impact on nature: responsible wood and pulp sourcing, its fiber production and products’ end-of-use.

To strengthen its biodiversity strategy, Lenzing joined the European Business Nature Commitment (EBNC) and the Science Based Targets for Nature (SBTN) Corporate Engagement Program in 2023. Practical guidance has been applied from the Taskforce on Nature-related Financial Disclosures (TNFD).

## Strategy

[E4-1 15]

With global biodiversity loss accelerating, the textile and apparel industry is increasingly recognizing its role in this challenge.<sup>10,11</sup> Agricultural land use is a major driver of biodiversity loss and forest-based wood sourcing can also contribute to biodiversity loss.

In 2024, Lenzing supported the Business for Nature Statement ahead of COP16 at the Convention on Biological Diversity in Colombia in calling on political leaders to implement the Global Biodiversity Framework under the Kunming-Montreal Protocol as well as to halt and reverse nature loss this decade.<sup>12</sup>

<sup>9</sup> WEF Global Risk Report 2024, long-term risks (10 years)

<sup>10</sup> Textile Exchange, Biodiversity Insights Report 2021. <https://textileexchange.org/app/uploads/2021/11/Biodiversity-Insights-Report-2021.pdf>

<sup>11</sup> Global Fashion Pact, <https://www.thefashionpact.org/our-work/#Tools-and-resources>

<sup>12</sup> <https://www.businessfornature.org/business-statement>

## Group Biodiversity Approach and Action Plan

For preliminary results of the biodiversity strategy process, please refer to the “[Biodiversity Approach and Action Plan](#)” (BAAP). This document outlines how Lenzing addresses nature-related dependencies, impacts, opportunities, as well as current and emerging legal requirements.

The Lenzing Biodiversity Approach and Action Plan navigates the company through these complexities and includes the following elements:

- Rationale and requirements for a Biodiversity Approach
- Identification of ecosystem dependencies, impact drivers, methods, and indicators
  - Locating of key dependencies and potential impacts
  - Measurement of dependencies and impact
  - Impact materiality assessment
  - Risks and opportunities: resilience analysis
- Definition of potential next steps and tasks (Action Plan)
  - Current and short-term actions

Please note that the BAAP does not represent the full biodiversity strategy and transition plan required under the ESRS.

## Site-specific Biodiversity Action Plan in Brazil

LD Celulose, Lenzing’s joint venture in Brazil, has developed a Biodiversity Action Plan (BAP) to integrate effective measures for biodiversity conservation into its industrial and operational activities. This is a comprehensive guide that identifies, assesses and addresses the opportunities and impacts of operations on biodiversity. This ensures responsible stewardship of natural resources within its areas of operation.

The BAP provides a framework for biodiversity management (including ecosystem goods and services) and establishes clear objectives and actions. It is based on a series of technical analyses that assess regional biodiversity and define how LD Celulose will operate. This includes additional mitigation measures based on the studies carried out, the company’s roles and responsibilities, implementation timelines, and the mechanisms for review and updates.

As a dynamic document, the BAP will be regularly reviewed and updated in line with the implementation progress, performance evaluations, and emerging regional biodiversity challenges.

## Resilience assessment

[E4-113]

As part of the Biodiversity Approach and Action Plan, Lenzing conducted an initial resilience analysis in 2024 applying the TNFD LEAP approach.<sup>13</sup> Details on the assessment of the resilience of the business model and strategy, including scope, key assumptions, time horizons, results and stakeholder involvement, are provided in the “Nature-related risk assessment” section of the “ESRS 2 General disclosures” chapter.

## Biodiversity-sensitive areas

[E4 ESRS 2 SBM-3]

Lenzing operates seven sites that are located near biodiversity-sensitive areas: Lenzing (Austria), Heiligenkreuz (Austria), Paskov (Czech Republic), Grimsby (UK), Mobile (USA), Indianópolis (Brazil) and Nanjing (China). For Lenzing’s operational sites Purwakarta (Indonesia) and Prachinburi (Thailand) no areas meeting the criteria were identified.

To assess proximity to biodiversity-sensitive and protected areas, Lenzing used several databases, including the Natura 2000 network, the Key Biodiversity Area network, Ramsar sites, European Environment Agency-European Protected Sites, the Emerald Network, the Protected Planet database, and UNESCO sites. The analysis considered terrestrial areas within 10 km of each site and water areas up to 30 km downstream.

[E4 ESRS 2 SBM-3 16a, 16c]

To date, there have been no documented significant impacts on the ecological status of the biodiversity-sensitive and protected areas, nor on any threatened species attributed to Lenzing’s operational sites.

[E4 ESRS 2 SBM-3 16b]

Additionally, no material negative impacts concerning desertification, soil sealing and land degradation have been identified.

All Lenzing sites have operation permits issued by the relevant regional authorities. These authorities coordinate with the bodies responsible for nearby biodiversity-sensitive areas to monitor any significant negative effects and, where necessary, request mitigation measures. No biodiversity-related mitigation measures were required during the reporting period.

For detailed information on biodiversity-sensitive and protected areas near Lenzing’s operational sites, please refer to the table “Biodiversity sensitive areas and protected sites near Lenzing production sites” in the “Annex”.

<sup>13</sup> Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

## Policies

[E4-2, MDR-P 65]

Policy	Biodiversity Policy
<b>Accountability</b>	Senior Vice President (SVP) Commercial Pulp, Biorefinery and Co-Products, Wood
<b>Scope and coverage</b>	Lenzing Group Upstream value chain
<b>Objective and key elements</b>	Objective: The objective is to maintain productive ecosystems healthy, especially forests, while protecting the related biodiversity and ensuring the preservation of ecosystem services.  Key elements: Lenzing applies best practices to reduce key drivers of biodiversity loss within our influence and foster ecosystem protection as well as regeneration and restoration across and beyond the supply chain.
<b>Third party standards / initiatives</b>	Global Biodiversity Plan under the Kunming-Montreal Protocol Taskforce on Nature-related Financial Disclosures (TNFD) Science Based Targets for Nature (SBTN) European Business Nature Commitment (EBNC)
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	E4 Biodiversity and ecosystems E4-2 23a The Biodiversity Policy addresses climate change, land-use change, direct exploitation, pollution and invasive alien species. 23b Lenzing strives to follow its science-based climate action plan to significantly reduce greenhouse gas emissions. 23c Lenzing's business model depends on wood as a natural raw material, which results in a material dependency on natural resources, primarily forests. 23d Traceability of raw materials, especially for wood, is ensured through a due diligence system, Chain of Custody certifications and compliance with current and upcoming relevant country regulations. 23e The Biodiversity Policy strengthens Lenzing's commitment to protecting, regenerating and restoring ecosystems and to deliver positive impacts both within and beyond the value chain. 23f Social consequences of biodiversity loss and the social benefits of positive biodiversity outcomes will be assessed as part of the biodiversity strategy building on the social criteria of the forest certification schemes. 24a The Biodiversity Policy applies to all operational sites owned, leased or managed near biodiversity-sensitive areas.

Policy	Wood & Pulp Policy
<b>Accountability</b>	Senior Vice President (SVP) Commercial Pulp, Biorefinery and Co-Products, Wood
<b>Scope and coverage</b>	Lenzing Group Upstream value chain Indigenous Peoples and Local Communities
<b>Objective and key elements</b>	Objective: The objective is to source wood and pulp exclusively from non-controversial sources.  Key elements: Lenzing applies a region-specific due diligence system, uses FSC® and PEFC certifications (License codes: FSC-C041246, PEFC/06-33-92) and science-based conservation planning.
<b>Third party standards / initiatives</b>	FSC® PEFC ILO Declaration on Fundamental Principles
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	E4 Biodiversity and ecosystems E4-2 23a The Wood and Pulp Policy covers land use change and direct exploitation. Wood and pulp supply is central for Lenzing's pulp and fiber production sites. 23e In its Wood and Pulp Policy, Lenzing is committed to sourcing wood and dissolving wood pulp exclusively from non-controversial sources. This is ensured through an internal due diligence system with region-specific assessments on-site and involvement of relevant stakeholders. 23f Controversial sources also include wood obtained in violation of traditional, community and/or human rights. This includes customary rights to land, resources, territories of Indigenous Peoples and Local Communities; as well as the failure to respect Free, Prior and Informed Consent (FPIC). 24b Lenzing does not procure wood from plantations established after 1994. 24d The Wood and Pulp Policy addresses the topic of deforestation.  S2 Workers in the value chain S2-1 16 The policy covers workers in the upstream value chain.

## Actions

[E4-3, MDR-A 68a]

List of key actions

- Avoid: Biodiversity due diligence via sustainable sourcing
- Restore: Lenzing's plantations in Brazil
- Restore: Maintenance and enhancement of ecosystem services in Austria
- Transform: Biodiversity-related research activities
- Initiatives beyond the value chain

[E4-3 28a]

To present Lenzing's actions in relation to biodiversity and ecosystems, the AR<sup>3</sup>T framework (**A**void, **R**educe, **R**estore, **R**egenerate, **T**ransform) is used as a practical classification tool. This is based on the mitigation hierarchy, as set out in the International Financial Corporation's Performance Standard 6.

### AR<sup>3</sup>T Framework of actions for nature, from SBTN (2020)<sup>a</sup>

#### Avoid

Prevent impact from happening in the first place: prevent the impact entirely

#### Reduce

Minimize impacts, but without necessarily eliminating them

#### Restore

Initiate or accelerate the recovery of an ecosystem with respect to its health, integrity, and sustainability, with a focus on permanent changes in its state

#### Regenerate

Take measures designed to increase the biophysical function and/or ecological productivity of an ecosystem or its components within existing land uses, often with a focus on a few of nature's specific contributions to people (e.g. regenerative agriculture often focuses on carbon sequestration, food production, and nitrogen and phosphorus retention)

#### Transform

Take measures contributing to system-wide change, notably to alter the drivers of nature loss, e.g. through technological, economic, institutional, and social factors and changes in underlying values and behaviors

a) SCIENCE-BASED TARGETS for NATURE. Initial Guidance for Business. (2020)

[E4-3 28b, 28c]

While Lenzing supports several restoration and regeneration projects worldwide, both within and beyond its value chain, it does not engage in biodiversity offsetting. While stakeholder engagement takes place, local and Indigenous knowledge on nature-based solutions and related perspectives have not yet been integrated into internal processes.

### Avoid: Biodiversity due diligence via sustainable sourcing

[MDR-A 68a, 68b, 68c]

Wood and dissolving wood pulp are Lenzing's most important raw materials. The company is committed to sustainable sourcing that aims to ensure a deforestation-free supply chain. All wood and dissolving wood pulp used by the Lenzing Group is either FSC® or PEFC certified or controlled in line with these standards.<sup>14</sup> This is continuously ensured through annual internal and external audits. For details on certification and due diligence, see the "Sourcing"

<sup>14</sup> License codes: FSC-C041246, PEFC/06-33-92

section in the "G1 Business conduct" chapter and the Focus Paper "Wood and Pulp".

The forest certificates held by the Lenzing Group include international criteria for biodiversity and forest ecosystem protection. Additional requirements are set out in national standards, which vary by country.

### Restore: Lenzing's plantations in Brazil

[MDR-A 68a, 68b, 68c]

To mitigate wood scarcity risks, Lenzing operates its own eucalyptus plantation in Brazil (License codes: FSC-C175509, FSC-C165948) to ensure reliable and sustainable wood supply. The plantation is managed by LD Celulose, which implements targeted measures to protect biodiversity and safeguard soil and water quality. LD Celulose does not use genetically modified organisms (GMOs). The plantation is located approximately 800 km away from the Amazon region.

Ongoing measures by LD Celulose include minimum soil cultivation to preserve nutrient cycles, plot-specific fertilization based on soil analysis, the creation of ecological corridors to connect habitats and the monitoring and protection of riparian forests designated as Permanent Preservation Areas under Brazilian law. The Forest Management Plan has been updated to strengthen pest management and reduce the risk of eucalyptus dispersion into natural vegetation. Monitoring of flora and fauna is carried out annually or twice per year and covers the entire plantation area.

### Restore: Maintenance and enhancement of ecosystem services in Austria

[MDR-A 68a, 68b, 68c]

Since 2022, Lenzing has been actively engaging with its wood suppliers in Austria to maintain and support forest ecosystem services addressing the concrete risk of "wood scarcity and resultant high wood prices". The Lenzing site pulp mill sources more than 35 percent of its wood from Austrian forests, thereby making their health condition particularly important.

Lenzing collaborates with Österreichische Bundesforste AG (ÖBf, Austrian Federal Forests) as a member of the Alliance for Biodiversity (Allianz für Biodiversität). In 2024, Lenzing started to support an existing action plan by ÖBf to protect and restore peat bogs in the Ausseerland region in Styria, Austria. Management activities started in autumn 2024 and were completed in 2025 resulting in the restoration of high-biodiversity wet meadows and ponds for amphibians. In 2025, a project was approved for the restoration of spawning grounds for endangered fish species in the river Traun (Upper Austria). Its implementation is scheduled for early 2026. The Lenzing site in Austria is situated in the catchment of this river.

## Transform: Biodiversity-related research activities

[MDR-A 68a, 68b, 68c]

In 2023, Lenzing and Wood K Plus initiated a doctoral research project on biodiversity metrics to assess corporate impacts and dependencies. As an initial output, a review paper on the SBTN methodologies for the “Assess” and “Interpret and prioritize” steps was published in 2025.<sup>15</sup> In the same year, a study on the applicability of indicators for sustainable forest management was completed; its publication is still pending. This research, ongoing through 2026, supports the development of Lenzing’s biodiversity strategy, especially the selection of suitable indicators for drivers of nature change and the state of nature.

A publicly funded research project, “Biodiversity and multifunctional forest management” (BIMUWA)<sup>16</sup> in Austria, has developed specific measures to protect endangered species (Red-List) and enhance biodiversity under local conditions in PEFC Region 6 (in Styria and Carinthia, Austria). These measures are already being integrated into daily forest management. The ÖBf is implementing these measures in cooperation with the NGO umbrella organization Umweltdachverband. As the measures are concrete and easy to apply, their positive effects can be scaled across large forest areas. The follow-up project for PEFC Region 2 (in Upper Austria, Lower Austria and Salzburg) was approved in 2025 and is financed through public funds and corporate contributions, including Lenzing’s. Implementation is scheduled to begin in 2026.

## Initiatives beyond the value chain

Lenzing also supports conservation solutions in regions outside its own supply chain. These projects address the “risk of wood scarcity from non-resilient forests and effects of increasing global average temperature” and the “risk of increasing wood prices due to climate change and biomass competition”. They contribute to climate change mitigation and adaptation by enhancing carbon sinks, stabilizing regional climates and strengthening ecosystem resilience. For actions addressing “climate change as a driver of biodiversity loss”, please see the “E1 Climate change” chapter.

## Regenerate: Social innovation for communities

[MDR-A 68a, 68b, 68c]

In the Luozi Region of the Democratic Republic of Congo, Lenzing co-funds a pilot project by Caritas Upper Austria. It integrates social and environmental measures for sustainable environmental protection. This project reduces CO<sub>2</sub> emissions by promoting alternative charcoal made from agricultural waste and energy-saving stoves, thereby lowering reliance on wood. Income-generating activities such as agroforestry and beekeeping help small-scale farmers transition away from wood charcoal while improving soil fertility and reducing deforestation. Advocacy and education efforts aim to limit slash-and-burn agriculture and improve forest protection. The project started in October 2023 and will run until 2026.

## Restore: Sustainable agriculture and agroforestry

[MDR-A 68a, 68b, 68c]

Deforestation in Tanzania severely affects ecosystems and rural livelihoods. In partnership with Sustainable Agriculture Tanzania (SAT), Lenzing supports a project in the Morogoro Region and the Uluguru Mountains Nature Forest Reserve to improve environmental conditions, preserve biodiversity, stabilize the water cycle, reduce soil erosion and strengthen local communities. Small-scale farmers are supported in planting native trees as well as spice and fruit trees. The project is implemented by SAT and Inspiring Cooperation Empowering People (ICEP), with Lenzing assuming a financing role over the 2024 to 2025 period.

## Regenerate: Reforestation and climate protection project

[MDR-A 68a, 68b, 68c]

Lenzing supports a collaborative project in Burundi aimed at ecosystem restoration and climate protection in the Ruvubu National Park. In partnership with Caritas Steiermark, ODAG-Caritas Gitega and the University of Burundi, this initiative seeks to reduce utilization pressure and restore the natural ecosystem through reforestation with native trees. It also aims to strengthen local livelihoods by raising awareness and providing training on sustainable forestry and agriculture to farming families in Mutumba and Nyabikere. This should improve environmental conditions by controlling bushfires and reducing illegal activities. The project is implemented by the partner organizations, with Lenzing providing financial support within the period of 2024 to 2026.

## Restore: Fashion forest afforestation project

[MDR-A 68a, 68b, 68c]

Lenzing Fiber (Shanghai) Co., Ltd. collaborates with the China National Textile and Apparel Council (CNTAC) and China Green Carbon Foundation (CGCF) on the Fashion Forest – Ecologic Carbon Neutral Forest project in Suochong Village, Sangdui Township, Daocheng County, Sichuan Province. The initiative reflects Lenzing’s commitment to sustainability and responsible raw material sourcing and demonstrates its contribution to biodiversity and ecosystem conservation through active stakeholder engagement.

The project focuses on spruce afforestation to restore high-altitude forest ecosystems by planting approximately 35,000 Qinghai spruces across an area of 18 hectares. This supports local ecosystem resilience and helps local communities adapt to climate change. Moreover, the project aims to enhance residents’ awareness of nature conservation and provides local communities with greater employment opportunities in silviculture and conservation. The project officially started in 2025 and will run for four years. A kick-off event was held during the 2024 reporting period.

<sup>15</sup>Barth, A. et al. (2025). Bridging business and biodiversity: An analysis of biodiversity assessment tools. *Environmental and Sustainability Indicators*, 26, 100682. <https://doi.org/10.1016/j.indic.2025.100682>

<sup>16</sup> <https://www.bundesforste.at/leistungen/naturraummanagement/foerderprojekte/biodiversitaet-und-multifunktionale-bewirtschaftung-im-wald.html>

## Targets

[ESRS E4-4 32a, 32b, 32e, 32f, MDR-T 80f]

Lenzing uses the AR<sup>3</sup>T Action Framework of the Science Based Targets Network (SBTN) as a reference for describing its actions. These conservation targets reflect the comprehensive and systematic approach to biodiversity and ecosystems that the Lenzing Group has been pursuing. In setting the targets for Lenzing, ecological thresholds, impact allocations and biodiversity offsets were not applied. These targets were set prior to the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030. However, the development of a new biodiversity strategy is underway. An initial outcome – the [Biodiversity Approach and Action Plan](#) – already integrates relevant global frameworks and initiatives which help ensure that future targets will be more comprehensive and aligned with global biodiversity goals and ecosystem conservation efforts. The conservation targets contribute to reduc-

ing the risk of species extinction by preserving habitats and maintaining ecosystem services through responsible forest management and protection.

[MDR-T 80a, 80g, 80h, 80j]

Both targets relate to the Biodiversity Policy. The conservation target in Brazil also aligns with the Water Policy and the Wood and Pulp Policy. Key external stakeholders such as the ICEP, the Austrian Federal Forests (ÖBf), the Canopy Style Initiative and the Umweltdachverband contributed to target setting through ongoing dialog and consultation. CDP serves as the reporting platform for these topics. Internal stakeholders including the Wood and Pulp Team, the Commercial Team and the Corporate Sustainability Team also played a crucial role in establishing these targets. The process for setting and monitoring targets is outlined in the “Sustainability targets” section in the “ESRS 2 General disclosures” chapter.

## Conservation Area Brazil target

[E4-4 32d, MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

### To implement conservation solutions on 24,500 ha at the pulp mill in Indianópolis (Brazil) by 2030

**2030**  
**On track**

Sub-target	Lenzing increases the protected area at the site in Indianópolis (Brazil) from 13,000 ha to 24,500 ha
Scope	Lenzing pulp mill in Indianópolis (Brazil)
Geographical coverage	Indianópolis (Brazil)
Base year	2020
Baseline value	13,000 ha
Target value	24,500 ha
Status 2025	Lenzing over-achieved its previous target of 20,000 ha in 2024. In 2025, the area was expanded to more than 23,000 ha, and therefore the target ambition and measure was increased to 24,500 ha.

## Conservation Projects target

[E4-4 32d, MDR-T 80c, 80d, 80e, 80j]

### To engage in further conservation, biodiversity protection and restoration activities in regions where forests are at risk or should be improved by 2025

**2025**  
**Achieved**

Scope	Lenzing, own operations, value chain and outside the value chain
Geographical coverage	Europe, Americas and Africa
Base year	2020
Baseline value	N/A
Target value	N/A
Status 2025	Lenzing supported several projects within its value chain in 2025, such as a project in Austria for the restoration and protection of moorland and peat bogs. In addition Lenzing supported projects beyond its value chain for forest conservation through social impact in China, DR Congo, Burundi and Tanzania. Over the last five years, Lenzing has invested in and supported several projects to this end and thereby successfully achieved its target. For a detailed description of all projects, please see the "Actions" section of the "E4 Biodiversity and ecosystems" chapter.

[MDR-T 81]

The Conservation Projects target is not linked to a quantitative metric. However, the target helps address the “risk of wood scarcity & high wood prices resulting from biodiversity loss” by supporting conservation, biodiversity protection and restoration projects, both within and beyond Lenzing’s value chain. The target is in line with the objectives of Lenzing’s Biodiversity Policy. Outcomes are primarily assessed through qualitative evaluation, com-

plemented by quantitative indicators where applicable. Further information on the related activities is provided in the project descriptions in the “Actions” section of this chapter.

## Metrics

[E4-5]

Attempts to quantify biodiversity impacts from land use usually consider two factors: the land area used and the intensity of use. Land use area alone is not a meaningful metric for impacts, and robust indicators for land-use intensity and biodiversity condition are still under development. Most available data is largely qualitative, and no standardized method exists for consistently comparing impacts. As a consequence, no specific actions can yet be derived from existing metrics. Current efforts focus on assessments such

as species counts, which provide useful insights but do not yet fully capture biodiversity related impacts. To advance this field, Lenzing supports a doctoral research project on developing biodiversity metrics for assessing corporate impacts and dependencies (see “Transform: Biodiversity-related research activities” in the “Actions” section).

[MDR-M 77b]

The metrics in this section are not validated by an external body other than the assurance provider.

## Land use area

[entity-specific]

### Land area and data availability across Lenzing's wood and pulp sources

Lenzing sources	Forest type	Land use intensity	Data/estimates	Land area data quality
Wood	Plantation	High	Known (see “Quantitative description of area managed and influenced by LD Celulose”)	High
Wood	Semi-natural	Low to medium	Estimates needed based on regional statistical data	Medium
Pulp (pulp supplier sources wood)	Plantation	High	Estimates possible	Medium
Pulp (pulp supplier sources wood)	Semi-natural	Low to medium	Rough estimates	Low

Estimating the land area used for Lenzing’s wood sourcing is part of the project initiated to develop a biodiversity strategy. Data availability and quality may vary depending on forest type, land ownership, sourcing area and supply chain position (see the table “Land area and data availability across Lenzing’s wood and pulp sources”). Initial attempts to estimate forest area use for direct wood supply to Lenzing’s European pulp mills began in 2023. As the work is still ongoing, no results are available at present.

## Land use area within LD Celulose’s plantations

### Quantitative description of areas managed and influenced by LD Celulose (entity-specific)

	Changes 2025 compared to 2024		2025		2024	
	ha	%	ha	%	ha	%
Forest/plantation area	4,549	6	71,089	71	66,540	71
FSC® area	6,857	12	55,012	55	48,155	51
Protected area	584	2	23,563	24	22,980	24
required by regulation	1,106	6	19,888	20	18,782	20
Infrastructure	398	8	4,786	5	4,388	5
<b>Total area</b>	<b>5,531</b>	<b>6</b>	<b>99,438</b>	<b>100</b>	<b>93,908</b>	<b>100</b>

Since the plantations in Brazil (Indianópolis) are owned and managed by the Lenzing Group, through LD Celulose, detailed land-use data is available. The main direct land use areas currently cover 99,438 hectares (994.38 km<sup>2</sup>). These areas were categorized as agricultural land several decades ago. The existing plantations were established without converting primary forests, naturally regenerating (second-growth) forests, savannahs, grasslands or freshwater natural ecosystems to other land uses, particularly not after 1994. This was a precondition for LDC’s plantations FSC® certification obtained in 2021. In 2025, however, 3,014 hectares (2024: 55 hectares) of degraded former agricultural grassland were converted to forest plantations.

Only plantation areas where trees have reached a certain maturity can be certified under the FSC® label. This explains the numerical gap between the total plantation area and the FSC®-certified area (License codes: FSC-C175509, FSC-C165948), representing the portion of trees that are too young to qualify for certification.

Brazilian environmental law determines the maintenance of Permanent Preservation Areas (APPs) and Legal Reserve (LR) areas. Currently, 23,563 hectares (2024: 22,970 hectares) of land managed by LD Celulose are classified as protected areas.

## Impact of land use intensity on biodiversity

[entity-specific]

Land use intensity affects biodiversity and ecosystem conditions. Lenzing Group monitors this across global regions through two different approaches.

In Europe, forest biodiversity and ecosystem status are monitored at national level according to the Forest Europe Criteria and Indicators.<sup>17</sup> They contain 6 criteria (among them, “Maintenance of forest ecosystem health and vitality”, and “Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems”) and a set of 35 quantitative as well as 17 qualitative indicators. Results are published regularly in the European overview<sup>18</sup> as well as in national reports. For the top four sourcing countries - Austria, the Czech Republic, Germany, and Slovakia - please refer to the reports listed in the footnote <sup>19</sup> for national indicators and results.

In Brazil, wood is sourced from plantations managed by LD Celulose. Monitoring is conducted in compliance with the Brazilian Forest Code through a structured framework of internal and external processes. This includes annual satellite imagery to assess the location, size and status of the Legal Reserve Areas (LRAs) and Permanent Preservation Areas (APPs) as well as regular field audits by internal environmental specialists. Flora and fauna are monitored within managed areas and in zones influenced by the mill site through internal programs and partnerships with universities.

Biodiversity monitoring has identified around 300 plant species and 440 animal species (2024: around 200 plant species and 450 animal species) within the forest management units of LD Celulose.<sup>20</sup> The programs are carried out annually during both the dry and rainy seasons to track potential impacts on local biodiversity. No significant reduction in species has been observed since monitoring began in December 2020. These programs are also required by the Brazilian environmental agency.

Pulp suppliers apply their own monitoring schemes. For a qualitative assessment of land-use intensity across forest types, please see the table “Land area and data availability across Lenzing’s wood and pulp sources”.

<sup>17</sup> <https://foresteurope.org/sustainable-forest-management/>

<sup>18</sup> Forest Europe 2015, and 2020: State of Europe’s Forest 2015. Ministerial Conference on the Protection of Forests in Europe, June 2016., and 2020, State of Europe’s Forest 2020. <https://foresteurope.org/publications/>

<sup>19</sup> Indicators of sustainable forest management in Austria reports from 2017 and 2020. <https://info.bmlrt.gv.at/themen/wald/walddialog/dokumente.html>, Czech Republic and Slovakia forest reports: Ministry of Agriculture of the Czech Republic, Information on Forests and Forestry in the Czech Republic by 2017 (English), Zpráva o stavu lesa a lesního hospodářství České republiky v roce 2020 (Czech).

Ministry of Agriculture and Rural Development of the Slovak Republic, Report on the Forest Sector of the Slovak Republic 2020., German forest report: [https://www.bmler.de/SharedDocs/Downloads/DE/\\_Wald/waldbericht2021.pdf?\\_\\_blob=publicationFile&v=11](https://www.bmler.de/SharedDocs/Downloads/DE/_Wald/waldbericht2021.pdf?__blob=publicationFile&v=11)

<sup>20</sup> LDC Green Bonds Report 2025. [https://ldcelulose.com.br/fileadmin/user\\_upload/gb\\_ld\\_celulose\\_eng\\_spreads.pdf](https://ldcelulose.com.br/fileadmin/user_upload/gb_ld_celulose_eng_spreads.pdf)

## Taskforce on Nature-related Financial Disclosures (TNFD) metrics

[entity-specific]

TNFD metrics addressing wood scarcity and related to land-use change are presented in the table below.

### TNFD Metrics

ID metrics	Metrics No.	Core global indicator	Core global metrics	Metrics for LD Celulose, Brazil for protected areas	Metrics for LD Celulose, Brazil for plantation area
1.2	C1.0	Total spatial footprint	b/ Total disturbed area (km <sup>2</sup> )	0 ha	2025: 6,492 ha (2024: 6,824 ha) were harvested and replanted (eucalyptus plantations only)
1.3	C1.0	Total spatial footprint	c/ Total rehabilitated/restored area (km <sup>2</sup> ).	70 ha of natural forest regeneration and natural expansion (There are no new areas of regeneration - this area continues to regenerate naturally.)  88.74 ha (2024: 204.06 ha) of afforestation by planting and/or seeding-based regeneration  0% of coppice, as coppicing is not carried out in areas of native vegetation	N/A
2.1	C1.1	Extent of land/freshwater/ocean ecosystem use change	change (km <sup>2</sup> ) by: a/ Type of ecosystem; and	0 ha	2025: 3,014 ha (2024: 55 ha) of degraded, former agricultural grassland converted to forest plantation.  No conversion of primary forests, other naturally regenerating (secondary) forests, savannahs, grasslands and freshwater natural ecosystems.
3.1	C1.1	Extent of land/freshwater/ocean ecosystem use change	land conserved or restored (km <sup>2</sup> ) split into: a/ Voluntary; and	3,675 ha (2024: 4,198 ha) (regulated protected area subtracted from total protected area)	N/A
3.2	C1.1	Extent of land/freshwater/ocean ecosystem use change	b/ Required by statutes or regulations	19,888 ha (2024: 18,782 ha) (20% of total area)	N/A
14_2	C5. Forest Europe	Regeneration (Forest Europe Indicator)		70 ha of natural regeneration and natural expansion (There are no new areas of regeneration - this area continues to regenerate naturally.)  88.74 ha (2024: 204.06 ha) of afforestation and regeneration by planting and/or seeding  0% of coppice, as coppicing is not carried out in areas of native vegetation	Harvested area continuously replanted
14_3	C5. Forest Europe	Naturalness level of forests (Forest Europe Indicator)	Size of the forest according to level of naturalness	In the Brazilian context, protected areas in the plantations are counted as semi-natural forests (ha); in 2025: 23,563 ha (2024: 22,980 ha)	2025 declared plantations area: 71,089 ha (2024: 66,540 ha) (E4-5)

Additional metrics and indicators recommended by TNFD that are not connected to Lenzing's ESRS IROs but might still be relevant for interested stakeholders can be found on the [Lenzing report website](#).

# E5 Resource use and circular economy

## ABSTRACT

The chapter describes how Lenzing embeds circular economy principles into its core business model to enhance resource efficiency and reduce environmental impacts. Lenzing has long operated closed-loop production processes and manufactures fibers that are TÜV-certified biodegradable and compostable at the end of their life cycle.<sup>21</sup> These measures ensure compliance with environmental legislation while maintaining financial competitiveness. The chapter also highlights collaborative initiatives, such as the partnership with Swedish pulp producer Södra, which is aimed at advancing textile-to-textile waste recycling and driving systemic change across the industry. By promoting circular solutions and improving sustainability performance across the value chain, Lenzing creates added value and strengthens its leadership in resource efficiency and circularity.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
<b>Resources inflows, including resource use</b>	Negative impact	Sourcing of conventionally produced chemicals relies on the use of virgin resources and does not enhance circular economy.	*VC: Global Supplier Code of Conduct	*VC: Supplier engagement	*Sourcing (G1-2 15) Sustainable chemical sourcing	*Number of suppliers responding to EcoVadis questionnaire (entity-specific) *Average EcoVadis score of Lenzing's suppliers (entity-specific) *Regionality of purchased chemicals (entity-specific)
	Positive impact	Lenzing contributes to circular value chains by producing fibers with recycled content and renewable raw materials thereby reducing reliance on virgin inputs and lowering lifecycle emissions. These practices support broader environmental goals by minimizing resource extraction, promoting reuse and reducing waste across the textile supply chain.	*Sustainability Policy *Wood and Pulp Policy	*Textile recycling *Circular business model	*Biorefinery for pulp production *Commercial-scale recycling technologies *Collaboration and research	*R&D expenditure (entity-specific) *Speciality fiber share (voluntary information) *Resource inflows (E5-4 30, 31) *Resource outflows (E5-5 34 a, 35, 36)
<b>Resource outflows related to products and services</b>	Opportunity	Lenzing's leadership in circular fiber innovation positions it to capture growing market demand for low-impact, resource-efficient and biodegradable materials. Through the use of recycled content, renewable wood and closed-loop production processes, Lenzing supports downstream partners in achieving sustainability targets while aligning with emerging regulatory frameworks such as the EU Textile Strategy. This strategic positioning enhances customer loyalty, opens new market segments, and reinforces Lenzing's role as a sustainability frontrunner in the textile sector.	*Sustainability Policy	*Textile recycling *Circular business model	*Biorefinery for pulp production *Commercial-scale recycling technologies *Collaboration and research	*R&D expenditure (entity-specific) *Speciality fiber share (voluntary information) *Resource inflows (E5-4 30, 31) *Resource outflows (E5-5 34 a, 35, 36)

<sup>21</sup> LENZING™ fibers which are TÜV certified as biodegradable (soil, fresh water & marine) and compostable (home & industrial) include the following products: LENZING™ Viscose Standard textile/ nonwovens, LENZING™ Lyocell Standard textile/nonwovens, LENZING™ Modal Standard textile, LENZING™ Lyocell Filament, LENZING™ Lyocell Dry and LENZING™ Nonwoven Technology. An exception in certification exists for the LENZING™ Lyocell Filament fiber, for which the necessary tests to confirm biodegradability within a marine environment have not been conducted.

Negative impact - Actual and potential - OO & upstream VC - Short- to long-term	Recycling processes are energy-intensive, potentially resulting in higher greenhouse gas (GHG) emissions and a larger carbon footprint for products compared to using virgin materials. Whether the impact is negative depends on the availability of future technologies, as well as the scale of recycling and recovery of chemicals.	*Sustainability Policy (also VC)	*Circular business model	*Collaboration and research	*R&D expenditure (entity-specific)
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OO...Own operations  
VC...Value chain

## Strategy

[ESRS 2 SBM-3 46]

Lenzing pursues its circular vision through three core practices that integrate key elements of the circular economy into its business model (see figure “Circular economy model”). Together, these practices help close material loops by establishing biological and technical cycles. This reduces dependence on virgin resources and supports long-term sustainability.



### Natural circularity

Renewable raw materials sourced from sustainable forestry form the basis of Lenzing’s value chain. At the end of their life, most products are designed for biodegradability and are compostable, thereby ensuring the closure of the biological cycle and reducing environmental impact.



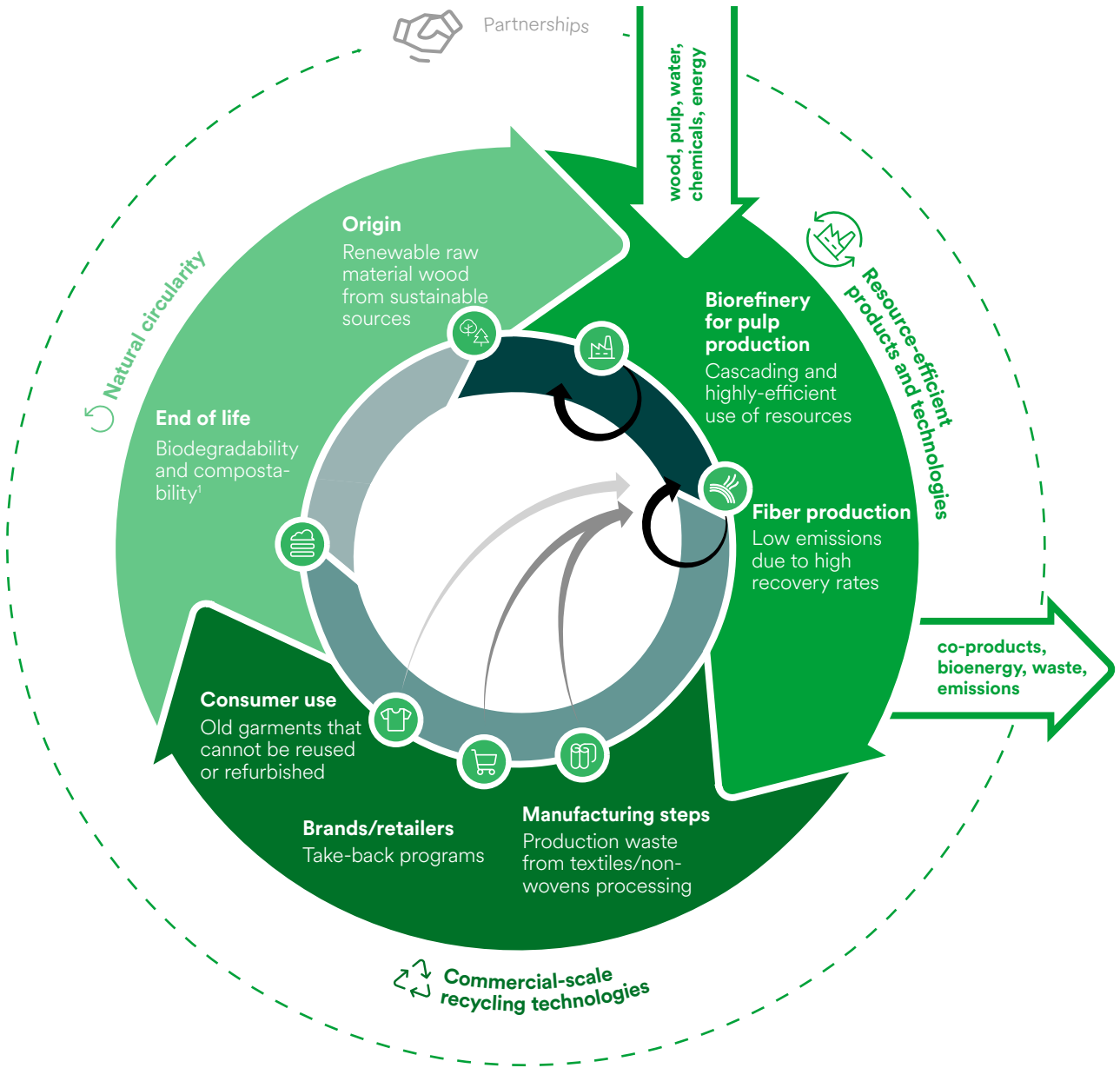
### Resource-efficient products and technologies

Biorefinery processes convert natural resources efficiently into pulp and co-products through cascading use, while fiber production is characterized by low emissions and high recovery rates. These technologies optimize resource utilization and minimize waste throughout the production processes.



### Commercial-scale recycling technologies

At Lenzing’s pulp and fiber sites, advanced technologies recover and reuse process chemicals and fibers, thereby maintaining material circulation within the technical cycle. Production waste from textiles and nonwovens is reintegrated into fiber manufacturing. Partnerships with brands and retailers support take-back programs for post-consumer textiles that feed into chemical recycling.



**Technical Cycle**

- ➡ Recovery & reuse of process chemicals
- ➡ Recycling of pre-consumer waste
- ➡ Recycling of post-consumer waste

**Natural Cycle**

- ➡ Natural resources
- ➡ Fiber use phase
- ➡ Closing the natural cycle

<sup>1</sup> Applies to TÜV certified biodegradable and compostable LENZING™ fibers

## Policies

[E5-1, MDR-P 65]

The topic of resource use and circularity is governed by two Lenzing policies. The minimum disclosure requirements and topic-specific requirements of these policies are described in other chapters: the Sustainability Policy - covering the topic-specific requirements transitioning away from use of virgin resources, sustainable sourcing and use of renewable resources – can be found in the “Sustainability Strategy” section of the “ESRS 2 General disclosures” chapter. The Wood and Pulp Policy can be found in the “Policies” section of the “E4 Biodiversity and ecosystems” chapter.

## Actions

[E5-2, MDR-A 68a]

List of key actions

- Biorefinery for pulp production
- Commercial-scale recycling technologies
- Collaboration and research

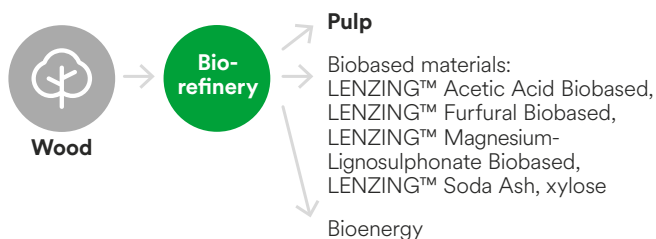


### Biorefinery for pulp production

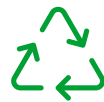
[E5-2 20a, MDR-A 68a, 68b, 68c]

During pulp production, wood is converted into dissolving wood pulp for use in subsequent fiber production. At Lenzing’s pulp sites, this process is energy self-sufficient, uses raw materials efficiently and achieves high recovery rates for solvents and chemicals. As a result, marketable biorefinery products and energy are generated while production waste is minimized (see the figure “Highly efficient use of the raw material wood”). The Lenzing Group currently operates three biorefineries in Lenzing (Austria), Paskov (Czech Republic) and Indianópolis (Brazil). These supply valuable biorefinery products to various industries and contribute to the efficient use of wood and process chemicals in a circular system. Each site produces a specific portfolio of biorefinery products.

#### Highly efficient use of the raw material wood



Surplus energy from pulp production is supplied as renewable energy in the form of steam and electricity. At the Lenzing (Austria) site, this surplus energy is used directly to power fiber production lines. In Paskov (Czech Republic) and Indianópolis (Brazil), surplus energy is exported to the electricity grid, thereby contributing to the regional transition toward renewable energy. This illustrates the cascading use of biomass and the 100 percent utilization of the raw material wood.



### Commercial-scale recycling technologies

[E5-2 20b, MDR-A 68a, 68b, 68c]

Recycling requires a holistic approach. Textile recycling processes can be energy-intensive due to the complex disassembly of garments, material blends and chemicals applied in textile production. To truly mitigate climate change and other potential environmental impacts the following factors have to be taken into consideration: e.g. design for circularity, the use of renewable energy and “low-impact” chemicals in the value chain. Brands and retailers play an important role by not only offering products with recycled content to consumers but also by designing apparel to facilitate circularity in terms of durability, recyclability and biodegradability.

Lenzing deploys two types of recycling within its product portfolio: chemical and mechanical, both of which are ongoing activities.

#### Chemical recycling

To address textile industry waste challenges, Lenzing has developed the innovative REFIBRA™ recycling technology. This process converts pre- and post-consumer cellulosic textile waste from cotton or regenerated cellulose, together with virgin pulp, into new fibers. Lenzing’s R&D teams are continuously working to further enhance this technology.

LENZING™ ECOVERO™ branded viscose fibers produced with REFIBRA™ technology contain a minimum of 20 percent recycled content from pre- and post-consumer textile waste. These fibers deliver high quality and performance equivalent to fibers made from virgin dissolving wood pulp. The fiber is certified under the Recycled Claim Standard (RCS), confirming that all production steps throughout the entire supply chain meet the requirements to ensure the integrity of the final product.

#### Mechanical recycling

Lenzing fibers can be used as blending partners to enhance mechanically recycled textile materials from post-industrial and pre-/post-consumer sources. During mechanical recycling, textiles are shredded down to individual fiber level as far as possible. Due to the shortening of fiber length and loss of performance such as tenacity, these mechanically recycled fiber materials require carrier fibers in order to be “respun” into new high quality yarns. Lenzing fibers are successfully used as carrier material for mechanically recycled fibers.



## Collaboration and research

[MDR-A 68a, 68b, 68c]

In 2025, Lenzing Group has numerous ongoing long-term research collaborations aimed at advancing textile recycling technologies and at strengthening the understanding of circularity among policymakers and industry stakeholders. The overarching goal is to accelerate the transition toward a circular economy in the textile and nonwovens sector. Lenzing collaborates with partners such as Södra, CELLFIL and TreeToTextile in several research projects, which are described below. The total R&D expenditure at Group-level in 2025 (calculated according to the Frascati method) amounted to EUR 31.7 million (2024: EUR 30.4 million). The R&D expenditure is entity-specific information.

### Södra

To accelerate technological development in textile recycling and expand capacity for generating pulp from post-consumer textile waste, Lenzing began collaborating with Södra, a leading global pulp producer, in 2021. The joint goal is to recycle and process 50,000 tons of textile waste per year at Södra's Mörrum site by 2029. This initiative, known as "Textile Recycling in Europe AT Scale" (LIFE TREATS), is supported by an EU subsidy of EUR 10 mn as part of the LIFE 2022 program (project ID 101113614), which aims to further develop the innovative OnceMore® recycling process.

### CELLulose lyocell FILaments (CELLFIL)

Lenzing is a participant and the technical coordinator in CELLFIL – CELLulose lyocell FILaments (project ID 101135042), which was launched in 2024 as a scalable solution for circular textile production. This project focuses on lyocell filament TENCEL™ Luxe, which has been developed by Lenzing over the course of the last decade. CELLFIL now spans the entire value chain, ranging from raw materials and various production steps through to end-use applications. As part of the project, nine prototype products are being developed across three categories: performance wear, automotive textiles as well as technical textiles and reinforcements. This process involves designing, developing and validating end-use textile applications that use optimized lyocell filament yarns and fabrics that offer enhanced recyclability. By spanning the entire value chain, this project seeks to demonstrate the potential for cellulose filaments to replace fossil-based counterparts that dominate today's textile industry. As a consequence, CELLFIL ultimately aims to transform the European textile value chain by developing sustainable, biobased lyocell filaments. Lenzing's role as producer of TENCEL™ Luxe includes supplying suitable filament types to its partners as well as developing new variants, such as filaments containing cellulose from alternative sources. Development takes place in close cooperation with partners whose downstream trial results directly inform subsequent iterations of filament variants. Furthermore, Lenzing is working on additional process improvements to scale filament production to industrial levels. The project will drive innovation across the value chain by defining business models and strategies for market adoption by 2030, ultimately contributing to the development of a circular textile economy in Europe.

### TreeToTextile

Lenzing acquired a non-controlling interest in the Swedish cellulose fiber company TreeToTextile AB in 2024, thereby forming a strategic partnership to develop next-generation cellulose fibers.

TreeToTextile's award-winning technology and production process, which significantly reduces environmental impacts, aligns with Lenzing's commitment to sustainability. In February 2026, Lenzing acquired a controlling majority and became majority owner of TreeToTextile AB. With the majority acquisition, Lenzing underscores its commitment to consistently advancing its premiumization strategy. The transaction enables an accelerated scaling of the new technology. Lenzing plans a significant increase in production output at the existing demonstration plant in Nymölla, Sweden, as well as the preparation of the first industrial-scale facility.

## Policy discussions

In view of the technological challenges and regulatory obstacles associated with textile recycling in the EU, Lenzing contributes its knowledge and expertise to the following EU collaborations: Policy Hub, Textile Dialog, European Recycling Industries' Confederation (EuRIC), Forum for the Future (international) and the Austrian Bio-economy Strategy (Austria). Especially noteworthy are the two following collaborations with CISUTAC and ESCIB.

### Circular and Sustainable Textile Clothing (CISUTAC)

Since October 2022, Lenzing has been a partner in the CISUTAC project, which is co-funded by the EU (project ID 101060375). This consortium was established to support the transition toward a circular and sustainable textile sector. Besides Lenzing, the 24 partners in the consortium include industry representatives such as Södra and Decathlon, NGOs such as Oxfam and academic institutions such as RISE and CENTEXBEL. The initiative aims to identify, prevent and eliminate barriers to circularity across the clothing value chain. Within this framework, Lenzing focuses on developing recycling processes for cellulose fibers in line with its corporate strategy, including the supply of fibers that enhance the quality of mechanically recycled cotton yarn.

### Environmental Sustainability & Circularity Assessment Methodologies for Industrial Biobased Systems (ESCIB)

Lenzing is a participant in the EU-funded project ESCIB (project ID 101135071) – Environmental Sustainability & Circularity Assessment Methodologies for Industrial Biobased Systems – which was launched in early 2024. This project aims to develop crucial assessment methodologies that will help the European biobased economy to perform faster and more accurate assessments of their value chains. A core objective of ESCIB is to create standardized methodologies for life cycle and sustainability assessments of biobased systems at various technology-readiness levels (TRLs). This will help to further improve the sustainability of biobased products, reduce potential negative impacts and highlight the benefits of biobased products in comparison to fossil-based products. Lenzing is one of the industrial partners in the project, providing use cases and playing a central role in testing and validating the developed methods. Lenzing's primary use case in the project is Lyocell™ filament, creating a strong link also to the EU-funded project CELLFIL.

## Targets

[ESRS E5-3 24, 24a, 24b, 24c, 27, MDR-T 80a]

Lenzing's Textile Recycling target and Circular Business Model target are closely aligned with the corporate strategy, which aims to promote the circular economy and sustainable material sourcing. These voluntary targets strengthen circular product design and increase the circular material use rate, thereby reducing dependence on virgin raw materials.

[E5-3 24d, 25]

The targets address renewable sourcing, the use of recycled cellulose textile waste and agricultural residues. The targets aim to increase both the share and diversity of alternative feedstocks. These targets primarily relate to the "recycling" tier of the waste hierarchy.

In addition, the Circular Business Model target promotes the circular economy concept as an overarching principle that spans over all layers of the waste hierarchy.

[MDR-T 80h]

Södra, a Swedish forestry cooperative producing wood products, pulp and biofuels, played a key role in defining these targets as a cooperative partner. Internally, the Corporate Sustainability department was supported by R&D, the Pulp and Wood Team as well as the Commercial Textiles team in the target setting process.

[MDR-T 80g, 80j]

The process for setting and monitoring these targets is described in the "Sustainability targets" section within the "ESRS 2 General disclosures" chapter.

## Textile Recycling target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

<b>Increasing the share and types of alternative feedstocks, e.g. by using recycled textile waste or agricultural waste by 2030</b>		<b>2030</b> <b>On track</b>
<b>Sub-targets</b>	<b>Increasing recycled content in viscose and lyocell fiber types from 20 percent to minimum 30 percent from post-consumer waste on a commercial scale by 2030</b>	<b>2030</b> <b>On track</b>
	<b>Innovating the use of at least 5 alternative feedstocks providers (e.g. from recycled textiles and agricultural waste) by 2030</b>	<b>2030</b> <b>On track</b>
Scope	All Lenzing fiber production sites	
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Lenzing (Austria), Mobile (USA), Nanjing (China), Prachinburi (Thailand), Purwakarta (Indonesia)	
Base year	2020	
Baseline value	Up to 30 percent recycled content in lyocell fibers (TENCEL™ x REFIBRA™)	
Target value	30 percent recycled content in viscose and lyocell fibers; 5 alternative feedstocks	
Status 2025	Lenzing has continued to work on enhancing technology that enables the chemical recycling of cotton-rich textile waste in cellulose fiber production. The company has also made progress in preparing for the processing of post-consumer household textile waste, which Lenzing anticipates will become the most significant category to address locally. There is optimism that new EU regulations will mandate the collection and treatment of textile waste and support scale-up efforts. Collaboration with Södra on textile recycling has continued and remained successful throughout the year. A highlight in 2025 was production of a lyocell staple fiber with 30 percent recycled content from Circ Inc., an innovative company. Notably, Circ effectively processes challenging polycotton waste, recovering both polyester and cotton fractions. In exploring other alternative raw materials, lab tests were conducted on agricultural waste such as hemp, banana fibers and aquatic plants. However, none of these innovations reached pilot-plant scale in 2025. Lenzing remains committed to further investigating these alternatives.	

## Circular Business Model target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

<b>To innovate a new circular business model by closing the loops for post-consumer materials and partner with 15 key supply chain companies by 2025</b>		<b>2025</b> <b>Achieved</b>
Scope	Group level	
Geographical coverage	Europe, America and Asia	
Base year	2020	
Baseline value	0	
Target value	15	
Status 2025	Despite challenging market conditions regarding circularity, including limited market demand, the target was successfully achieved. Lenzing addressed this objective through three strategic approaches: a) collaborating with innovators to address various waste sources and leverage their unique capabilities; b) integrating multiple recycling methods such as mechanical, chemical, and blending with virgin materials; and c) conducting smaller-scale collections within Lenzing's downstream value chain to generate insights and prepare for future scale-ups. A notable accomplishment in recent years was the successful pilot program to collect textile waste, sort it via a social enterprise organization (SEO), and recycle it into new fibers—a scalable model that both promotes recycling and supports social enterprises. Additionally, Lenzing's collaboration with Recyc Leather resulted in the combination of recycled leather fibers and TENCEL™ Lyocell fibers to create an innovative material for footwear, which has been adopted by a leading Danish contemporary brand.	

## Metrics

### Resource inflows

[E5-4 30]

Lenzing's main resource inflows are wood, dissolving wood pulp, chemicals, fuels and water. The consolidated weight of materials can be found in the table "Resource Inflows" below.



#### Wood and dissolving wood pulp

Wood as a material is part of the natural carbon cycle and as such is renewable, provided that sustainable forest management is applied. Processing wood into fibers requires a special quality of pulp referred to as dissolving wood pulp. The Lenzing Group's current nominal capacities for dissolving wood pulp amount to 320,000 tons at the Lenzing site (Austria), 300,000 tons at the Paskov site (Czechia) and 600,000 tons at the Indianópolis site (Brazil). For the locations of Lenzing's pulp factories, please see the "Lenzing Group locations" chapter.

In addition to producing its own dissolving wood pulp, Lenzing also sources dissolving wood pulp from the global market, mostly through long-term supply contracts. Eucalyptus, pine and spruce are the predominant wood species used by Lenzing's pulp suppliers. Beech, birch, ash, maple as well as other hardwoods and softwoods are also processed. The actual tree species used vary by region and quality requirements. All wood originates from sustainably managed forest operations that are certified or controlled under leading forest certification schemes. An overview of the principal species by region can be found in the "Annex". Lenzing ensures that all purchased pulp is bleached using either totally chlorine-free (TCF) or elemental chlorine-free (ECF) processes. Furthermore, 100 percent of Lenzing's wood or pulp suppliers are regularly assessed and certified or controlled according to FSC® or PEFC standards.<sup>22</sup> For more information on FSC® and PEFC certifications, please see the "Sourcing" section of the "G1 Business conduct" chapter.



#### Chemicals

The most important chemicals for Lenzing, accounting for around 85 percent of the total purchased volume, include carbon disulfide (CS<sub>2</sub>), N-methylmorpholine N-oxide (NMMO), sodium hydroxide (NaOH), sulfuric acid (H<sub>2</sub>SO<sub>4</sub>), sulfur (S), sulfur dioxide (SO<sub>2</sub>), spin finishings, titanium dioxide (TiO<sub>2</sub>) and zinc sulfate (ZnSO<sub>4</sub>). Lenzing applies the best available techniques for solvent recovery in its viscose/modal and lyocell production processes, thereby reducing the need for primary raw materials. In lyocell manufacturing, up to 99.8 percent of the used NMMO can be recovered and reused. Carbon disulfide and other chemicals used to produce viscose and modal fibers can be recovered and returned to the process in place of raw materials or converted to sodium sulfate, a marketable co-product.

Lenzing endeavors to source its chemicals as regionally as possible. However, despite an intensive search for a regional NMMO source, this chemical currently cannot be sourced regionally. For Lenzing, "regionally sourced" means sourced from the same country, or the neighboring country, of the location of the respective production facility. For more information on regional sourcing, please see the "Sourcing" section in the "G1 Business conduct" chapter.

Lenzing engaged in extensive dialog with its suppliers to explore options for sourcing sodium hydroxide with reduced associated GHG emissions. For more information on supplier engagement efforts to reduce GHG emissions, please see the "Actions" section in the "E1 Climate change" chapter.

#### Fuels

Pulp and fiber production is an energy-intensive process, with about two-thirds covered by fuels from renewable resources at Lenzing. For more information on fuels, please see the "Energy and fuels" section in the "E1 Climate change" chapter. In alignment with its objectives, Lenzing was the first cellulose fiber producer to establish concrete science-based targets approved by the Science Based Targets initiative to reduce GHG emissions and fossil-based fuels, respectively.

#### Water

Water is a valuable resource that is necessary for Lenzing's manufacturing processes. Further details on water and its recycling are provided in the "E3 Water and marine resources" chapter.

#### Packaging

Chemicals are delivered in different forms of packaging, such as containers and big bags. Lenzing has implemented take-back systems with its suppliers in order to reduce packaging waste. These systems not only ensure proper disposal but also facilitate the reuse of packaging material.

Dissolving wood pulp is transported in freight cars and trucks, while fiber bales are shipped in plastic films. This is necessary for product protection and transportation. Lenzing products require few packaging materials given the product-to-packaging weight ratio and low share of packaging materials in total material inflows. The recycling of packaging for fiber bales lies outside of Lenzing's operational system boundary due to a lack of control and influence on the downstream customer. Nonetheless, the company is currently evaluating potential reductions in packaging waste deriving from goods sold.

The management of packaging waste is a responsibility shared between Lenzing and its business partners. Proper disposal, participation in recycling programs and take-back systems can significantly contribute to reductions in packaging waste.

#### Property, plant and equipment

For Lenzing's fiber and pulp production plants, please see the "The locations of the Lenzing Group" section in the Annual Report.

Prior to the pulping process, large equipment is required for debarking and chipping wood logs, supported by warehouses and conveyor systems for intermediate storage. Wood chips and process chemicals are converted into pulp and cooking liquor by various digesters, boilers and tanks. Additional process units for washing, screening and bleaching as well as drying chambers and sheet

<sup>22</sup> License codes: FSC-C041246, PEFC/06-33-92

presses complete the set of systems required for pulp production. Residual cooking liquor is processed in multiple recovery systems where valuable substances are separated through condensation units as well as extraction and fractionating columns.

The production process for cellulose fibers involves an array of equipment to spin the cellulose dope into fibers, including tanks, various drums, reaction chambers, dryers and filtration systems. Key equipment for the spinning steps includes spinneret devices, followed by machinery for stretching and cutting staple fibers, as well as washers, purification units and dryers. Fibers are pressed into bales, wrapped in plastic foil and finally stored in bale warehouses before being transported by rail.

Both viscose/modal as well as lyocell fiber production entails equipment for the recovery of process chemicals including boilers, filtration and purification units, extraction columns, ovens and catalysts. The production of biorefinery and co-products involves storage towers and packaging units.

[E5-4 31]

### Resource Inflows

	2025	2024
Overall total weight of products and technical and biological materials used during the reporting period (mn t)	4.35	4.85
Percentage of biological materials (and biofuels used for non-energy purposes) that are sustainably sourced (% of total products and materials used) <sup>a</sup>	81%	72%
Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (mn t)	1.84	2.33
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (%) <sup>b</sup>	42%	48%

a) "Sustainably sourced biological materials" is a percentage of "Overall total weight of products and technical and biological materials used during the reporting period".

b) "Percentage of Secondary and reduced materials" is the ratio of the absolute weight of secondary, reused or recycled components to the "Overall total weight of products and technical and biological materials used during the reporting period".

[E5-4 32, MDR-M 77a]

The "Resource Inflows" table presents Lenzing's material inflows for the years 2025 and 2024 expressed as total weights of technical and biological materials. The most important raw materials (chemicals, wood and pulp) used to manufacture Lenzing's products and the packaging of Lenzing's products are included. The data is compiled from all Lenzing production sites and based on direct measurements (weighting) of the raw materials input into the manufacturing processes. The input of a raw material is defined as the purchased amount, adjusted for changes in storage levels. This data is released monthly by the sites' operations or purchasing departments and entered into the Group database, where it is consolidated at the Group level.

Sustainably sourced biological materials, primarily wood and pulp, account for 81 percent of the total material input by weight. All (100 percent) biological materials are sustainably sourced, as all wood

<sup>23</sup> License codes: FSC-C041246, PEFC/06-33-92

<sup>24</sup> Purified/marketed by a partner company

<sup>25</sup> LENZING™ fibers which are TÜV certified as biodegradable (soil, fresh water & marine) and compostable (home & industrial) include the following products: LENZING™ Viscose Standard textile/ nonwovens, LENZING™ Lyocell Standard

originates from well-managed forest operations certified or controlled according to the FSC® and PEFC certification schemes.<sup>23</sup> For more information on these schemes, please see the "Sourcing" section of the "G1 Business conduct" chapter. For more information on cascading principles of biological materials, please see the "Biorefinery for pulp production" section of this chapter.

Chemicals and solvent recovery are reflected in the high percentage of secondary or reused materials (42 percent). The volume of recovered substances is based on direct measurements (flow meter readings) of the recovered chemicals.



### Resource outflows

[E5-5 33, 35]

Lenzing's main product outflows are regenerated cellulose fibers, which are used in applications such as clothing, home textiles, personal care and hygiene products. The fiber portfolio comprises three types of fibers: lyocell, modal and viscose (rayon). Pulp and other biorefinery products as well as co-products from fiber production are sold to other industries.

To meet the needs of some of Lenzing's stakeholders, the following ESRS datapoints that are not material for Lenzing are voluntarily added to the "Annex" of this report: E5-5 37, 39 Waste.

### Biorefinery and co-products

[E5-5 35]

Lenzing sells its biorefinery and co-products such as LENZING™ Acetic Acid Biobased, LENZING™ Furfural Biobased, xylose (wood sugar)<sup>24</sup>, LENZING™ Soda Ash and LENZING™ Magnesium-Lignosulfonate Biobased to other industries.



### Natural circularity

[E5-5 34a i]

### Biodegradability

Lenzing's fibers consist of cellulose, the most abundant organic polymer, which is inherently biodegradable and mainly obtained from the renewable raw material wood. Wood is part of the biological cycle.

LENZING™ Lyocell, Modal and Viscose Standard fibers are certified by TÜV Austria as biodegradable and compostable.<sup>25</sup> The property of these fibers to biodegrade safely in the natural environment enables the cellulose material loop to close in accordance with the biological cycle.

A 2023 study conducted by Scripps Institution of Oceanography (SIO) offers scientific evidence that LENZING™ Lyocell Standard fibers, LENZING™ Viscose Standard fibers and LENZING™ Modal

textile/nonwovens, LENZING™ Modal Standard textile, LENZING™ Lyocell Filament, LENZING™ Lyocell Dry and LENZING™ Nonwoven Technology. An exception in certification exists for the LENZING™ Lyocell Filament fiber, for which the necessary tests to confirm biodegradability within a marine environment have not been conducted.

Standard fibers biodegrade in both sea-surface and deep-sea conditions.<sup>26</sup> This research confirms that these fibers can return to the ecosystem at the end of their life cycle. Scientists at SIO at the University of California, San Diego, had previously established in 2021 that LENZING™ Lyocell Standard fibers completely and rapidly biodegrade in sea-surface conditions.<sup>27</sup>

#### BIODEGRADABILITY OF REGENERATED CELLULOSE FIBERS COMPARED TO NATURAL CELLULOSE FIBERS.

##### A STUDY BY HYDRA INSTITUTE IN 2025<sup>28</sup>

Cellulose, the most abundant natural polymer, occurs both in native plant fibers, such as cotton, and as regenerated fibers, such as viscose, modal and lyocell. The environmental fate of regenerated fibers remains debated, despite there are only minor structural differences to natural fibers. We assessed the biodegradation of diverse cellulosic materials, including powders, loose fibers, fabrics, and nonwovens, under technical and natural conditions across soil, home compost, freshwater and marine environments. The study combined a total of 122 scenarios across standardized laboratory tests, mesocosm and field experiments, spanning cold-temperate to tropical regions as well as temperatures between 0 and 30 °C.

All cellulosic fibers exhibited inherent biodegradability, with biodegradation half-lives typically ranging from weeks to months. Regenerated cellulose degraded at rates comparable to native cellulose, indicating no scientifically justified distinction in environmental behavior. Biodegradation rates were primarily driven by water availability, temperature and nutrient levels, while oxygen played a minor role. Standardized tests aligned well with field observations, confirming their validity for assessing inherent biodegradability with environmental relevance. However, persistence in real-world scenarios is influenced by product-level modifications such as dyeing and finishing, rather than polymer type. These findings underscore that environmental risk assessments should focus on the final product rather than the base polymer.

## Net-benefit fibers

[E5-5 35]

Lenzing offers net-benefit products that deliver environmental and societal advantages and benefits for value chain partners, surpassing many competing alternatives. These products take the entire life cycle into account, encompassing both upstream and downstream value chain processes. In 2025 the net-benefit/speciality fiber share based on fiber revenue amounted to 92.0 percent (2024: 92.6 percent). This percentage is voluntary information.

### EU Ecolabel

Moreover, TENCEL™ Lyocell and Modal and LENZING™ ECOV-ERO™ fibers are certified with the widely recognized EU Ecolabel<sup>29</sup>. This label is awarded to products that meet high environmental standards throughout their entire life cycle. Achieving the EU Ecolabel would not have been possible without Lenzing's production processes with high recovery rates.

### Fibers with climate action

In 2025, TENCEL™ Lyocell, VEOCEL™ Viscose and VEOCEL™ Lyocell are available as products certified by Climate Partner. This certification enables the disclosure of voluntary financial contributions to GHG compensation projects as the last step in a five step protocol: climate action strategy (including carbon footprints), emission reduction targets, implemented reductions, financed climate projects and transparent communication.

### Spun-dyed fibers

Fibers with the TENCEL™ Modal with Eco Color technology and TENCEL™ Modal with Indigo Color technology directly incorporate pigments during fiber production and thereby help to avoid downstream and energy-intensive conventional dyeing processes. A fabric made from these fibers generates 60 percent fewer greenhouse gas emissions than conventionally dyed fabrics.<sup>30</sup>

First launched in 2021, TENCEL™ Modal Color has been established as a solution to address demand for spun-dyed fibers among brands and retailers.

For more information on products and technologies, please refer to the [Lenzing website](#).

<sup>26</sup> S.-J. Royer et al (2023). Not so biodegradable: Polylactic acid and cellulose/plastic blend textiles lack fast biodegradation in marine waters. Plos One, <https://doi.org/10.1371/journal.pone.0284681>

<sup>27</sup> Royer, S.-J., Wiggin, K., Kogler, M., Deheyn, D.D., (2021). Degradation of synthetic and wood-based cellulose fabrics in the marine environment: Comparative assessment of field, aquarium, and bioreactor experiments. Science of The Total Environment, 791, 148060, <https://doi.org/10.1016/j.scitotenv.2021.148060> .

<sup>28</sup> Christian Lott et al., Hydra Institute, Germany. <https://www.biorxiv.org/content/10.64898/2025.12.24.696393v1>

<sup>29</sup> The EU Ecolabel is recognized in all member states of the European Union, as well as Norway, Liechtenstein and Iceland. The voluntary label, introduced by an EU

regulation (Regulation EEC 880/92) in 1992, has gradually become a reference point for consumers who want to help reduce pollution by purchasing more environmentally-friendly products and services. EU Ecolabel for textile products (license no. AT/016/001)

<sup>30</sup> Terinte, N., Manda, B.M.K., Taylor, J., Schuster, K.C. and Patel, M. (2014). Environmental assessment of coloured fabrics and opportunities for value creation: spin-dyeing versus conventional dyeing. In: Journal of Cleaner Production 72, pp. 127–138; Textile processing steps being similar for Modal and Viscose, therefore savings are based on calculations of fabric production and dyeing via jet dyeing excl. fiber impact.

## Durability and repairability

[E5-5 36a, 36b, MDR-M 77a]

Lenzing's fiber are intermediate products that are integrated into finished products (such as t-shirts and wet wipes). With regard to the durability of materials, it is important to note that durability is not determined solely by the fiber itself but is heavily influenced by the subsequent textile processing steps and, ultimately, by the construction of the final product. Once the fiber is spun, the durability of the final product is determined by several critical factors, such as fabric construction, dyeing processes, surface treatment and finishing. These processes of the downstream value chain vary significantly depending on manufacturer, machine equipment and process parameters and exert a major influence on product properties. For this reason, comparing industry averages for fiber materials does not yield significant insights; instead, optimization of specific products is necessary to improve durability. In addition, a distinction must be drawn between textiles and nonwovens, as sustainability considerations for production processes also differ. Similarly, this applies to repairability.

This statement may be subject to modification if minimum requirements change due to legislative changes.



## Recyclable content

[E5-5 36c, MDR-M 77a]

As regenerated cellulose fibers can technically be recycled into new regenerated cellulose fibers, they consist of 100 percent recyclable content. The recyclable content rate in product packaging stands at around 90 percent. This is an estimate for the whole Group based on exact figures from the Lenzing (Austria) site. The underlying assumption is that packaging made from a single component, such as PET-only packaging, is recyclable, while packaging made from two or more constituent materials is non-recyclable. The recyclability rates were calculated by dividing the total weight of recyclable materials incorporated into the product/packaging by the total weight of the product/packaging.

[MDR-M 77b]

Except for the assurance provider of this report, resource inflows and outflows are not subject to external verification. However, the sustainably sourced biological materials are certified.

# HIGHLIGHTS

## SOCIAL

OWN WORKFORCE

### Caring for our employees

Our latest employee survey (April 2025) shows significant improvements across all areas (+5 points), with a Health Climate Index of 76% and participation above 70%. Over two-thirds of employees reported positive changes since the last survey. Results guide site-specific actions, tracked to ensure continuous progress toward a healthier work environment.

[More in the chapter >](#)

# 76%

Health Climate Index

OWN WORKFORCE

### Verified social & labor excellence

In 2025, all nine Lenzing production sites successfully completed Facility Social Labor Module (FSLM) verification through self-assessment and on-site third party audits. Results exceeded industry averages, with several sites ranking in the top 25% nationally – a clear reflection of our commitment to ensure fair labor practices and continuous improvement.

[More in the chapter >](#)



OWN WORKFORCE

### Building an inclusive culture

In 2025, the Employee Resource Group groups PrideAlliance@Lenzing, Women@Lenzing, and Multicultural@Lenzing continued to drive awareness and empowerment. Pride Month and International Women's Day were celebrated with panels, cultural events, and initiatives like free access to menstrual products at headquarters. A dedicated EDI (Equity, Diversity, Inclusion) lead was appointed at group level, strengthening Lenzing's commitment to equity and belonging.

[More in the chapter >](#)

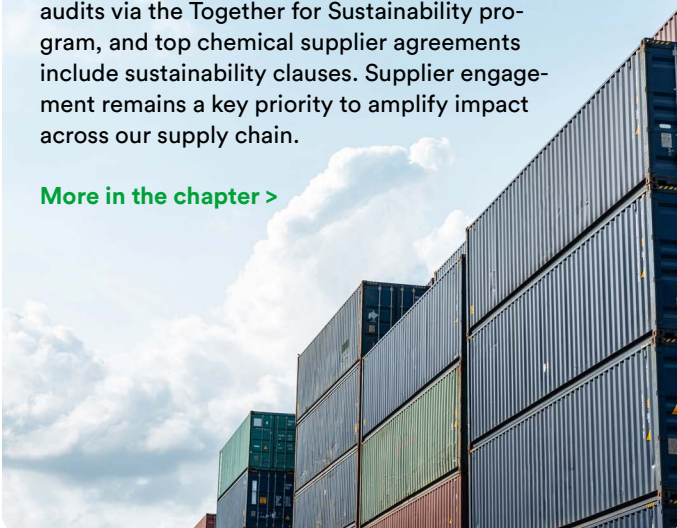


WORKERS IN THE VALUE CHAIN

### Responsible supply chains

In 2025, over 1,000 suppliers were assessed through EcoVadis, covering 68% of global procurement spend. Five suppliers underwent audits via the Together for Sustainability program, and top chemical supplier agreements include sustainability clauses. Supplier engagement remains a key priority to amplify impact across our supply chain.

[More in the chapter >](#)



# S1 Own workforce

## ABSTRACT

Lenzing's employees are at the core of the company's long-term success and sustainability performance. As a global organization, Lenzing recognizes that its strength lies in the diversity, skills and commitment of its workforce. This chapter outlines how Lenzing supports and engages with its employees across key areas such as employment, working conditions, equal opportunities, diversity and inclusion, employee development and occupational health and safety.

Creating an inclusive, fair and respectful workplace is fundamental to Lenzing's people strategy. The company values diversity in all its forms and is committed to attracting, developing and retaining talent from a wide range of backgrounds. Ethical conduct and respect for human rights form the foundation of Lenzing's culture and are embedded in its global operations through alignment with internal standards and international frameworks.

Ensuring the health, safety and well-being of all individuals working at Lenzing sites is a top priority. The company strives to provide a safe working environment that meets or exceeds regulatory expectations and realizes continuous improvements through proactive risk management and open dialog. Health and safety measures also apply to contractors and other individuals on site, reflecting Lenzing's commitment to a safe, fair and inclusive workplace for everyone.

## Impacts, risks and opportunities

[S1-4 38a, 38c, 40, MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
<b>Working conditions - Secure employment</b>	Risk and opportunity - OO - Short-term	Maintaining employer attractiveness during workforce reductions and economic challenges, with an emphasis on transparent communication.	*Communication Guideline	*No target	*Communication actions	*Employees' turnover (S1-6 50 c)
	Opportunity - OO - Medium-term	Lenzing sees a growing requirement for social certificates from its customers. By being certified, Lenzing secures business by being listed as a preferred supplier.	*Policy for Health, Safety and Environment  *Policy on Human Rights and Labor Standards  *Global Code of Business Conduct	*Social Standard	*Social audits	*Number of inquiries about social certificates (entity-specific)
<b>Working conditions – Work-life balance</b>	Positive impact - Actual - OO - Short-term	The implementation of flexible working time models, comprehensive leave options, and employee benefits supports a healthier work-life balance for the workforce. These measures are designed to reduce stress, enhance job satisfaction, and enable employees to better manage personal and professional responsibilities, contributing to overall well-being and retention.	*No Policy	*No target	*Work-life balance and benefits provided actions	*Social protection (S1-11)  *Work life balance metrics (S1-15)  *Health climate index (entity-specific)
<b>Working conditions – Health and safety</b>	Negative impact - Potential - OO - Medium-term	Inadequate safety precautions can impact and potentially expose its workforce at operated assets to potential health and well-being impacts.	*Policy for Health, Safety and Environment  *Life Saving Rules Guideline	*Health (TRIFR)	*Health and safety actions	*Health and safety metrics (S1-14)

	Risk - OO - Short-term	A poor working climate can lead to employee turnover or reduce their productivity. (Due to mental health.)	*Policy on Human Rights and Labor Standards  *Global Code of Business Conduct  *Global Equity, Diversity and Inclusion Policy	*No target	*Equity, diversity & inclusion (EDI) actions  *Health and safety actions	*Health climate index (entity-specific)
<b>Equal treatment and opportunities for all – Gender equality and equal pay for equal work</b>	Negative impact - Actual - OO - Medium-term	Lenzing has challenges in the area of equal pay for equal work due to cultural issues and unconscious bias. Lenzing recognises the importance of gender equality and equal pay for equal work and is committed to continuous improvement in this area.	*Global Equity, Diversity and Inclusion Policy	*Equity, Diversity and Inclusion	*Equity, diversity & inclusion (EDI) actions	*Remuneration metrics (S1-16)
<b>Equal treatment and opportunities for all – Training and skills development</b>	Risk - OO - Short- to medium-term	Insufficient quality in succession planning can lead to a decline in productivity.	*Global Learning & Development Guideline  *Global Performance Management Guideline	*Succession planning	*Learning and development actions	*Training and skills development metrics (S1-13)  *Total expenditure on lifelong learning and personnel development (voluntary information)  *Number top talents (voluntary information)
<b>Equal treatment and opportunities for all – Diversity</b>	Negative impact - Potential - OO - Short-term	A lack of support of diversity can lead to exclusion, isolation as well as discrimination and can have psychological consequences for employees.	*Global Equity, Diversity and Inclusion Policy	*Equity, Diversity and Inclusion	*Equity, diversity & inclusion (EDI) actions	*Diversity metrics (S1-9) *Persons with disabilities (S1-12)
	Opportunity - OO - Medium-term	Diversity drives innovation and performance. Diverse and inclusive workplaces are linked to better talent retention, innovation and market competitiveness.	*Global Equity, Diversity and Inclusion Policy	*Equity, Diversity and Inclusion	*Equity, diversity & inclusion (EDI) actions	*Diversity metrics (S1-9) *Persons with disabilities (S1-12)

OO...Own operations  
VC...Value chain

## Strategy

### Managing social sustainability

[S1 ESRS 2 SBM-3 13a]

Managing impacts, risks and opportunities for Lenzing's workforce is closely tied to the company's corporate strategy, which is built on premiumization, excellence, innovation and sustainability. The following elements are interconnected: diversity drives innovation, work-life balance supports excellence, and social sustainability strengthens overall performance.<sup>31</sup> For additional context on the overarching double materiality process, please see the "Double materiality analysis" section in the "ESRS 2 General disclosures" chapter.

[S1 ESRS 2 SBM-3 14a]

Lenzing is committed to conducting business with respect for human rights and dignity. Members of Lenzing's own workforce who could be materially impacted include employees and non-employees. Non-employees constitute a small fraction of leased personnel and self-employed individuals.

### Impacts

[S1 ESRS 2 SBM-3 14b, 15]

The potential negative impact on the health and well-being of Lenzing's workforce in the case of accidents is incidental (individual incidents). As a manufacturing company, blue-collar workers face higher health and safety risks compared with white-collar workers. Please see the "Impacts, risks and opportunities" section of this chapter for a short description of the impacts, risks and opportunities.

[S1 ESRS 2 SBM-3 14c]

Lenzing's employees are positively impacted by the work-life balance that is provided. For details of actions that result in the positive impact, please see the corresponding action in the "Actions" section of this chapter.

### Risks and opportunities

[S1 ESRS 2 SBM-3 13b, 14d, 16]

Lenzing depends on maintaining employee trust and morale, particularly during periods of workforce reductions and economic uncertainty. Insufficient transparency and ineffective communication can undermine trust and reduce employee motivation. If not addressed, this may contribute to a deteriorating working climate, which in turn can increase unwanted turnover and lower productivity. Such developments would adversely affect operational per-

<sup>31</sup> The underlying studies and further details supporting this statement can be found in the Lenzing Sustainability Report 2022, chapter Diversity

formance, weaken knowledge retention, reduce innovation capacity and hinder the execution of strategic priorities. This represents a material risk to Lenzing's strategy and business model, both of which rely on workforce well-being, engagement, and productivity. Training and skills development is one of Lenzing's strategic key areas. Failing to provide development opportunities for employees could lead to a shortage of qualified personnel and gaps in succession planning. Last but not least, Lenzing sees diversity as a driver of innovation, supported by studies showing that a diverse workforce enhances innovative capacity. This opportunity applies to all individuals contributing to workforce diversity.

[S1 ESRS 2 SBM-3 14f, 14g]

Lenzing does not tolerate child or forced labor, in line with ILO Convention, the UN Guiding Principles on Business and its Policy on Human Rights and Labor Standards. Country-level risk assessments indicate that regions such as parts of Asia, South America,

Eastern Europe, and Eurasia carry higher systemic risk of child and forced labor. This does not indicate any identified cases within Lenzing's own operations.

To mitigate potential risks, Lenzing has implemented preventive measures such as its Global Child Labor Remediation Procedure and annual assessments using the Higg Facility Social & Labor Module (FSLM). In 2025, all production sites completed the full verification process. Seven sites had already successfully completed it in previous years, while two sites were verified for the first time. The process included both self-assessment and third-party audits. This marks a significant step in strengthening social due diligence and transparency across the company's global operations. For more information, please refer to the "Policies" and "Social Audits" sections of this chapter.

## Policies

[S1-1, MDR-P 65]

Policy	Policy on Human Rights and Labor Standards
<b>Accountability</b>	Senior Vice President (SVP) Corporate Human Resources
<b>Scope and coverage</b>	Lenzing Group  Upstream value chain and downstream Tier 1  Local communities
<b>Objective and key elements</b>	Objective: Lenzing is fully committed to uphold the protection of human rights in its sphere of influence and to identify, prevent, mitigate and remediate adverse human rights impacts.  Key elements: Lenzing fully supports the fundamental labor principles which prohibit child and forced labor, freedom of association and bargaining, fair compensation and working hours, safe and healthy workplaces as well as protection from discrimination, harassment and inhumane treatment.
<b>Third party standards / initiatives</b>	UN Global Compact UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises ILO Declaration on Fundamental Principles Universal Declaration of Human Rights (UDHR)
<b>Accessibility</b>	<a href="#">Lenzing website</a>

<b>Topical standards</b>	<p>S1 Own workforce S1-1</p> <p>20a The Lenzing Group places the highest priority on its employees and its social responsibilities towards them. Lenzing fully supports all internationally recognized human rights and the principles set out in the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the fundamental labor principles protecting workers' rights as defined in the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).</p> <p>20b Lenzing engages with its own workforce through regular and varied communication channels; please see the "Communication" section of this chapter.</p> <p>20c Lenzing provides appropriate remedies for human rights impacts to affected individuals, employees and local communities, including indigenous peoples, through both judicial and non-judicial mechanisms.</p> <p>21 For alignment with internationally recognized instruments, please see row "Third party standards / initiatives" in this table.</p> <p>22 The policy addresses human rights topics such as forced labor and child labor.</p> <p>S2 Workers in the value chain S2-1</p> <p>16 The scope of the Policy covers the sphere of influence, which encompasses workers in the upstream value chain as well as in the downstream Tier 1 level.</p> <p>17a Lenzing is dedicated to meeting - and wherever possible, exceeding - all applicable social and ethical standards across its global network, while protecting human rights within its sphere of influence. This commitment extends to its suppliers, which are expected to uphold the same high standards. Lenzing fosters compliance with its high internal standards and all applicable external requirements on a continuing basis through training programs and risk-based auditing for suppliers.</p> <p>17b In its Policy on Human Rights and Labor Standards, Lenzing is committed to identifying, preventing, mitigating, and remediating any actual or potential adverse human rights impacts associated with its operations and business relationships. This commitment includes ensuring that appropriate remedies are provided to affected individuals, workers and local communities, including indigenous people, through both judicial and non-judicial mechanisms.</p> <p>17c Lenzing's policy commitments do not include a general approach for its engagement with value chain workers.</p> <p>18 The policy addresses human rights topics such as forced labor and child labor.</p> <p>19 For alignment with internationally recognized instruments, please see the row "Third party standards / initiatives" in this table. In the reporting year, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were reported in the upstream value chain.</p>
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<b>Policy</b>	<b>Global Equity, Diversity &amp; Inclusion Policy (EDI)</b>
<b>Accountability</b>	Senior Vice President (SVP) Corporate Human Resources
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective:</p> <p>Lenzing is committed to an equitable, diverse and inclusive workplace, where all people are respected and valued regardless of their background or characteristics.</p> <p>Key elements:</p> <p>Lenzing is committed to all applicable laws and regulations to ensure an environment free from unlawful discrimination and facilitates ethical values by promoting EDI for all employees, fostering dignity and respect and offering equal opportunities for development.</p>
<b>Third party standards / initiatives</b>	<p>UN Global Compact</p> <p>UN SDGs</p>
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	<p>S1 Own workforce S1-1</p> <p>21 Please see the row "Third party standards / initiatives" in this table for references to internationally recognized instruments.</p> <p>24a The EDI Policy aims at eliminating discrimination, including harassment and promoting equal opportunities.</p> <p>24b Lenzing aims to provide equal opportunities for all, regardless of gender, marital status, family responsibilities, ethnicity, race, skin color, nationality, national extraction origin, disability, neurodiversity, HIV / AIDS, chronic diseases, sexual orientation, religion or belief, age or other characteristics. Lenzing strives to build a diverse and inclusive work environment where differences are respected and valued.</p> <p>24c Lenzing is committed to inclusion which is addressed in its EDI Policy. It focuses on ensuring equality of opportunity, respect and a discrimination-free environment for all employees, including those from vulnerable groups.</p> <p>24d There was no formalized procedure in place to prevent, mitigate and combat discrimination in the reporting year. Lenzing has actions in place to advance diversity and inclusion.</p>

<b>Policy</b>	<b>Communication Guideline</b>
<b>Accountability</b>	Vice President (VP) Corporate Communications, Sustainability, Investor Relations and Public Affairs
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The objective is to integrate all employees across the Lenzing Group into a communication network to ensure access to relevant information.  Key elements: Lenzing promotes open communication and encourages employees to share ideas and topics of interest to foster a collaborative environment.
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet

<b>Policy</b>	<b>Life Saving Rules Guideline</b>
<b>Accountability</b>	Vice President (VP) Global HSE
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The goal is to remind individuals of essential safety measures to mitigate risk and prevent fatalities in the industry.  Key elements: The Life Saving Rules are based on a consistent set of rules and activities which enable an industry-wide common safety language and increase individual awareness and ownership of critical safeguards.
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	<a href="#">Lenzing website</a>

<b>Policy</b>	<b>Global Learning &amp; Development Guideline</b>
<b>Accountability</b>	Senior Vice President (SVP) Corporate Human Resources
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The objective is to develop the key competencies essential for sustainable competitiveness and future growth through a structured, company-wide approach.  Key elements: Lenzing identifies and develops strategically relevant competencies and supports employees to gain a clear understanding of the required leadership and functional competencies for their current and/or potential future roles.
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet

<b>Policy</b>	<b>Global Performance Management Guideline</b>
<b>Accountability</b>	Vice President (VP) of Operations Service Group
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The objective is to manage, support and ensure the performance of teams and individuals to achieve strategic choices and build sustainable business performance.  Key elements: Performance management at Lenzing involves setting clear goals, tracking progress and reviewing results through regular performance and development discussions.
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet

The “own workforce” topic is also governed by the two following policies, whose minimum disclosure and topic-specific requirements are outlined in the “Policies” section of other chapters. The Policy for Health, Safety and Environment in the “E2 Pollution” chapter also addresses topic-specific requirements regarding coverage on specific groups, internationally recognized instruments, and policies or management systems for workplace accident prevention. The Global Code of Business Conduct in the “G1 Business Conduct” chapter also addresses topic-specific requirements regarding internationally recognised instruments, trafficking in human beings, forced labour and child labour.

## Communication

[S1-2 27a]

The Managing Board communicates regularly with employees and their representatives. This ensures a clear understanding of the business strategy, goals, market conditions and financial situation. Information is shared through multiple channels including onboarding sessions, townhall meetings, notice boards, internal email and internal news.

[S1-2 27b, 27c]

Key elements of Lenzing’s engagement include semi-annual global townhall meetings for all Group companies and employees to address globally relevant topics. Additional site-specific townhalls cover local issues and general updates. Press releases are used for important updates or special occasions. Townhalls are interactive, held via video chat, thereby allowing employees to pose questions directly to the respective presenters. Lenzing Connect (Intranet) provides ongoing updates and functional tools for everyday work. Responsibility for ensuring this engagement lies with the Senior Vice President Corporate Human Resources.

### Works council/social dialog

[S1-2 27a, 27b]

The Lenzing Group’s management is committed to transparent communication with employees’ official representatives. Local works councils exist at both Austrian sites. At the Lenzing site, the council holds a seat and voting rights on the Supervisory Board of Lenzing AG in accordance with the Austrian Labor Constitution Act. They represent employees in Lenzing and Heiligenkreuz (Austria). To actively include employees’ perspectives in decision-making, the works council meets with the CEO before Supervisory Board meetings and with the CFO on a monthly basis. Additional meetings are arranged as needed. With the exception of the site in Prachinburi (Thailand), trade union representatives from various fractions and/or employee interest groups represent the interests of the employees at all other sites.

### Health and safety committees

[S1-2 27a, 27b, 27c]

Health and safety committees operate at all Lenzing sites to ensure active workforce participation in occupational health and safety matters. Each committee includes management representatives, employee delegates and health and safety specialists. They meet regularly to review workplace risks, monitor incident trends and assess effectiveness measures. These committees provide a formal channel for employees to raise concerns, suggest improvements

and contribute safety initiatives. Recommendations are documented and escalated to senior management where needed. This ensures that feedback informs policy updates and continuous improvement across the organization.

### Lenzing Climate Survey

[S1-2 27e]

The Lenzing Climate Survey is conducted among employees across the Lenzing Group to assess psychosocial working conditions. The survey is based on the “House of Health” framework, which uses internationally recognized methods such as employee satisfaction metrics that are widely applied in both international and academic contexts. This ensures that the assessment is not only methodologically sound but also meets globally recognized standards and provides a reliable basis for the findings and conclusions. In a combined review, results and next steps are communicated on its internal platform. Sites and departments develop specific actions whose progress is tracked by Lenzing to improve the findings of this survey. The three most important measures per site or department are surveyed and the implementation status is tracked. The latest survey from April 2025 showed significant improvements in all areas (+5 percentage points on average). The health climate index, for example, reached a value level of 76 percent. The participation rate was once again above 70 percent. More than two-thirds of all participants perceived positive impacts compared to the last climate survey.

### Employee Resource Groups

[S1-2 27a, 28]

ERGs are a channel of communication for specific groups such as women, different ethnicities, LGBTQ, etc. Lenzing has three Employee Resource Groups (ERGs): “Women@Lenzing”, “Multicultural@Lenzing” and “PrideAlliance@Lenzing” For more information on ERGs, please see the “Equity, diversity & inclusion actions” section of this chapter.

### Channels to raise concerns

[S1-3 32b, 32c]

The following processes are in place for Lenzing’s workforce to raise concerns and grievances.

- Whistleblower system (described in the “G1 Business conduct” chapter)
- Works council at the Lenzing and Heiligenkreuz sites, both situated in Austria (see the “Communication” section in this chapter)
- Trade unions/employee interest groups (except Prachinburi (Thailand) site; see the “Communication” section in this chapter)

[S1-3 32d, 32e, 33]

A mandatory eLearning course entitled “Our Whistleblower System” helps employees to understand and use available channels to raise concerns and grievances. The Compliance team also conducts an integrity scan through a survey to assess employees’ knowledge. In addition, a Whistleblower Directive is in place. For more information on the Whistleblower Directive, please see the “Policies” section in the “G1 Business conduct” chapter. For the monitoring and tracking of issues raised, please see the “Handling of reported concerns” section in the “G1 Business Conduct” chapter.

[S1-3 32a]

There is no formal process for remediation or assessing the effectiveness for remediation. Remediation is conducted on an individual, case-by-case basis. Lenzing has a Global Child Labor Remediation Procedure. This procedure provides guidance for handling any instance of child labor within Lenzing. It outlines remediation steps for managers to ensure child safety, uphold rights, and act in the best interests of child.

## Actions

[S1-4 38a; MDR-A 68a]

List of key actions

- Learning and development actions
- Equity, diversity & inclusion (EDI) actions
- Social audits
- Communication actions
- Work-life balance and benefits provided actions
- Health and safety actions

## Allocation of resources and identification & effectiveness of actions

[S1-4 43]

The allocated resources for managing the material impacts on Lenzing's own workforce, broken down by topic and department, are as follows:

- Secure Employment: cross-functional collaboration
- Health & Safety: Health in Corporate Health Care and Well-being; Safety in Global Occupational Health and Safety
- Work life balance: Corporate Human Resources
- Diversity & Inclusion: Corporate Human Resources
- Training and Skills Development: eLearning in Digital HR Learning, SuccessFactors in Corporate Talent Management
- Measures against violence and harassment in the workplace: Corporate Human Resources, Compliance

[S1-4 39]

Lenzing identifies its actions by investigating a subject matter, assessing the risk and seeking adequate action informed by best practices.

[S1-4 38d]

The effectiveness of Lenzing's actions is tracked by various quantitative and qualitative metrics. These include the Lenzing Climate survey, Total Recordable Injury Frequency Rate (TRIFR), gender pay gap ratio, employee turnover and workforce diversity.

## Remediation

[S1-4 38b]

In 2025, a tragic incident resulted in the death of a contractor working at the plant in Lenzing Biocel Paskov (Czech Republic). While the individual was not a direct employee of Lenzing, the company collaborated closely with the contractor's employer to ensure the family received appropriate support, including access to counseling. For more information on the incident, please see the "Health and safety" section in this chapter.

## Learning and development actions

[S1-4 40a]

### Individual learning path offerings

[MDR-A 68a, 68b, 68c]

Lenzing relies on the skills and productivity of its employees. To enable their continuous and individual development, Lenzing offers a global Learning & Development (L&D) catalog. This is available long-term through the Learn@Lenzing platform, allowing employees to browse and select individual development opportunities. This includes eLearning, blended learning as well as face-to-face training opportunities.

- LinkedIn Learning was introduced in 2025 and integrated into Learn@Lenzing.
- 428 Learn@Lenzing courses have been assigned in the skill matrix IT tool.

### Global Performance and Talent Management

[MDR-A 68a, 68b, 68c]

Effective Talent and Performance management are pivotal to Lenzing's success and the growth of its workforce. The related processes shape employee development by setting and tracking clear performance goals aligned with roles and functions and by identifying Lenzing's talent mix. The company strengthens these processes by rolling out Performance and Talent Management for all white-collar employees. This ensures broad access, individual development support and integration into long-term workforce planning.

## Equity, diversity & inclusion (EDI) actions

### "A collective responsibility"

Lenzing is committed to fostering a diverse and inclusive environment where everyone can thrive – regardless of gender, age, ethnicity, cultural background, or language.

[S1-4 40a, 40b, MDR-A 68a, 68b, 68c]

Three Employee Resource Groups (ERGs) support EDI at Lenzing: Women (Women@Lenzing), different nationalities (Multicultural@Lenzing), and LGBTQIA+ (PrideAlliance@Lenzing). In 2025, Pride Month was celebrated at multiple sites with awareness-raising activities. Women@Lenzing marked International Women's Day globally, organized gender-focused panels, empowerment initiatives, cultural events and supported access to menstrual products at headquarters. All EDI initiatives are open to all employees and foster personal development through inclusive practices. These efforts form part of Lenzing's long-term people strategy and talent development.

## Social audits

[MDR-A 68a, 68b, 68c]

In 2025, all production sites completed verification under the Higg Facility Social & Labor Module (FSLM), which is based on the Social & Labor Convergence Program (SLCP). The process included a comprehensive self-assessment and on-site audit and identifies potential improvement opportunities. It requires annual renewal.

The overall results were well above the median scores. Most sites ranked in the top quartiles within their respective countries. These results can be shared with partners along the value chain, explicitly asking for these audits and information on social sustainability. In addition, a customer audit focusing on labor standards and fair labor practices took place at Lenzing's sites in Grimsby (UK). Several questionnaires from the value chain on relevant social topics were completed throughout the year.

## Communication actions

[S1-4 40a, 40b, MDR-A 68a]

Lenzing uses various channels to support the communication of major changes in the company in order to keep its workforce up to date. For the description of actions (ESRS 2 MDR-A), please refer to the "Communication" section in this chapter.

## Work-life balance and benefits provided actions

[S1-4 38c, MDR-A 68a, 68b, 68c]

Lenzing supports work-life balance through flexible hours, part-time roles and remote-work options at most sites. These arrangements are available to all eligible employees to ensure equal opportunity to manage professional and personal responsibilities. Benefits granted to full-time employees are generally extended to part-time staff and, in many cases, to temporary employees. This approach ensures fair and inclusive access across the workforce.

## Health and safety actions

[S1-4 38a, 40a, 41]

### Hazard identification and assessment

[MDR-A 68a, 68b, 68c]

The company systematically identifies and mitigates workplace hazards through cross-functional risk assessments, audits and process safety reviews. These efforts are supported by measurable goals and stakeholder feedback and form part of an ongoing process. Employees and contractors are empowered to uphold safety standards, including the right to stop unsafe work without reprisal. A centralized system for incident reporting and investigation tracks KPIs such as closure times and recurrence rates, thereby supporting transparency and root cause analysis. Hazard identification covers six core categories: safety, biological, physical, ergonomic, chemical and psychosocial. It draws on internal assessments, adverse event analysis, inspections, and expert input to safeguard all workers and maintain a responsive, group-wide approach to health and safety. Actions arising from these processes are described in this section.

### Occupational medical care

[MDR-A 68a, 68b, 68c]

In 2025, the Lenzing Corporate Health Care & Well-being function together with Global Health, Safety and Environment function continued to coordinate occupational medical care at various locations. The aim here was to provide guidance and to ensure that company standards exceeded the minimum requirements of each country.

By enhancing competence in the occupational medical care provision of Lenzing's regional partners, Lenzing will ensure that employees and managers have the best resources available to protect themselves from, and deal with, risks in the workplace.

### Safety training

[MDR-A 68a, 68b, 68c]

The safety vision of Lenzing is to "leave home healthy, come home healthy". The aim is to provide a working environment and culture in which people actively engage and drive health and safety excellence. It is recognized that all employees can influence health and safety performance and that employees can contribute to a safer workplace through individual ownership and engagement.

Lenzing provides targeted occupational health and safety training to all employees, tailored to task-specific hazards. Annual and refresher training schedules are aligned with regulatory requirements. Induction training is also delivered to contractors and site visitors.

### Health promotion

[MDR-A 68a, 68b, 68c]

Since 2019, the Lenzing Group has been focusing on promoting fitness as part of employees' regular activities. These programs aim to encourage and support employees in adopting a healthy lifestyle both at work and during their leisure time. To aid these efforts, a healthy living app (Moveeffect®) designed for corporate use to accommodate the needs of Lenzing's employees at the various sites was adopted and distributed to all employees for voluntary use. The app's purpose is to motivate employees to become more active. A total of 3,100 employees are currently registered in the app.

In 2025, healthy eating was the focus of health promotion. The topic was promoted with an internal company food pyramid, several podcasts on nutrition and a food challenge in the app.

### Health care at Lenzing's production facilities

[MDR-A 68a, 68b, 68c]

At all production sites, Lenzing gives employees access to an in-house primary care system, complementing the existing health systems of the individual countries. Medical services range from regular examinations and therapy sessions at smaller sites to fully equipped outpatient clinics with qualified staff and on-site ambulances at larger sites. This ensures prompt treatment and follow-up care. All Lenzing facilities have first aiders trained in certified basic and regular first aid refresher courses. The production sites and their health care facilities are visited by an occupational physician from the Lenzing Health Care & Well-being department periodically to ensure the quality of those services.

## Targets

[S1-5, MDR-T 80a, 80j]

The Social Standard target as well as the Equity, Diversity and Inclusion target directly align with Lenzing's Global Equity, Diversity and Inclusion Policy and Policy on Human Rights and Labor Standards. It promotes an inclusive work environment, gender equality and upholding human rights across all levels of the organization. The process of monitoring the targets is described in the "Sustainability targets" section in the "ESRS 2 General disclosures" chapter.

## Social Standard target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

### To have a continuously valid third-party audited accredited social certificate for every Lenzing Group production (fiber or dissolving wood pulp) Continuous On track

Scope	All Lenzing production sites
Geographical coverage	Grimsby (United Kingdom), Heiligenkreuz (Austria), Indianópolis (Brazil), Lenzing (Austria), Mobile (USA), Nanjing (China), Paskov (Czech Republic), Prachinburi (Thailand), Purwakarta (Indonesia)
Base year	2020
Baseline value	0 production sites
Target value	9 production sites
Status 2025	FSLM verification (self-assessment and on-site audit) was successfully completed by all nine Lenzing production sites in 2025. All sites achieved very good results with improvements over the previous year (where assessments were available). The overall performance was above the industry median and most sites ranked among the top 25 percent in their respective countries.

[SI-5 44a, 47a, 47b, 47c, MDR-T 80f, 80h]

The Facility Social Labor Module (FSLM) is crucial for mitigating negative impacts and risks on employees through ensuring that social standards are consistently upheld across all Lenzing production sites. By implementing and updating the FSLM assessments on an annual basis, Lenzing commits to fair labor practices, safe working conditions and respect for workers' rights. This proactive approach helps to prevent labor violations and promotes overall employee well-being. Regular audits and sharing verified modules with supply chain also increase transparency and accountability, thereby further protecting employees from potential social risks. The target is based on internationally recognized third-party social certifications (SLCP) and ensures continuous compliance through independent audits at all Lenzing Group production sites. It aligns

with international frameworks such as the OECD Due Diligence Guidance and the UNGPs. It also contributes to SDGs 8 and 12 by promoting fair labor conditions. Local labor laws, regional challenges and stakeholder engagement are taken into consideration in order to ensure a context-specific and sustainable approach to social responsibility. The Corporate Sustainability team, Human Resources, the Management Board and the fiber and pulp Group Operations were involved in target setting. Additionally, Lenzing directly engaged with site HR leaders and the works council to compile a list of initiatives for each location. This list served as the basis for setting targets, tracking performance and identifying lessons for continuous improvement.

## Equity, Diversity and Inclusion target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

### To create an empowering work environment by respecting human rights, employee wellbeing and diversity Continuous On track

<b>Sub-targets</b>	<b>Lenzing implements training courses for 75 percent of the workforce on diversity, discrimination, the non-discrimination policy, and human rights</b>	<b>2025 Achieved</b>
	<b>Lenzing increases its proportion of women to 22.5 percent in all positions graded 5a and above by 2025<sup>a</sup></b>	<b>2025 Delayed</b>
	<b>Lenzing achieves an inclusion Index score of 75 percent in the global Lenzing Climate Survey by 2026</b>	<b>2026 On track</b>
Scope	Lenzing's own workforce	
Geographical coverage	Group-wide	
Base year	2020; 2022; 2023	
Baseline value	0%; 19.7%; 71%	
Target value	75%; 22.5%; 75%	
Status 2025	Lenzing has established Code of Conduct trainings for all employees, covering topics such as diversity, discrimination, the non-discrimination policy, and human rights. The Code of Conduct training has been completed by 85 percent of all employees therefore the sub-target has been achieved. The PrideAlliance@Lenzing continues in 2025 alongside Women@Lenzing and Multicultural@Lenzing. Pride Month was celebrated with awareness activities at multiple sites. Additionally, International Women's Day was marked through gender focused panels, empowerment initiatives, cultural events and supported access to menstrual products at headquarters. During the reporting year, a person responsible for EDI topics was appointed at Group-level. In 2025, Lenzing's proportion of women in the target group was 21.9 percent (in 2024: 22.8 percent). Despite the target has been achieved in 2024, due to organizational changes it hasn't been achieved in 2025. This year the cooperation with a specialist consultant of EDI "Shape Talent" was approved in order to set up a new EDI Governance for Lenzing Group.	

a) Relevant for the Managing Board long-term incentive (LTI) bonus targets. The percentage excludes the site in Indianópolis (Brazil) as there is a different grading scheme.

[S1-5 44b, 47a, 47b, 47c, MDR-T 80f, 80h]

The target aims to create an empowering work environment for all Lenzing employees by upholding human rights, prioritizing well-being, and fostering diversity and inclusion. It aligns with international frameworks such as the OECD Due Diligence Guidance and the UNGPs. It also contributes to SDGs 3, 5, and 10 by promoting good health and well-being, gender equality and reduced inequality. Local labor laws, regional challenges, and stakeholder engagement are taken into consideration to ensure a context-specific and sustainable approach to social responsibility. Human Resources, Corporate Sustainability and the Managing Board were key stakeholders in setting the target. Employee expectations and perspectives were actively incorporated through direct consultation with the works council. Human Resources is responsible for tracking performance and identifying any opportunities for improvements.

## Health targets

[S1-5 44a, 47a]

In January 2025, Lenzing set a Group-level target to reduce the Total Recordable Injury Frequency Rate (TRIFR) per 200,000 working hours from a baseline of 1.1 to 0.8 by year-end 2025. The target was achieved. It supports the Health, Safety and Environment policy objective of protecting people from harm, which is a fundamental prerequisite for conducting business. The previous target of 0.3 by 2025 was revised following review considering current context and progressive ambition level. Target setting involved site directors and the responsible Managing Board member. The works council was not directly engaged in target setting, performance tracking, or identifying improvements.

[S1-5 44b]

Site-level targets are aligned with Group TRIFR objectives and adjusted for site size and performance. They are complemented by goals for leading safety indicators at departmental level. Each site develops tailored safety programs in coordination with Global Occupational Health and Safety (OHS). Using the TRIFR metric to measure injury occurrences, these targets aim to enhance employee well-being and contribute to SDG 3 (Good Health and Well-Being).

## Other targets

For the risk “insufficient quality in succession planning can lead to a decline in productivity”, there is no measurable time-bound, outcome-oriented target at present. Last year, Lenzing set a target to approach 50 percent of mid-senior leadership roles with identified successors by the end of the 2026 cycle. The company has already achieved approximately 50 percent, reflecting strong progress. Despite the challenging economic environment and headcount reductions, Lenzing will maintain the 50 percent target for the next cycle. Keeping this level ensures stability in leadership continuity and safeguards critical roles during a period of organizational change. This is essential for long-term resilience.

For the “Risk of a potential poor working climate leading to employee turnover or reduce their productivity” (mental health), there is no measurable time-bound, outcome-oriented target at present.

However, the general objective is to prevent and mitigate cases to the largest extent possible. The effectiveness of actions is measured by means of the Lenzing Climate survey which asks two questions related to the topic: “Do I have enough time doing my work? Do I have enough recovery time?”. For more information, see “Lenzing Climate survey” paragraph in the “Health promotion” section of this chapter.

At present, Lenzing has no target regarding the following impacts, risks and opportunities: Negative impact on the workforce if there is a lack of work-life balance; Positive impact on the workforce through various working time models, benefits and leaves; Risk and opportunity for being an attractive employer through (non-)transparent communication; Negative impact on gender equality and equal pay for equal work. Lenzing’s current resource constraints have made it challenging to fully address these important topics.

## Metrics

[S1-6 - S1-17 2 MDR-M 77a, 77b]

Unless otherwise stated in the data point, the figures for this chapter are taken from internal systems and an HR questionnaire sent out to the sites.

The metrics in the “S1 Own workforce” chapter, besides the metrics related to S1-14 Health and safety, are not validated by an external body other than the assurance provider.

To satisfy the decision-making needs of some of Lenzing’s stakeholders, the following ESRS datapoints that are not material for Lenzing can be found in the “annex” of this report: S1-8 60a Collective bargaining, S1-10 Adequate wages and S1-16 98 Breakdown of the gender pay gap.

## Employees in numbers

[S1-6 50d, 50e, 50f]

To strengthen long-term competitiveness, a structured job reduction program was initiated in 2025. Therefore, the main reasons for employees’ departures during the reporting year were mutual or voluntary contract terminations, employer-initiated terminations and retirements. These categories are reflected consistently in all figures in the following tables.

The most representative number of employees in the financial statements can be found in note 9. Personnel expenses. The number of employees is presented in note 9 as full-time equivalents (FTEs), whereas this section reports the total headcount.

The numbers shown in the following tables are in head count and as of December 31, 2025.

Gender is recorded in the systems based on official ID documents presented. In countries where the legal registration of a third gender is possible, this option can be used voluntarily. In 2025, Lenzing has no employees registered with the gender category “other”.

**Employees 2025**

<b>Employees per gender and in head count</b>	<b>2025</b>	<b>2024</b>
Female	1,439	1,451
Male	6,690	6,777
<b>Total number of employees</b>	<b>8,129</b>	<b>8,228</b>

**Employees 2025**

<b>Employees per country and in head count</b>	<b>2025</b>	<b>2024</b>
Austria	3,418	3,511
Brazil	1,282	1,236
Indonesia	1,322	1,342
Czech Republic	528	541
China	802	816
USA	201	212
UK	227	225
Thailand	276	269
Others (India, Türkiye, Korea, Singapore, Taiwan, Germany, Italy and France)	73	76

**Employment contracts**

[S1-6 50b, 52]

Most Lenzing Group employees are employed in a permanent employment/service relationship. It is currently customary to work the first six months under a fixed-term contract followed by an automatic transition to a permanent employment/service relationship. Only around 4.5 percent of the workforce (including external personnel) has a genuine fixed-term employment/service contract that extends beyond the usual six-month fixed-term period. The six-month fixed-term period does not relate to the number of temporary employees.

**Employees 2025**

<b>Employees by contract type broken down by gender and in head count</b>	<b>2025</b>	<b>2024</b>
<b>Total number of employees</b>	<b>8,129</b>	<b>8,228</b>
Female	1,439	1,451
Male	6,690	6,777
<b>Total number of permanent employees<sup>a</sup></b>	<b>7,819</b>	<b>7,834</b>
Female	1,359	1,350
Male	6,460	6,484
<b>Total number of temporary employees</b>	<b>310</b>	<b>394</b>
Female	80	101
Male	230	293
<b>Total number of non-guaranteed hours employees</b>	<b>0</b>	<b>0</b>
Female	0	0
Male	0	0
<b>Total number of full-time employees</b>	<b>7,535</b>	<b>7,690</b>
Female	1,111	1,111
Male	6,424	6,579
<b>Total number of part-time employees</b>	<b>594</b>	<b>538</b>
Female	328	340
Male	266	198

a) New employees in the probationary period are included in the permanent employees/workforce, because the goal is long-term employment.

As of December 31, 2025, Lenzing had a total of 243 apprentices (2024: 253), of which were 60 female and 183 male (2024: 58 and 195). The information about apprentices is voluntary information.

## Employee turnover

[S1-6 50c]

### Employees 2025

Employee turnover	2025	2024
<b>Number of employees that left the company, total</b>	<b>875</b>	<b>888</b>
Female	203	174
Male	672	714
Under 30 years	211	216
30-50 years	406	452
Over 50 years	258	220
Austria	384	290
Brazil	272	266
Indonesia	70	173
China	31	36
Czech Republic	42	29
USA	37	44
United Kingdom	14	29
Thailand	13	14
Others (India, Türkiye, Korea, Singapore, Taiwan, Germany, Italy and France)	12	7
<b>Percentage of employees that left the company (turnover rate), total</b>	<b>11%</b>	<b>11%</b>
Female	23%	20%
Male	77%	80%
Under 30 years	24%	24%
30-50 years	46%	51%
Over 50 years	29%	25%
Austria	44%	33%
Brazil	31%	30%
Indonesia	8%	19%
China	4%	4%
Czech Republic	5%	3%
USA	4%	5%
United Kingdom	2%	3%
Thailand	1%	2%
Others (India, Türkiye, Korea, Singapore, Taiwan, Germany, Italy and France)	1%	1%

[ESRS S1-7]

### Non-employees 2025

	2025	2024
<b>Total number of non-employees</b>	<b>114</b>	<b>149</b>

The numbers reported are in head count and as of December 31, 2025. The total number of non-employees does not include self-employed people as they are not recorded in the HR system.

The largest group of non-employees consists of supervised workers employed indirectly through an employment agency. They are treated in the same way as Lenzing employees. Most supervised workers are employed in the production area (shift work), as determined by an evaluation of their job titles and description.

## Inquiries on social certificates

[entity-specific]

The number of interactions with value chain partners in which social sustainability topics or social audits were addressed is tracked monthly. In the reporting year, Lenzing recorded a total of 30 such contacts.

## Diversity metrics

[S1-9 66a]

Individuals within management roles are defined as people who directly oversee at least one other employee.

Category 1	white collar manager
Category 2	blue collar manager
Category 3	supervised worker - manager

### Employees 2025

Individuals within managing role (at least one direct)	2025	2024
<b>Number of individuals, total</b>	<b>933</b>	<b>912</b>
Under 30 years	30	29
30-50 years	611	599
Over 50 years	292	284
Female	162	164
Male	771	748
<b>Percentage of individuals</b>		
Under 30 years	3%	3%
30-50 years	65%	66%
Over 50 years	31%	31%
Female	17%	18%
Male	83%	82%
<b>Number of employee category 1, total</b>	<b>736</b>	<b>729</b>
Under 30 years	7	7
30-50 years	483	476
Over 50 years	246	246
Female	147	149
Male	589	580
<b>Percentage of employee category 1</b>		
Under 30 years	1%	1%
30-50 years	66%	65%
Over 50 years	33%	34%
Female	20%	20%
Male	80%	80%
<b>Number of employee category 2, total</b>	<b>193</b>	<b>181</b>
Under 30 years	23	22
30-50 years	120	122
Over 50 years	50	37
Female	13	14
Male	180	167
<b>Percentage of employee category 2</b>		
Under 30 years	12%	12%
30-50 years	62%	67%
Over 50 years	26%	20%
Female	7%	8%
Male	93%	92%
<b>Number of employee category 3, total</b>	<b>4</b>	<b>2</b>
Under 30 years	0	0
30-50 years	2	1
Over 50 years	2	1
Female	2	1
Male	2	1
<b>Percentage of employee category 3</b>		
Under 30 years	0%	0%
30-50 years	50%	50%
Over 50 years	50%	50%
Female	50%	50%
Male	50%	50%

[S1-9 66b]

## Employees 2025

Employees' diversity	2025	2024
<b>Number of individuals, total</b>	<b>8,129</b>	<b>8,224</b>
Under 30 years	1,392	1,463
30-50 years	5,008	5,031
Over 50 years	1,729	1,730
Female	1,439	1,451
Male	6,690	6,773
<b>Percentage of individuals</b>		
Under 30 years	17%	18%
30-50 years	62%	61%
Over 50 years	21%	21%
Female	18%	18%
Male	82%	82%

## Social protection

[S1-11]

Social protection against income loss due to major life events, including sickness, unemployment (from the start of employment at Lenzing), work-related injury, acquired disability, parental leave and retirement, is provided to all employees through public programs in all countries where Lenzing operates. The only exception is the USA, where payments for sickness and parental leave are not provided. The information was obtained from official government sources and the International Labour Organization (ILO).

## People with disabilities

[S1-12]

In the reporting year, 1.6 percent of Lenzing's employees had a disability (2024: 2 percent). The category "employees with disabilities" is based on the legal definitions in the respective country of operations. For example, the definition for Austria can be found [here](#). At the Grimsby (UK) and Mobile (USA) sites, no formal recording takes place, as local legislation does not define disability status and employees are not required to disclose a potential disability to their employer. Therefore the reported numbers for both sites are an estimate.

## Learning and development

[ESRS S1-13 83b]

Courses offered through Learn@Lenzing were completed approximately 93,996 times in the reporting year. This resulted in a total training time of 54,757.7 hours and an average training time of 6.7 hours per employee. The average training time was 7.7 hours for women and 6.5 hours for men (2024: average training time 6 hours, 7 hours for women, 6 hours for men). Including Bildungszentrum Lenzing, the total expenditure on lifelong learning and personnel development stayed at EUR 6.70 million in 2025 compared with EUR 6.70 million in 2024. The total expenditure is voluntary information.

## Global Performance and Talent Management

[S1-13 83a]

In 2025, Lenzing continued to strengthen its integrated Performance and Talent Management processes. The efforts support employee growth, foster a culture of continuous development, and ensure the organization's long-term success.

During the Performance Management cycle, 88.7 percent of the target group (68 percent male, 32 percent female) defined three to five individual goals in SuccessFactors. Furthermore, 80.6 percent (55.7 percent male, 24.9 percent female) who had set goals in 2024 completed their annual goal review. These figures reflect the company's ongoing commitment to embedding a structured feedback and performance culture across all levels.

[voluntary information]

In parallel, the Talent Management Process captured data for 70.2 percent of Lenzing's white-collar workforce (2024: 80.4 percent). Additionally, 1,008 out of 2,706 key positions already have at least one identified successor in place (2024: 973 out of 2,535). This underscores Lenzing's proactive approach to succession planning and leadership continuity.

Lenzing's HR department strengthened talent assessment beyond the SuccessFactors system through cross-level and cross-business talent reviews. This process culminated in three senior-level People Conference Days, fostering transparency and alignment in talent decisions. Managers identified 373 top talents in SuccessFactors, including 148 employees at salary grade 5 and above (2024: 400 top talents, 156 grade 5 and above). A total of 66 key talents were calibrated and discussed by business area during the second People Conference Days. This highlights Lenzing's ongoing commitment to cultivating a strong, diverse, and future-ready talent base. It reinforces employee engagement and supports the company's long-term sustainability.

## Health and safety

[S1-14]

The company maintains a strong focus on improving occupational health and safety performance through the monitoring of leading and lagging indicators. Integrated safety dashboards provide teams with daily access to key metrics within their management systems, thereby supporting informed decision-making and continuous improvement.

[S1-14 88a, 90]

100 percent of Lenzing's employees, non-employees and contracted staff working on company premises are covered by the Occupational Health and Safety (OHS) Management system. All manufacturing sites are certified to ISO 45001 with the current certification renewed in 2024 and valid until 2027. Regular internal and

external audits assess health, safety, environmental performance and compliance with the Lenzing Code of Business Conduct. External audits also verify that the OHS management systems continue to operate in full conformance with ISO 45001.

[MDR-M 77b]

Internal management system audits assess each site OHS program for compliance with ISO 45001, company policies, contractual obligations and regulatory requirements. In addition, the corporate HSE organization conducts its own audit process, with sites scheduled on a rotating, risk-based basis. All sites must perform periodic internal audits in line with corporate policy and undergo formal external OHS management system audits linked to OHS commitments or certifications, such as ISO 45001 and ISO 14001. Regular documented OHS management review meetings at all sites inform decisions on potential system changes, which are recorded in the corporate database communicated to employees.

### Key figures: occupational accidents and work-related injuries

[S1-14 88b, 88c, 88d, 88e]

#### Work-related injuries for employees per 1,000,000 working hours

	2025	2024
<b>Total hours worked (productive working hours)</b>	<b>15,656,014</b>	<b>15,763,108</b>
i) Number of fatalities of work-related injuries and ill health	0	1
ii) Number of recordable work-related injuries	70	86
ii) Rate of recordable work-related injuries (TRIFR)	4.5	5.5
iii) Number of recordable work-related ill health	0	0
iv) Number of work-related injuries and ill health	224	312
iv) Rate of work-related injuries and ill health	14	20
v) Number of days lost	1,256	1,585

#### Work-related injuries for non-employees per 1,000,000 working hours

	2025	2024
<b>Total hours worked (productive working hours)</b>	<b>7,008,265</b>	<b>6,737,569</b>
i) Number of fatalities of work-related injuries and ill health	1	0
ii) Number of recordable work-related injuries	15	21
ii) Rate of recordable work-related injuries (TRIFR)	2.1	3.1
iii) Number of recordable work-related ill health	0	0
iv) Number of work-related injuries and ill health	45	93
iv) Rate of work-related injuries and ill health	6.4	13.8
v) Number of days lost	532	338

### Changes over time

[voluntary information]

Lenzing is deeply saddened to report that in 2025, a tragic incident occurred, resulting in the loss of a contractor who was fatally injured following exposure to a hazardous substance. The company extends its sincere condolences and ongoing support to the family and colleagues affected by this event.

In 2025, Lenzing demonstrated a marked improvement in its health and safety performance. The Total Recordable Injury Frequency Rate (TRIFR) for employees (based on 1,000,000 working hours) decreased from 5.5 in 2024 to 4.5 in 2025. For contractors, the TRIFR decreased from 3.1 to 2.1 over the same period. Furthermore, the rate of all work-related injuries for employees was reduced

from 20.0 to 14.3, while the corresponding rate for contractors fell from 13.8 to 6.4.

In 2025, the Group recorded no high-consequence work-related injury events involving employees.

Within Lenzing, work-related hazards that pose a risk to ill health generally include chemical hazards (solvents, adhesives, dusts, etc.), physical hazards (noise, radiation, heat, etc.), biological hazards (infectious diseases), and ergonomic risk factors (heavy lifting, repetitive motions, vibration).

## Contractors

[S1-14 88a]

A large number of workers who are not directly employed by the Lenzing Group work at its operating sites and premises. Contractors are selected on the basis of the same stringent occupational safety criteria applied to Lenzing's own employees. Most of them hold certified OHS management systems. Where certification is not in place, contractors must participate in recognized regional competency schemes or implement additional OHS controls. Each contractor working under Lenzing's control has a designated company contact to ensure effective communication and oversight. For landlord-tenant arrangements, health and safety responsibilities are clearly defined and jointly managed.

## Health climate index

[entity-specific]

The health climate index, reached a value level of 76 percent. For the methodology, please see "Lenzing Climate Survey" in the "Communication" section of this chapter.

## Family-related leave

[S1-15]

All (100 percent) of Lenzing's employees are entitled to take family related leave such as paternity, maternity or parental leave. A total of 93 percent of Lenzing's employees are entitled to take carer's leave. Sites where employees are not entitled to take carers' leave are the production sites in Prachinburi (Thailand), Mobile (USA) and the offices in Coimbatore, Hong Kong and Singapore.

In 2025, 11 percent of employees took family related-leave, of which 27 percent were female and 73 percent were male (2024: 6 percent, 28 percent female, 72 percent male).

## Annual total remuneration ratio

[S1-16]

The annual total remuneration ratio is 58.20 in 2025 (2024: 51.87 – this is the adjusted value from 2024). All components of the total compensation ratio were used in detail in close cooperation with the legal entities. The number includes the total remuneration before taxes and including boni. It reflects the remuneration paid in the respective financial year. For further information regarding remuneration, please see the [Remuneration Reports](#) (Report 2025 available from March 24, 2026).

## Gender pay gap

[S1-16]

The total gender pay gap for the Lenzing Group, including all Lenzing entities, is 27.16 (2024: 25.30 – this is the adjusted value from 2024). The calculation method corresponds to the calculation method defined in the ESRS standard. The calculation was based in part on estimated working hours and annual pay. The accuracy of the estimates corresponds to level 2 (1 – exact figure, 2 – calculation/accurate estimate, 3 – rough estimate).

The Gender Pay Gap is represented as a ratio, where 0 is the ideal value, indicating that men and women are paid equally for the same amount of work. Higher positive values signify a greater disparity in pay between genders, where women earn less than men. For instance, if a man's salary is double that of a woman, the pay gap ratio amounts to 50.

With regard to the gender pay gap, Lenzing recognizes that room for improvement still exists. Nevertheless, Lenzing believes that it is already on the right track. The detailed analysis of the gender pay gap can be found in the "Additional voluntary information on chapters" section in the "Annex".

## Raised concerns and human rights incidents

[S1-17]

In the reporting year, 125 complaints were filed through the Lenzing Group whistleblower system and the whistleblower system of Lenzing's joint venture LD Celulose in Indianópolis (Brazil) (2024: 161 complaints filed).

No cases of discrimination or (severe) human right abuses, based on Discrimination ILO 111 Article 1, within Lenzing's own workforce were filed, reported or recorded within the reporting year (2024: no cases). Consequently, Lenzing did not receive any penalties and paid no fines or compensation for damages related to such cases or incidents.

# S2 Workers in the value chain

## ABSTRACT

Lenzing's activities span the textile, nonwovens, chemical, and forestry industries, creating responsibility across complex value chains. This chapter outlines how Lenzing upholds human rights, labor standards and environmental principles in its operations and supplier network. Compliance is ensured through regular audits, risk assessments, and corrective actions. Lenzing works only with partners that meet international and national standards, thereby fostering transparency and accountability. By leading by example, the company encourages ethical conduct and strengthens sustainability across its global supply chain.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
Other work-related rights - Child labor	Negative impact	Child labor remains a significant issue in the textile industry, where children are stripped of their rights, exposed to health and safety risks, denied access to education, and trapped in a cycle of poverty and inequality. Given the prevalence of child labor in textile manufacturing, there is a possibility that it could exist within the value chain of Lenzing.	*VC: Global Code of Business Conduct	*VC (partly): Supplier Engagement	*Upstream and downstream value chain - hotspot analysis	*Average EcoVadis score of suppliers (entity-specific)
	- Potential - VC - Short-term		*VC (partly): Global Supplier Code of Conduct		*Supplier engagement	*Number of suppliers assessed via EcoVadis (entity-specific)
			*VC (partly): Policy on Human Rights and Labor Standards		*Sustainable wood and pulp sourcing	*Number of reported cases through whistleblower system (S1-17 103b)
			*VC (partly): Wood and Pulp Policy		*EcoVadis	*% wood sourced covered by FSC® and PEFC (entity-specific)
					*Quarterly supply chain sustainability risk management meetings	*Number of Together for Sustainability (TfS) audits conducted by Lenzing (entity-specific)
Other work-related rights - Forced labor	Negative impact	Forced labor remains a persistent issue in the textile industry, where individuals' basic rights and freedoms are violated, often resulting in physical and psychological harm while perpetuating cycles of poverty and inequality. Given its prevalence in textile manufacturing, there is a potential risk of forced labor being present in Lenzing's value chain.	*VC: Global Code of Business Conduct	*VC (partly): Supplier Engagement	*Upstream and downstream value chain - hotspot analysis	*Average EcoVadis score of suppliers (entity-specific)
	- Potential - VC - Short-term		*VC (partly): Global Supplier Code of Conduct		*Supplier engagement	*Number of suppliers assessed via EcoVadis (entity-specific)
			*VC (partly): Policy on Human Rights and Labor Standards		*Sustainable wood and pulp sourcing	*Number of reported cases through whistleblower system (S1-17 103b)
			*VC (partly): Wood and Pulp Policy		*EcoVadis	*% wood sourced covered by FSC® and PEFC (entity-specific)
					*Quarterly supply chain sustainability risk management meetings	*Number of Together for Sustainability (TfS) audits conducted by Lenzing (entity-specific)
					*Together for Sustainability (TfS)	

OO...Own operations

VC...Value chain

## Strategy

### Workers across the value chain

[S2 SBM-3 10a]

The widespread problem of insufficient monitoring of suppliers may contribute to actual or potential adverse impacts on value chain workers. Acknowledging potential adverse impacts of sourcing on value chain workers, Lenzing implements a sustainable sourcing strategy.

[S2 SBM-3 11a ii, 11a iii]

Lenzing's value chain includes a diverse range of workers who could be materially impacted. Upstream, this includes foresters, loggers, wood and pulp suppliers, chemical suppliers and workers in transportation and logistics.

Downstream, it covers textile and nonwovens value chain workers, including garment makers, retail and distribution staff, as well as those involved in waste management and logistics.

### Vulnerable groups and geographic exposure

[S2 SBM-3 11a v, 11b, 11c, 11c i, 12]

Lenzing recognizes that certain vulnerable groups - such as migrant workers, women, young workers and ethnic minorities - are particularly at risk of child and forced labor in contexts where socioeconomic vulnerabilities, weak labor law enforcement and complex supply chains prevail. Given its chemical and forestry sourcing and garment production, the company acknowledges an elevated potential for such systemic negative impacts in Asia, South America, Central America and the Caribbean, Eastern Europe and Eurasia.

[S2 SBM-3 11, 11a v, 11c i]

Lenzing continues to improve and assess its upstream and downstream impacts with a focus on responsible practices and due diligence in relevant value chain steps where Lenzing has direct influence. At this stage, detailed data on specific vulnerable groups or systemic impacts is still being collected.

Lenzing's approach is aligned with international standards and incorporates risk analysis and double materiality considerations into strategic decision-making. The company's strategy includes continuous improvement of due diligence processes, stakeholder engagement, and the implementation of responsible sourcing and labor practices.

## Policies

[S2-1, MDR-P 65]

Lenzing's approach to workers in the value chain is governed by four policies. The minimum disclosure requirements and topic-specific requirements of these policies are outlined in the "Policies" section of the respective chapters: the Global Code of Business Conduct and the Global Supplier Code of Conduct in the "G1 Business conduct" chapter, the Policy on Human Rights and Labor Standards in the "S1 Own workforce" chapter and the Wood and Pulp Policy in the "E4 Biodiversity and ecosystems" chapter.

The Policy on Human Rights and Labor Standards addresses all topic-specific requirements. The Global Supplier Code of Conduct addresses the coverage of specific groups, human trafficking, forced labor and child labor. The Global Code of Business Conduct and the Wood & Pulp Policy address the topic-specific requirement regarding coverage of specific groups.

## Grievance mechanisms and remediation

[S2-2]

At present, Lenzing has not yet have established a standardized process for engaging with workers in its value chain.

### Grievance mechanism

[S2-3 27b]

Lenzing's online whistleblower system "Tell us" enables employees, customers, suppliers, workers in the value chain and other stakeholders worldwide, to report concerns confidentially and anonymously. The platform, accessible via the Lenzing website, covers matters such as corruption, bribery, conflicts of interest, antitrust violations and breaches of capital market law. In 2025 the system has been updated for further quality improvement reinforcing Lenzing's commitment to transparency and the protection against retaliation as outlined in the Global Code of Business Conduct.

[S2-3 27d, 28]

For more information on the whistleblower system, its anonymous reporting feature, the processing of reports and its effectiveness, please refer to the "Whistleblower system" and "Handling of reported concerns" sections in the "G1 Business conduct" chapter.

[S2-3 27c]

As far as such channels at Lenzing's suppliers are concerned, Lenzing's Global Supplier Code of Conduct states: "Suppliers are required to provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated confidentially, wherever possible. Suppliers are required to investigate such reports and take corrective action if needed. It is expected that suppliers shall not retaliate against or harass any employee submitting a report in good faith."

## Processes of remediation

[S2-3 27a, 28, S2-4 33c]

Lenzing's Policy on Human Rights and Labor Standards addresses the topic of remediation (see the "Policies" section of the "S1 Own workforce" chapter). Lenzing is committed to providing appropriate remedies on a case-by-case basis. It has not yet been possible to assess the effectiveness of this process as no cases were reported during the year under review. While Lenzing conducts audits at supplier sites, these audits currently do not include verification of workers' awareness of, or trust in, Lenzing's whistleblower system.

## Actions

[S2-4, MDR-A 68a]

List of key actions

- Upstream and downstream value chain – hotspot analysis
- Supplier engagement
  - Sustainable wood and pulp sourcing
  - EcoVadis
  - Quarterly supply chain sustainability risk management meetings
  - Together for Sustainability (TfS)

## Human Rights Due Diligence

[S2-4 32b, 35]

In the reporting year, Lenzing did not identify any incidents in its value chain and therefore did not provide remediation related to an actual material impact. The company is working to deepen its understanding of value chain risks to ensure that its own practices do not cause or contribute to material negative impacts on value chain workers. At this stage, Lenzing cannot yet determine whether it does or does not cause or contribute to such impacts.

[S2-4 32a, 32d]

All actions described below support Lenzing's Supplier Engagement target. By gaining greater insight into Lenzing's suppliers, potential human rights violations can be prevented and/or mitigated more effectively. The effectiveness of Lenzing's actions is tracked by various quantitative and qualitative metrics.

## Upstream and downstream value chain – hotspot analysis

[MDR-A 68a, 68b, 68c]

After focusing on child and forced labor in the hotspot analysis in 2024, the analysis was extended in the reporting year to include the topics of occupational health and safety, freedom of association and collective bargaining, discrimination, fair employment community impacts, and corruption/transparency. The analysis was finalized by the end of Q3. As this represents the first step in a two-phase approach, the subsequent evaluation and prioritization of measures based on the identified hotspots will follow as the second step. Consequently, the results have not yet been reflected in the current revision of the materiality assessment but will be incorporated in the next update.

## Supplier engagement

[MDR-A 68a, 68b, 68c]

All targeted suppliers of Lenzing are required to confirm that they have read, understood, and will comply with Lenzing's [Global Supplier Code of Conduct](#), which includes environmental, labor and human rights standards. The action remains ongoing to ensure continued compliance and relevance.

## Sustainable wood and pulp sourcing

[MDR-A 68a, 68b, 68c]

Following the initial information provided in 2024, references to the Global Supplier Code of Conduct and the Wood and Pulp Policy have been integrated into Lenzing's wood purchasing general terms and conditions. These references remain applicable on an ongoing basis and apply to all wood suppliers. This ensures that Lenzing's sustainability and responsible sourcing principles are consistently embedded in its supplier relationships and procurement practices.

In addition, FSC® certification ensures that core labor requirements according to the International Labour Organization (ILO) Core Conventions and the ILO Declaration are met. This reinforces the company's commitment to responsible sourcing and highlights the importance of collaborative efforts in promoting sustainable forestry. For more information on FSC® certification, please see the "Sourcing" section in the "G1 Business conduct" chapter.

## EcoVadis

EcoVadis is a provider of business sustainability ratings that has assessed more than 100,000 companies in over 175 countries worldwide. Related topics cover the environment, human and labor rights, ethics and sustainable procurement, depending on industry and company size. Within the human and labor rights section of the questionnaire, companies are evaluated on topics such as employee health and safety, working conditions, social dialog, career management and child labor incidents, among others.

Lenzing encourages an increasing number of its suppliers to undergo sustainability assessments by providers such as EcoVadis, in line with its Supplier Engagement target.

[MDR-A 68a, 68b, 68c]

Supplier performance of all registered suppliers is continuously monitored in the EcoVadis dashboard, which uses various sources to monitor relevant suppliers, such as the "360° Watch". AI-supported searches scan for global news sources with findings categorized as positive, neutral or negative. Suppliers are engaged to improve their performance and implement corrective actions where necessary. Major negative findings can impact a supplier's overall score. Discussions on monitoring results and required corrective actions form part of regular reviews conducted by Lenzing's purchasers and management.

Lenzing seeks to engage suppliers, particularly those with significant procurement volume, in sustainability assessments ideally through EcoVadis or Together for Sustainability (TfS) and expects a minimum EcoVadis score of 50 points. This requirement forms an integral part of Lenzing's sustainable sourcing approach and is subject to ongoing monitoring. Suppliers falling below this threshold are required to submit a corrective action plan within three months

in order to maintain the business relationship. The implementation and effectiveness of these measures is subsequently reviewed. No supplier relationships were terminated in 2025.

### Quarterly supply chain sustainability risk management meetings

[S2-4 33a, 33b, MDR-A 68a, 68b, 68c]

Lenzing purchasers and its global purchasing sustainability manager engage in regular dialogue. Furthermore, Lenzing has established a quarterly supply chain sustainability risk management meeting as a permanent governance mechanism. These meetings are attended by purchasing managers as well as supply chain and sustainability experts, who discuss and manage risks and opportunities across the value chain. The risk assessment of Lenzing's lowest performing suppliers includes considerations related to human rights forms part of these meetings. By regularly reviewing suppliers' performance and initiating corrective measures, the target is to mitigate or minimize negative impacts on value chain workers. A further aim is to strengthen sustainability-risk awareness with the purchasing community and suppliers.

### Together for Sustainability (TfS)

[MDR-A 68a, 68b, 68c]

Suppliers, preferably chemical and logistic providers, are continuously engaged in audits conducted through the Together for Sustainability (TfS) network, which in addition to broader ESG criteria also assesses the performance of human rights aspects, thereby ensuring compliance with applicable legislation, such as the UN Convention on the Rights of the Child and the ILO Core conventions.

### Allocated resources

[S2-4 38]

The allocated resources for managing the material impacts on workers in the value chain are as follows:

- In Global Purchasing: one purchasing sustainability expert
- In Commercial Affairs Pulp: one sustainability expert
- In Corporate Sustainability: one social sustainability expert

## Targets

[S2-5, MDR-T 80g, 80j]

The target-setting and monitoring process is described in the "Sustainability targets" section of the "ESRS 2 General disclosures" chapter.

### Supplier Engagement target

[MDR-T 80b, 80c, 80d, 80e, 80i, 80j]

#### To engage key suppliers, covering more than 80 percent of spend, to improve sustainability performance

**Continuous  
On track**

Sub-target	Lenzing assesses 95 percent of its top 200 suppliers via EcoVadis, the Together for Sustainability Audit or an internal assessment/audit by 2025.	2025 Delayed
Scope	Key Suppliers; Top 200 Suppliers	
Geographical coverage	Group-wide	
Base year	2022	
Baseline value	Data not available for 2022	
Target value	80% of spend assessed; 95% of top 200 suppliers assessed	
Status 2025	More than 1000 of Lenzing's suppliers are assessed and monitored by EcoVadis. Five suppliers underwent audits by Lenzing through the Together for Sustainability audit program. Engaging and onboarding suppliers is an ongoing process, whereby buyers strive to engage the biggest possible portion of all of Lenzing's key suppliers. 68 percent of the global procurement spend, including wood and pulp was covered by these assessments. The sub-target of assessing 95 percent of 200 suppliers has achieved around 70 percent of these suppliers. There were challenges in the EU chemical industry and logistics due to geopolitical situation and events like the Red Sea crisis, which has changed the supplier composition in the last years and thus delayed the sub-target accomplishment. Supply agreements signed with the top chemical suppliers also include sustainability clauses.	

[S2-5 42a, 42b, 42c, MDR-T 80h]

While there was no direct engagement with workers in the value chain, their legitimate representatives or external stakeholders, during the process of setting targets, tracking performance, or identifying improvements, several internal stakeholder groups played a crucial role. These included the corporate sustainability department, the site teams and the procurement team, which were instrumental in defining and validating the targets.

[S2-5 39a, MDR-T 80f]

The Supplier Engagement target is based on internationally recognized third-party assessment, namely EcoVadis and the Together

for Sustainability (TfS) network. EcoVadis ratings and the corresponding audits play a central role in identifying and mitigating potential negative impacts on workers in the value chain. They provide a comprehensive evaluation of suppliers' social and environmental performance, enabling the identification, prioritization and management of material risks and opportunities related to workers in the value chain. These evaluations align with all applicable legislation and international frameworks including the OECD Due Diligence Guidance, ILO Core Conventions and the UN Guiding Principles on Business and Human Rights (UNGPs). They also support Sustainable Development Goals (SDGs) 12 and 17 by promoting responsible sourcing and collaboration across the value chain.

[MDR-T 80f]

The calculation of the percentage of assessed spend is based on two components. First, the total 2024 procurement spend from global procurement (excluding wood and pulp), and the share of these suppliers assessed in 2025. Second, wood and pulp suppliers assessed through forest certifications and/or internal due-diligence processes. The weighted average of these two components forms the final percentage of assessed supply spend.

[MDR-T 80c]

At present, no specific targets have been established for workers in the downstream value chain. Lenzing's current focus is on areas within its strongest sphere of influence, primarily upstream. However, Lenzing recognizes the relevance of downstream impacts and is committed to further assess potential measures to enhance social sustainability across all stages of the value chain.

## Metrics

### EcoVadis Rating

[entity-specific]

In 2025, the average score of Lenzing's EcoVadis-rated suppliers was 56.2 (2024: 55.6), thereby exceeding the benchmark group by +6.7 points. This demonstrates that suppliers in Lenzing's supply chain perform significantly above the average of all suppliers assessed by EcoVadis. Lenzing actively engages with its suppliers to further enhance their sustainability performance.

### Cases reported through whistleblower system

[entity-specific]

In 2025, no cases related to workers in the value chain and human rights were reported through Lenzing's whistleblower system (2024: No cases).

### Wood and pulp certifications

[entity-specific]

Lenzing sources 100 percent of its wood and pulp from FSC® or PEFC certified or controlled wood sources (2024: 100 percent).<sup>32</sup> Through this approach, Lenzing minimizes the risk related to child labor, forced labor and other human rights violations in its upstream value chain. For further details on Lenzing's assessment of wood and pulp suppliers, please refer to the "Sourcing" section and the "Supplier evaluation" section of the "G1 Business conduct" chapter.

### "Together for Sustainability" audits

[S2-4 36, entity-specific]

In 2025, Lenzing conducted five supplier audits through the network "Together for Sustainability (TfS)" and relies on additional audit results shared by other TfS members for relevant suppliers of Lenzing (2024: four audits). The audits did not detect any severe human rights issues.

<sup>32</sup> License codes: FSC-C041246, PEFC/06-33-92

# HIGHLIGHTS

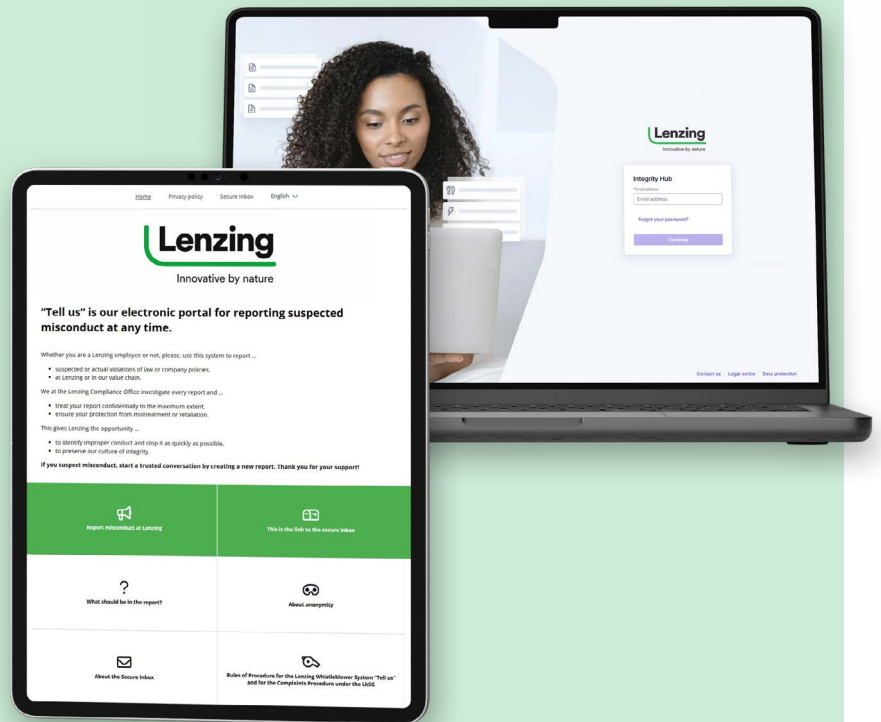
# GOVERNANCE

BUSINESS CONDUCT

## Strengthening compliance

In 2025, Lenzing launched its Compliance Cockpit, a comprehensive system to reinforce ethical business conduct. Key features include an enhanced whistleblower tool, improved gift & hospitality management, a conflict-of-interest registration tool, and a policy manager for streamlined acknowledgment of company policies.

[More in the chapter >](#)



BUSINESS CONDUCT

## Ensuring integrity & trust

In 2025, all reported concerns were reviewed and addressed, resulting in no convictions or fines related to anti-bribery or anti-corruption laws. No public complaints were filed. On product safety, all relevant products were successfully re-certified, and the ISO 9001 audit confirmed no major non-conformities, underscoring our commitment to quality and trust.

[More in the chapter >](#)

# G1 Business conduct

## ABSTRACT

The chapter describes Lenzing's commitment to ethical business practices and robust corporate governance as a foundation for sustainable success. All employees and contractors are required to act in accordance with the Group's Global Code of Business Conduct and compliance policies, which exceed legal requirements to ensure integrity, transparency, and accountability. Lenzing continuously enhances its Compliance Management System to prevent misconduct, mitigate compliance risks and protect its people. This includes systematic risk assessments, monitoring and clear confidential channels for reporting concerns without fear of retaliation. Regular training ensures understanding of expected behavior and promotes a culture of responsibility and integrity. These business conduct standards also apply to suppliers, who must meet stringent professional and ethical requirements, thereby reinforcing responsible sourcing and sustainable partnerships throughout the value chain. By embedding these principles into its governance framework, Lenzing improves trust, fairness and long-term value creation.

## Impacts, risks and opportunities

[MDR-P 65a]

This section outlines impacts, risks and opportunities (IROs) where applicable. The table illustrates how IROs relate to specific policies, targets, actions, and metrics. However, this does not imply that all listed elements are interconnected.

Sub-topic	IRO	IRO description	Policies	Targets	Actions	Metrics
<b>Corporate culture</b>	Risk - OO - Short- to medium-term	Non-compliance, such as non-compliance with health and safety standards, can lead to lawsuit, monetary loss and reputation loss.	*Product Safety Policy	*No target	*Compliance product safety	*Positive external audit outcomes (entity-specific)  *Positive re-certification of products (entity-specific)
<b>Protection of whistleblowers</b>	Negative impact - Potential - OO - Medium-term	The absence of ongoing efforts, training, reaction and clear procedures can lead to termination of employment and retaliation against the whistleblower, ultimately undermining overall business conduct efforts and compliance activities.	*Whistleblower Directive  *Investigation Directive	*No target	*Protection of whistleblowers (G1-1 10c)	*Confidential metric
<b>Corruption and bribery - Incidents</b>	Negative impact - Actual and potential - OO - Short-term	While a compliance program is in place, incidents may still occur if individuals engage in non-compliant behavior.	*Global Code of Business Conduct  *Whistleblower Directive  *Investigation Directive  *Anti-Bribery and Corruption Directive  *Anti Money Laundering Directive	*No target	*Prevention and detection of corruption and bribery (G1-3) Compliance Management System Whistleblower system Compliance training Compliance cockpit Global compliance risk assessment (Planned action)	*Incidents of corruption and bribery (G1-4)  *Number of reported cases through whistleblower system (S1-17 103b)

<b>Management of relationships with suppliers including payment practices</b>	Risk	There is a risk of non-compliance with the Corporate Supply Chain Due Diligence Directive (CSDDD) if internal processes are not implemented.	*Global Code of Business Conduct	*Supplier Engagement	*Sourcing (G1-2 15)	*Number of suppliers responding to EcoVadis questionnaire (entity-specific)
	- OO		*Global Supplier Code of Conduct		Sustainable chemical sourcing	
	- Short-term		*Wood and Pulp Policy		Sustainable wood and dissolving wood pulp sourcing	*Average EcoVadis score of Lenzing's suppliers (entity-specific)
						*Regionality of purchased chemicals (entity-specific)
						*Regional wood supply in Europe (entity-specific)
					*% wood sourced covered by FSC® and PEFC (entity-specific)	

OO...Own operations  
VC...Value chain

## Governance

### Compliance goes beyond adhering to legal requirements

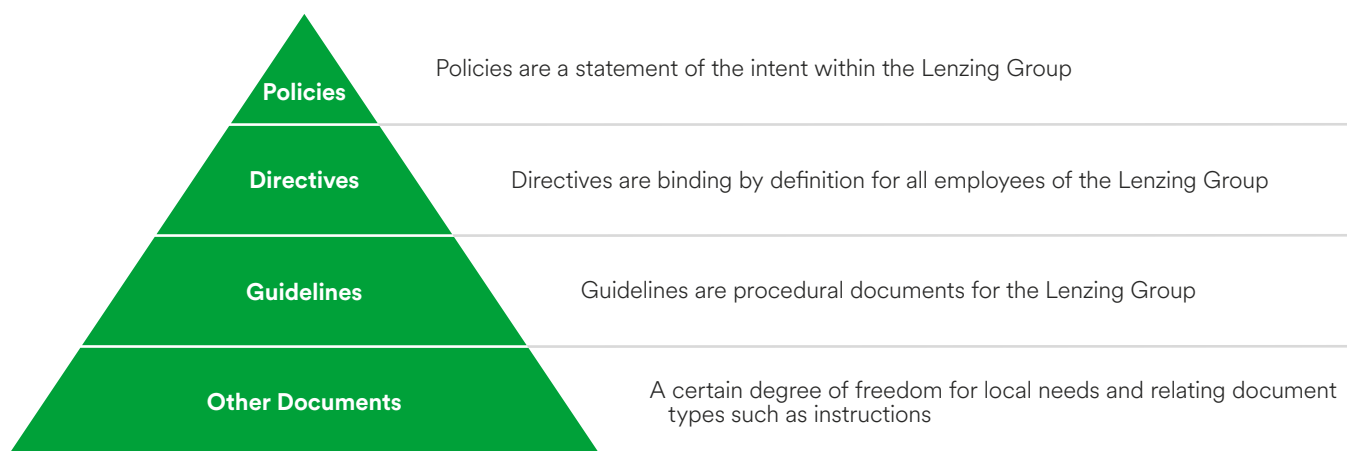
Lenzing is committed to exemplary quality in its products and processes, as well as to integrity and honesty in its dealing with business partners and shareholders. Compliance at the Lenzing Group extends beyond adherence to statutory and regulatory requirements. It reflects a fundamental attitude and a culture of responsibility, respect and integrity. Compliance is firmly anchored across the entire Group through the active responsibility of all employees and executives and supported by a shared culture of values.

## Policies

[G1-19, MDR-P 65]

Lenzing strengthens and upholds its corporate culture through a comprehensive Global Code of Business Conduct, supported by accessible policies, directives and guidelines. Continuous monitoring, clear responsibilities and consequences for violations ensure adherence to high ethical and safety standards as well as to applicable international regulations.

### Hierarchy of compliance guidelines and directives



<b>Policy</b>	<b>Global Code of Business Conduct</b>
<b>Accountability</b>	Group Compliance Officer
<b>Scope and coverage</b>	Lenzing Group  Value chain  Local communities
<b>Objective and key elements</b>	Objective: The objective is that shared corporate values are upheld and that ethical principles are consistent across all locations, guided by clear compliance standards.  Key elements: The Global Code of Conduct is consistent with the principles of the UN Global Compact and underscores our commitment to international standards, with compliance being diligently monitored.
<b>Third party standards / initiatives</b>	UN Global Compact ILO Declaration on Fundamental Principles Paris Climate Agreement (COP 21) UN SDGs
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	S1 Own workforce S1-1 21 Please see the row "Third party standards / initiatives" in this table for references to internationally recognized instruments. 22 Lenzing explicitly addresses trafficking of human beings, forced or compulsory labor as well as child labor through its Global Code of Business Conduct, which strictly prohibits these practices and ensures compliance with local legal requirements regarding the minimum age for employment.  S2 Workers in the value chain S2-1 16 The Policy covers workers in the value chain.
<b>Policy</b>	<b>Global Supplier Code of Conduct</b>
<b>Accountability</b>	Senior Vice President (SVP) Global Purchasing Senior Vice President (SVP) Commercial Pulp, Biorefinery & Co-Products, Wood
<b>Scope and coverage</b>	Lenzing Group  Upstream value chain
<b>Objective and key elements</b>	Objective: The objective is to ensure that suppliers operate in accordance with its principles and all applicable laws and standards.  Key elements: Lenzing's Supplier Code of Conduct outlines the expectations for suppliers regarding safety, health, labor and human rights, environmental protection, ethics and management practice.
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	<a href="#">Lenzing website</a>
<b>Topical standards</b>	S2 Workers in the value chain S2-1 16 The Policy covers workers in the upstream value chain. 18 Lenzing has a Supplier Code of Conduct. It states that the use of child labor is strictly prohibited under any circumstances. Suppliers are required to maintain official documentation verifying each worker's date of birth and to ensure adherence to all relevant child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions. Furthermore, forced, bonded or involuntary labor is strictly prohibited and all work must be voluntary. Slavery and human trafficking are not tolerated. Suppliers must uphold these principles in all aspects for their operations.

<b>Policy</b>	<b>Product Safety Policy</b>
<b>Accountability</b>	Vice President (VP) of Operations Service Group
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective: The objective is to meet and, whenever possible, exceed all applicable safety standards and legislations to ensure the production of safe products.</p> <p>Key elements: Lenzing ensures product safety by embedding high environmental and occupational safety standards into its manufacturing processes and by continuously improving its practices through maintaining transparency on product ingredients as well as testing and labelling according to international requirements and third-party certifications.</p>
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	<a href="#">Lenzing website</a>

The Wood and Pulp Policy and its minimum disclosure requirements can be found in the “Policies” section of the “E4 Biodiversity and ecosystems” chapter.

## Directives

<b>Policy</b>	<b>Anti-Bribery and Corruption Directive (ABC Directive)</b>
<b>Accountability</b>	Group Compliance Officer
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective: The goal is to ensure that all relevant anti-bribery and corruption regulations are known and observed across the Lenzing Group.</p> <p>Key elements: Lenzing prevents bribery and corruption by facilitating compliance with all applicable laws and providing guidance for all employees to avoid the risks of bribery, foster trust, and protect the company’s reputation.</p>
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet
<b>Topical standards</b>	G1 Business conduct G1-1 10b The ABC Directive is aligned with the United Nations Convention against Corruption.

<b>Policy</b>	<b>Investigation Directive</b>
<b>Accountability</b>	Group Compliance Officer
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	<p>Objective: The objective is to establish a clear framework for investigating material and substantiated violations of laws, the Global Code of Business Conduct as well as internal policies and directives.</p> <p>Key elements: The Directive requires a thorough, timely and consistent investigation of all potentially non-compliance cases, based on objectivity, independence, confidentiality and non-retaliation, while ensuring consistency of remedial measures, compliance with regulatory reporting obligations, preserving important evidence and protecting attorney client, work product and equivalent legal privileges.</p>
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet

<b>Policy</b>	<b>Anti Money Laundering Directive (AML Directive)</b>
<b>Accountability</b>	Group Compliance Officer
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The objective is to combat money laundering and terrorist financing by ensuring compliance with Anti-Money Laundering (AML) laws and regulations.  Key elements: The Directive describes the processes and control mechanisms implemented.
<b>Third party standards / initiatives</b>	Basel AML Index Financial Action Task Force (FATF)
<b>Accessibility</b>	Lenzing intranet

<b>Policy</b>	<b>Whistleblower Directive</b>
<b>Accountability</b>	Group Compliance Officer
<b>Scope and coverage</b>	Lenzing Group
<b>Objective and key elements</b>	Objective: The objective is to encourage employees to speak up in good faith against potential violations without fear of retaliation.  Key elements: There are clearly defined proceedings on how to report compliance concerns, which can be reported to appropriate contact points or through the whistleblower system "Tell us".
<b>Third party standards / initiatives</b>	N/A
<b>Accessibility</b>	Lenzing intranet

## Detective measures

### Whistleblower system

[G1-1 10a, 10c; S1-3 32b, 32d, 32e, 33; S2-3 27b, 27d, 28]

To enable all employees and external stakeholders to report concerns related to corruption, bribery, conflicts of interest, antitrust laws and capital market law as well as other compliance matters, a global online-based whistleblower system has been established since 2017. Lenzing's joint venture LD Celulose also maintains its own whistleblower channel. Concerns can be raised internally, either personally, by phone or email, or through supervisors, the works council or the Group Compliance Officer. In addition, the whistleblower system ("Tell us") is accessible via the [Lenzing web-site](#) and allows anonymous reporting. It is available in all languages relevant to production sites (English, German, Czech, Chinese, Bahasa, Thai and Portuguese). The system is open not only to employees, but also to customers, suppliers and other third parties worldwide. Concerns can be submitted anonymously and without fear of retaliation as the system's anonymity safeguards are certified by an independent body. Professional and confidential handling of all reports ensures the protection of both the whistleblower and the persons concerned.

A Whistleblower Directive is in place and ensures that individuals who report concerns in good faith (that is with a reasonable suspicion that a potential violation has occurred, is occurring, or is likely to occur), are protected from any form of punishment, discrimination, retaliation, disadvantage, harassment or employment termination. Although the directive does not explicitly refer to monitor-

ing activities, the effectiveness, accessibility and overall acceptance of the whistleblower system are evaluated through a regular Integrity Survey.

### Handling of reported concerns

[G1-1 10c, 10e, G1-3 18b, 18c]

Reports are processed in a targeted manner in accordance with the internal Investigation Directive (see the G1-1 "Directives" section in this chapter). Reported incidents are assessed by lawyers (if necessary, in cooperation with local partners) and forwarded to the Group Compliance Officer or to the Local Compliance Officer. A report is processed by designated employees. The individuals entrusted with conducting the procedure are obligated to maintain confidentiality. If necessary, other departments and individuals are also involved in processing a reported incident. The reports are processed on a case-by-case basis, situation-related measures are defined and, if necessary, an investigation team is formed. These teams comprise employees and managers who are not involved in the incident itself. Confidentiality surrounding the identity of the person concerned is maintained and the procedures provide effective protection from retaliation against the whistleblower. Recommendations as to whether the investigation should be pursued further or be terminated are provided. Monthly reporting on the status of compliance as well as ongoing investigations are provided to the Managing Board. In addition, the Audit Committee of the Supervisory Board is informed about reported incidents on a quarterly basis.

Employees receive training on the use of the whistleblower system (for further information, please see the "Compliance training" section of this chapter). Training is also provided to those responsible

for handling reported concerns. The effectiveness, accessibility and overall acceptance of the whistleblower system are evaluated through an Integrity Survey supported by an independent scientific team to ensure objectivity.

If actual negative impacts on employees occur, remediation is provided on an individual basis as no Group-wide remediation process is currently in place.

### Training Directive

[G1-1 10g]

All directives related to business conduct include provisions on training. A comprehensive Training Directive is being developed to assign specific training requirements to defined job functions. As part of its design, a risk assessment is carried out to more precisely define and identify functions-at-risk within the organization. These functions will then receive targeted, role-specific training. This approach ensures that employees are well equipped with the necessary knowledge and skills to perform their roles effectively and ethically, thereby further enhancing Lenzing’s commitment to integrity and compliance. The directive is planned for the next fiscal year.

For information on target audience, frequency and depth of coverage, please see the “Compliance training” section under “Actions” in this chapter.

### Functions-at-risk

[G1-1 10h]

The functions at risk of corruption and bribery identified as part of the compliance risk assessment are: Global Legal, IP and Compliance; Global Health, Safety & Environment; Global Procurement; Global Supply Chain; Corporate Treasury; Corporate Human Resources; Corporate Audit & Risk; Corporate Accounting; Corporate Tax; Corporate Sustainability & Corporate Communications; Commercial Textiles; Commercial Nonwovens. These departments are considered at risk because their day-to-day operations

involve maintaining relationships with public bodies, authorities and their representatives, as well as with agents, distributors, lawyers, customs agents, suppliers and service providers. Due to their core activities, they are required to establish internal controls to prevent corruption, money laundering, fraud, embezzlement and other risks.

## Actions

[G1-3, MDR-A 68a]

List of key actions

- Compliance Management System
- Whistleblower system
- Compliance training
- Compliance cockpit
- Compliance product safety
- Global compliance risk assessment (Planned Actions)

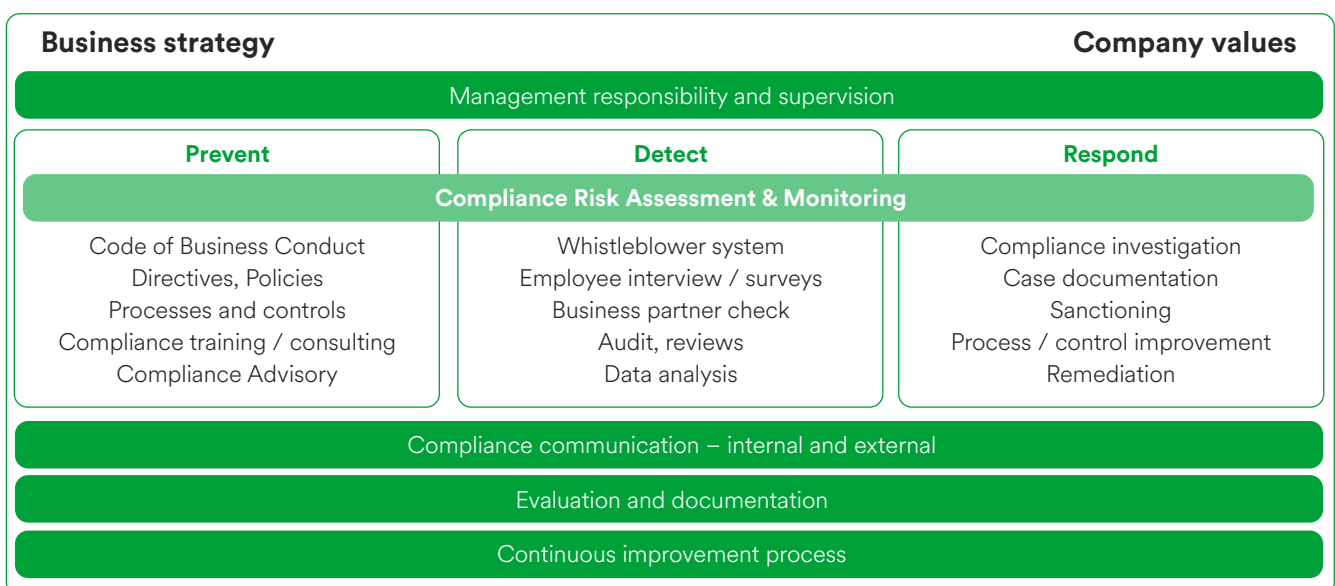
For the key actions related to sourcing, please see the “Sourcing” section in this chapter.

## Compliance Management System

[G1-3 18a]

The objective in setting up and continuously developing the Compliance Management System is to prevent, detect and respond to compliance violations against the interests of the company, as well as to avoid liability risks and damage to the company’s reputation. Furthermore, the Compliance Management System aims to advise and safeguard the company’s management, executives and employees as well as to increase efficiency by coordinating existing compliance activities. The Compliance Management System corresponds to the following structure (figure Elements of the Lenzing Compliance Management System):

### Elements of the Lenzing Compliance Management System



Formal structures, such as the assignment of responsibilities, ongoing monitoring and structures for communication, evaluation and documentation are essential components of the Compliance Management System. The ongoing compliance program is based on the following pillars:

- Measures to prevent misconduct
- Measures to detect compliance risks and weaknesses
- Measures to respond to misconduct and identified weaknesses in order to avoid them in future.

## Whistleblower system

[G1-3 18a]

To enable employees and external stakeholders to report concerns related to corruption, bribery, conflicts of interest, antitrust laws or capital market law, an online whistleblower system was established in 2017. For further details on the ongoing action (ESRS 2 MDR-A), please refer to the “Detective measures” (G1-1) section of this chapter.

## Compliance training

[G1-1 10g, G1-3 18a, 21a, 21c, MDR-A 68b]

Understanding applicable rules and regulations is essential for responsible conduct. Hence, eLearning programs were further expanded during the reporting year to efficiently convey key compliance content to defined target groups. New employees receive onboarding material including the Lenzing Global Code of Business Conduct, and employees with IT access are assigned mandatory annual eLearning courses. Successful completion requires achieving at least 80 percent in the final assessment to ensure comprehension. Mandatory training topics for all employees, including the Managing Board, cover the Global Code of Business Conduct, the whistleblower system and know-how protection. In 2025, 87 percent of assigned employees completed the required eLearning modules based on 6,185 employees enrolled (2024: 89 percent). A small number of employees additionally receive in-person classroom training.

[G1-3 21a, 21b, 21c]

All white-collar employees and the Managing Board (2,661 employees) were assigned the mandatory ABC Directive training, of whom 95 percent completed the course (2024: 97 percent).

[G1-3 21a, 21b]

Specific trainings were provided to all identified functions-at-risk (100 percent). A total of 248 employees were required to complete the Antitrust training, with a completion rate of 92 percent (2024: 92 percent). The Anti-Money Laundering training was assigned to 326 employees with a completion rate of more than 85 percent (2024: 83 percent).

[G1-3 21a, 21c]

The Supervisory Board completed the e-Learnings Global Code of Business Conduct and ABC Directive trainings in 2025. The goal was to give them an understanding of their responsibilities in regard of overseeing the Managing Board’s implementation of compliance as well as of Lenzing’s values and corruption-related risks.

## Compliance cockpit

[G1-3 18a, MDR-A 68a, 68b, 68c]

In 2025, the so-called Compliance Cockpit was globally implemented, as planned, to further strengthen business conduct management. The new system bundle includes the improvement of the whistleblower tool and the gift-and-hospitality tool. As well as the implementation of a conflict-of-interest registration tool and a policy manager for receiving, reading and acknowledging policies.

## Compliance product safety

### ISO 9001 certification

[MDR-A 68a, 68b]

An internal and external audit plan are executed to identify improvement opportunities and non-conformities that require corrective action. Thereby ensuring that Lenzing’s quality assurance system adequately supports the Product Safety Policy. The ultimate goal is to maintain valid certification for the Lenzing Group.

[MDR-A 68c]

In 2025, five out of nine sites were audited as part of the process to ensure all relevant sites are audited by 2027 and support the Lenzing Group’s ISO recertification.

### 3<sup>rd</sup> party product certifications

[MDR-A 68a, 68b, 68c]

The internal product testing plan and required recertifications were executed to ensure the product portfolio remains compliant to third-party certifications and associated high product safety standards. In 2025, the recertification of our fibers based on OEKO-TEX® STANDARD 100 was completed. In addition, the re-certification of 16 products with the food contact certification from IS-EGA was completed.

## Planned Actions

### Global compliance risk assessment

[MDR-A 68 a, 68b, 68c]

Lenzing planned to conduct a global compliance risk assessment as part of its monitoring activities. The assessment focuses on reviewing existing controls and identifying current and potential compliance risks with the aim of implementing targeted mitigation measures. The scope of the action covers all legal entities, and the assessment is expected to be conducted and finalized in the first half of 2026.

### Update Anti-Bribery and Corruption (ABC) Directive and Anti Money Laundering (AML) Directive

[MDR-A 68a, 68b, 68c]

In 2026, Lenzing plans to update the ABC Directive and the AML Directive. Moreover, Lenzing also aims to strengthen its Compliance Management System by clearly defining core values and ensuring that appropriate mitigation measures are implemented in response to existing risks. These directives will apply to all Lenzing’s

legal entities and are expected to be implemented by the beginning of 2027, after the Global compliance risk assessment has been concluded. In addition, the ABC Directive is planned to be formalized as a policy.

## Targets

For information on the Supplier Engagement target which is connected with the “Risk of non-compliance with the Corporate Supply Chain Due Diligence Directive (CSDDD) if internal processes are not implemented”, please refer to the “Targets” section in the “S2 Workers in the value chain” chapter.

## Metrics

### Compliance monitoring

[G1-4 24b, S1-17 103b]

Concerns reported via the whistleblower system are recorded in the Legal, IP and Compliance department. A total of 125 cases were filed through the Lenzing Group whistleblower system and the whistleblower system of Lenzing’s joint venture LD Celulose in Indianópolis (Brazil) (2024: 161 filed cases). Lenzing’s investigation team reviewed and processed any reported violations of its principles and, if necessary, imposed appropriate sanctions.

[G1-4 24a]

In 2025, there were no convictions or fines related to anti-bribery and anti-corruption laws (2024: No convictions or fines). No public complaints in connection with corruption incidents were brought against the company or its employees during the reporting period.

### Compliance to product safety

[entity-specific]

In 2025, all products in scope were successfully re-certified with success measured through positive external audit outcomes. The outcome of the ISO 9001 audit was positive, with no major non-conformities being identified.

[MDR-M 77b]

The metrics in this section are not validated by an external body other than the assurance provider.

# Sourcing

[G1-2 15a, 15b]

List of key actions

- Sustainable chemical sourcing
- Sustainable wood and dissolving wood pulp sourcing

Wood, pulp and chemicals purchasing are handled by three different teams within the Lenzing Group. Lenzing aims to minimize purchasing risks, such as major price fluctuations and supply bottlenecks through reliable, long-term supply relationships and active supplier management. The most important materials procured are (in order of annual procurement volume): wood, dissolving wood pulp, sodium hydroxide, sulfuric acid, sulfur, carbon disulfide, sulfur dioxide and magnesium oxide.

In 2025 (and 2024), when screening for risk suppliers, no Lenzing suppliers were identified as having significant actual and potential negative environmental impacts. This statement is based on the following tools and certifications schemes: EcoVadis, Together for Sustainability, FSC® and PEFC.

Directives and policies are implemented throughout supplier engagements. Lenzing strives to lead as an industry role model for ethical business conduct, while expecting the same standards from its business partners. For more information about the Supplier Code of Conduct, please see the “Policies” section in this chapter.

[MDR-M 77 b]

The metrics in this section are not validated by an external body other than the assurance provider.

## Sustainable chemical sourcing

### Supplier engagement

[MDR-A 68a, 68b, 68c]

The current Supplier Engagement target aims to continuously engage with key chemical suppliers, therefore Lenzing has signed agreements, including sustainability clauses, with its key chemical suppliers. Some of these conditions include setting GHG reduction targets approved by the Science Based Target initiative (SBTi) to provide information on the product carbon footprint and water scarcity at facilities from which Lenzing sources products.

### Supplier management through EcoVadis

[entity-specific]

#### Number of EcoVadis assessed suppliers

2025	1,025
2024	824
2023	608
2022	387
2021	163
2020	152
2019	102
2018	93
2017	82

For the percent of total spend covered by audits, please see the “Targets” section in the “S2 Workers in the value chain” chapter.

Lenzing engages only with EcoVadis rated suppliers that achieve a minimum score of 50 points. For more information about EcoVadis and the average EcoVadis score of Lenzing’s suppliers please see the “Actions” and “Metrics” sections in the “S2 Workers in the value chain” chapter.

### Regionality

[entity-specific]

#### Regionality<sup>a</sup> of purchased chemicals

	2025	2024
Regionally purchased	87%	87%
Not regionally purchased	13%	13%

a) Regionally is defined as the same country and neighboring countries as significant operational sites. Significant operational sites include all production sites of the Lenzing Group.

In 2025, 80 percent of all purchased chemicals (in liquid metric tons) were delivered by 33 suppliers (2024: 36 suppliers). Relationships with these suppliers are in general highly stable.

## Sustainable wood and dissolving wood pulp sourcing

[MDR-A 68a, 68b, 68c]

Wood and dissolving wood pulp are Lenzing’s most important raw materials. The Lenzing Group demonstrates responsibility by focusing on continuous sustainable sourcing. The sourcing is covered by certification, responsible consumption, and the highly efficient use of these valuable resources.

Lenzing sources wood and dissolving wood pulp from semi-natural forests as well as from plantations, both as defined by the Food and Agriculture Organization of the United Nations (FAO)<sup>33,34</sup>. Semi-

<sup>33</sup> Carle, J., and Holmgren, P. (2003). Working paper 79. Definitions Related to Planted Forests. In: Food and Agriculture Organization of the United Nations (2003). Forest Resources Assessment Program Working paper series. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/56870b47-e648-4d9e-855a-560e45b63992/content>

<sup>34</sup> Terms and Definitions, FRA 2020, FAO, 2018 <https://openknowledge.fao.org/server/api/core/bitstreams/531a9e1b-596d-4b07-b9fd-3103fb4d0e72/content>

natural forests include naturally regenerating and planted forests with similar species composition to that of natural forests in the area. Lenzing does not source wood and dissolving wood from primary, natural or ancient and endangered forests.

Assuming a dissolving wood pulp yield from wood of 40 percent, a rough estimate for the total yearly wood input of Lenzing's regenerated cellulose fibers would amount to 2.5 million tons (dry matter). The wood input is split between Lenzing's own production and purchased dissolving wood pulp.

### Dissolving wood pulp sources

In addition to its own dissolving wood pulp production, Lenzing procures dissolving wood pulp from the global market, mostly under long-term supply contracts. Please find the list of Lenzing's pulp suppliers on Lenzing's [website](#).

### Wood sources

Lenzing operates three pulp mills where wood is turned into dissolving wood pulp. Regional wood supply is important to Lenzing, since this represents one measure to reduce GHG emissions deriving from transportation.

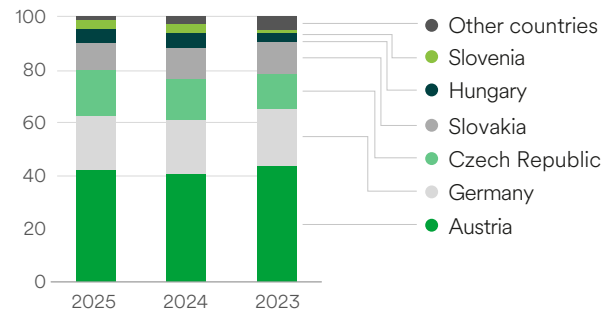
### Regional wood supply in Europe

[entity-specific]

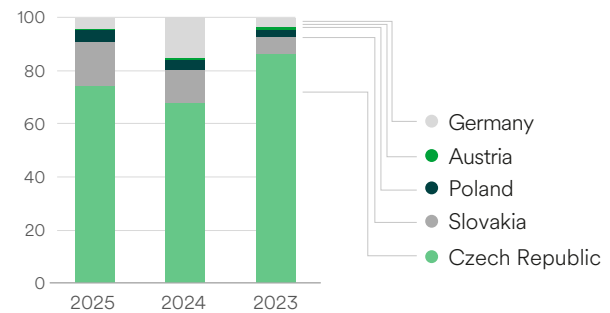
Lenzing is committed to source the wood for its pulp mills in Europe as locally as possible. The Lenzing site (Austria) mainly uses beech wood plus small amounts of other hardwoods and spruce, whereas the Paskov plant (Czech Republic) mainly uses spruce.

### Wood sourcing for Lenzing's pulp mills in Europe

#### Lenzing Pulp Mill



#### Paskov Pulp Mill



Beech and spruce by country. Regional wood supply originates from the country where the pulp mill is situated and from neighboring countries from which wood can be transported directly without crossing a third country. "Other countries" for the Lenzing site are France, Switzerland, Croatia and Poland.

For the Lenzing site (Austria) regional wood<sup>35</sup> accounted for 98.8 percent in 2025 (2024: 97.1 percent). For the Paskov site (Czech Republic), the regional supply rate has been constant at 100 percent since 2019. For the underlying figures, please see the "Annex".

### Local wood supply in Brazil

Lenzing's pulp mill in Indianópolis (Brazil), a joint venture with Dexco under the name of LD Celulose, uses eucalyptus from its own plantations. These plantations operate entirely in compliance with the Lenzing Group's guidelines and high standards for the sourcing of wood and pulp as well as with the requirements of leading certification schemes.

The plantations are located in Triângulo Mineiro in the State of Minas Gerais. The area that was transformed into the LD Celulose plantation unit has been used for cattle raising, intensive agricultural activities and eucalyptus forestry since the 1970s. The plantations are located more than 800 kilometers away from the Amazon rainforest region.

For more information about Lenzing's plantations in Brazil, please see the "Actions" section of the "E4 Biodiversity and ecosystems" chapter.

<sup>35</sup> Regional wood supply originates from the country where the pulp mill is situated and from neighboring countries from which wood can be transported directly without crossing a third country.

## Due diligence wood and pulp

Lenzing’s wood and pulp sourcing due diligence consists of the following steps:

- Policies – Wood and Pulp Policy and Supplier Code of Conduct
- Supplier evaluation
- Certifications and independent assessments – FSC®, PEFC and Canopy

### Wood and Pulp Policy and Supplier Code of Conduct

The Lenzing [Wood and Pulp Policy](#) and [Supplier Code of Conduct](#) apply to all wood purchasing activities and are provided to potential suppliers before a business relationship begins. Deliveries to Lenzing are only permitted if these conditions are accepted. For information on the Supplier Code of Conduct, please see the “Policies” section of this chapter. For the Wood and Pulp Policy, please see the “Policies” section of the “E4 Biodiversity and ecosystems” chapter.

### Supplier evaluation

[MDR-A 68a, 68b, 68c]

All key suppliers of wood and dissolving pulp are evaluated for sustainability performance. Lenzing’s key suppliers are mostly those of significant size and supply volume.

Lenzing conducts regular audits and sustainability assessments of both new and established suppliers, including compliance with environmental and safety standards. Suppliers are periodically interviewed and evaluated with support from external experts, followed by a final assessment. These results feed into the overall supplier rating and serve as a key criterion for long-term supplier cooperation.

*Pulp suppliers* are assessed using a due diligence system based on FSC® Controlled Wood criteria. This includes an annual assessment of pulp suppliers’ sustainability performance, using a comprehensive questionnaire covering aspects such as procurement standards, supply areas, supply chain traceability and GHG emissions. The results of the survey are used to identify key sustainability issues and guide Lenzing’s future supplier engagement activities. All pulp suppliers are certified by leading forest certification schemes and supply Lenzing with certified or controlled pulp.

All *wood suppliers* – totaling to around 700 (in 2024: more than 600) half of which are private owners – in all sourcing countries are assessed once a year against FSC® Controlled Wood and PEFC Controlled Sources criteria.

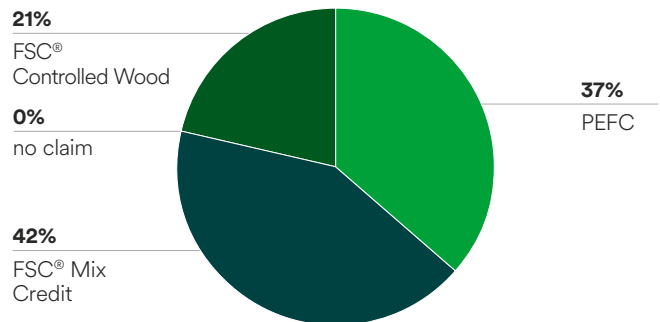
## Certifications – FSC®, PEFC and Canopy

[entity-specific]

LENZING RANKED #1 BY CANOPY

#1 Globally: Lenzing leads Canopy Hot Button Ranking and was awarded the “Dark Green Shirt”. The Hot Button Ranking is a leading industry assessment of global pulp and fiber producers’ sustainability performance, including topics such as forest conservation, supply chain transparency, and innovation. Canopy credited Lenzing an impressive 34.5 out of 40 points, with leading scores in the areas of sourcing, conservation, and next-generation solutions.

### Certification status



Certification status of total wood input at Lenzing fiber production sites via own and purchased dissolving wood pulp.  
Basis: dissolving wood pulp by weight.

[MDR-A 68a, 68b, 68c]

100 percent of wood and dissolving wood pulp used by the Lenzing Group is continuously either certified by FSC® and PEFC or controlled and inspected in line with these standards.<sup>36</sup> Wood with a PEFC certificate also receives the status FSC® Controlled Wood. For the certification status, please see the “Certification status” figure. “Certified” represents the sum of “FSC® Mix Credit” and “PEFC”. This reflects the amount of pulp available to make fibers with the corresponding Chain of Custody certification.

Lenzing’s Chain of Custody (CoC) certifications also enable its customers to have their products certified. The Chain of Custody documents the flow of materials from the forest source through all supply chain stages up to the final product. All Lenzing Group production sites are FSC® CoC certified. The multi-site certification for PEFC CoC currently covers five sites: Lenzing (Austria), Paskov (Czech Republic), Purwakarta (Indonesia), Nanjing (China) and Mobile (USA).

PEFC certification is mainly used for wood sourced from Central Europe. FSC® certification of forests is not widespread in this region. Therefore, most of the wood sourced in Europe is procured with a PEFC certificate and receives FSC® Controlled Wood status at Lenzing sites after a due diligence process. As a result, all wood input to the Lenzing Group is either certified or controlled by the FSC® certification system as well. As forestry operations in Central Europe are generally small in scale, many small forest owners harvest wood for additional income and do not participate in a certification process. Therefore, Lenzing occasionally procures reliable

<sup>36</sup> License codes: FSC-C041246, PEFC/06-33-92

but limited quantities of such wood that is not FSC® or PEFC certified. This category of wood is inspected in line with these standards and counts as controlled wood. Stringent forestry legislation and enforcement in Central Europe also requires all forest owners to pursue sustainable management.

Pulp suppliers can hold more than one forest-related certificate. Most of the pulp suppliers located in North America also carry certification from the Sustainable Forest Initiative (SFI), which is also a national member of, and fully endorsed by, the global PEFC certification scheme.

For detailed explanations of the certificates, controlled wood and the internal due diligence system, please see the [“Wood and pulp”](#) focus paper.

# Supplementary information pursuant to § 243b UGB

The figures and information in this chapter relate to Lenzing AG pursuant to § 243b UGB and therefore only to the Lenzing site (Austria).

## Lenzing Aktiengesellschaft – Safety

### Work-related injuries for employees in Lenzing (Austria) per 1,000,000 working hours

	2025	2024
<b>Total hours worked (productive working hours)</b>	<b>5,598,187</b>	<b>5,753,287</b>
i) Number of fatalities of work-related injuries and ill health	0	0
ii) Number of recordable work-related injuries	45	54
ii) Rate of recordable work-related injuries (TRIFR)	8.0	9.4
iii) Number of recordable work-related ill health	0	0
iv) Number of work-related injuries and ill health	106	128
iv) Rate of work-related injuries and ill health	18.9	22.2

### Work-related injuries for non-employees in Lenzing (Austria) per 1,000,000 working hours

	2025	2024
<b>Total hours worked (productive working hours)</b>	<b>1,095,631</b>	<b>831,956</b>
i) Number of fatalities of work-related injuries and ill health	0	0
ii) Number of recordable work-related injuries	9	10
ii) Rate of recordable work-related injuries (TRIFR)	8.2	12.0
iii) Number of recordable work-related ill health	0	0
iv) Number of work-related injuries and ill health	18	26
iv) Rate of work-related injuries and ill health	16.4	31.3

### Work-related fatalities (Austria)

No work-related fatalities were reported at Lenzing AG in the 2025 financial year.

### Top five injury types (Austria)

#### Top five injury types – Lenzing (Austria)

	2025		2024	
For employees in the own workforce	Bruises	28	Cuts & lacerations	35
	Cuts & lacerations	18	Bruises	27
	Chemical burns	16	Chemical burns	20
	Strains	11	Abrasions	17
	Fractures	11	Fractures	8
For non-employees in the own workforce	Cuts & lacerations	7	Cuts & lacerations	6
	Foreign bodies	3	Bruises	4
	Chemical burns	2	Chemical burns	2
	Strains	1	Abrasions	2
	Bruises	1	Foreign bodies	2
	Electrical burns/shocks	1		
	Fractures	1		
	Dislocations	1		

# Lenzing Aktiengesellschaft – Workforce

## Employees 2025

Lenzing Aktiengesellschaft: Number of employees in head count as of December 31, 2025.

### Employees 2025 - Lenzing (Austria)

Lenzing AG Lenzing Aktiengesellschaft: Number of employees as of December 31; employees only (including apprentices, excluding temporary workers)	2025	2024
<b>Total headcounts as of 31.12.</b>	<b>3,047</b>	<b>3,128</b>
Proportion of women	20%	19%
Proportion of age >50	22%	23%
Proportion of non-Austrians	9%	9%
Apprentices	151	150
Contractors	87	113
Proportion of employees with full-time contract	82%	85%
Thereof female	12%	12%
Thereof male	88%	88%
Proportion of employees with part-time contract	18%	15%
Thereof female	54%	63%
Thereof male	46%	37%
Proportion of employees for whom collective bargaining agreements exist	100%	100%
Employees with disabilities	44	50
Turnover rate	12%	8%

### Potential corruption offenses or breaches of antitrust law

As regards potential corruption offenses or breaches of antitrust law, no official measures were undertaken or legal claims made against Lenzing Aktiengesellschaft in 2025.

### Environment

Figures concerning environmental matters will not be reported separately for competitive reasons and because these matters are managed and measured on a group-wide basis. The omission of this information does not prevent a fair and balanced understanding of its development, performance, position, and impact of these activities.

# Additional voluntary information on chapters

## Sourcing

### Wood and pulp procurement

#### Wood procurement for the company's own fiber pulp plants in Lenzing (Austria) and Paskov (Czech Republic)

Beech and spruce, by country  
Regional – own country and neighboring countries

#### Wood procurement for Lenzing (Austria)

Country	2025	2024
Austria	41.93%	40.67%
Germany	20.61%	20.11%
Czech Republic	17.37%	15.56%
Slovakia	10.15%	11.86%
Hungary	5.22%	5.65%
Slovenia	3.57%	3.32%
<b>Total regional</b>	<b>98.85%</b>	<b>97.17%</b>
Poland	0.49%	1.16%
France	0.39%	1.15%
Switzerland	0.00%	0.28%
Croatia	0.27%	0.24%
<b>Other countries</b>	<b>1.15%</b>	<b>2.83%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Wood procurement for Paskov (Czech Republic)

Country	2025	2024
Czech Republic	73.94%	67.85%
Slovakia	16.75%	12.08%
Poland	4.46%	3.82%
Austria	0.47%	1.09%
Germany	4.37%	15.16%
<b>Total regional</b>	<b>100.00%</b>	<b>100.00%</b>

## Lenzing's most important wood species in 2025

### Lenzing's most important wood species

Wood sourcing region	Europe	South Africa	North America	South America
Wood species (most important)	beech, spruce, ash, birch, poplar	eucalyptus	pine, ash, aspen, maple, fir, hemlock	eucalyptus

## Certification status in the Lenzing Group

Certification status of total wood input at Lenzing fiber production sites of its own and purchased dissolving wood pulp. Basis: dissolving wood pulp by weight. All PEFC certified or controlled sources are also FSC® controlled.<sup>37</sup>

### Certification status in the Lenzing Group, 2024–2025

	2025	2024
PEFC	36.50%	28.60%
FSC® 100%	0.00%	10.20%
FSC® Mix	42.33%	39.50%
FSC® Controlled Wood	21.17%	21.70%
No claim	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>37</sup> License codes: FSC-C041246, PEFC/06-33-92

# Biodiversity sensitive areas and protected sites near Lenzing production sites

[E4 ESRS 2 SBM-3 – not material after ESRS]

## Biodiversity sensitive areas and protected sites near Lenzing production sites

Site	Name of Biodiversity Sensitive Area/Protected Site	Type of protected area (water/wetland/terrestrial)	Distance in km	Type/Categorization of Biodiversity Sensitive Area	Location of protected area in coordinates (nearest point)	Competent authority
<b>Operational Site: Lenzing Fibers Grimsby Ltd., Grimsby, United Kingdom</b> <b>Lat.: 53.591351, Long.: -0.133550;</b> <b>Area of Site: 13.5 ha</b>						
Grimsby	Lincolnshire Wolds National Landscape, Area of Outstanding Natural Beauty	terrestrial	8	Area of Outstanding Natural Beauty (AONBs) IUCN Management Category V	53.531305, -0.181701	East Yorkshire and Northern Lincolnshire, Extra-Regio, Lincolnshire, Environment Agency
Grimsby	Humber Estuary, Special Area of Conservation (SAC) and a Special Protection Area (SPA)	water/marine	1	IUCN Management Category V Key Biodiversity Area (KBA) Ramsar Site, Wetland of International Importance (Nr. 663) Site of Special Scientific Interest Marine Protected Area (OSPAR) Emerald Network Site UK0030170 (former Natura 2000 site UK9006111 und UK0030170) Outstrays Managed Realignment Scheme (OMRS) – Habitat creation (managed realignment)	53.601297, -0.129826	East Yorkshire and Northern Lincolnshire, Extra-Regio, Lincolnshire, Environment Agency
Grimsby	Laughton Forest	terrestrial	38	Key Biodiversity Area (KBA)	53.485517, -0.678116	Forestry England
Grimsby	Lincolnshire Coronation Coast	water	19	National Nature Reserve (NNR) IUCN Management Category IV	53.500774, 0.101097	Natural England
Grimsby	Bradley & Dixon Woods	terrestrial	7	Local Nature Reserve IUCN Management Category IV	53.536737, -0.120475	Natural England
Grimsby	Weelsby Woods Park	terrestrial	7	Local Nature Reserve IUCN Management Category IV	53.552149, -0.063515	Natural England
<b>Operational Site: Lenzing Fibers GmbH, Heiligenkreuz, Austria</b> <b>Lat.: 46.968158, Long.: 16.256086</b> <b>Area of Site: 27.15 ha</b>						
Heiligenkreuz	Lafnitz Fluss, Austria	water	0.4	Natura 2000 (AT1122916)	46.965609, 16.255422	Amt d. Burgenländischen Landesregierung, Abt. 4 Agrarwesen, Natur- und Klimaschutz
Heiligenkreuz	Naturpark Raab	terrestrial	0.5	IUCN Management Category V EEA European Protected Site Nature Park	46.968766, 16.250901	Amt d. Burgenländischen Landesregierung, Abt. 5, Natur- und Umweltschutz, Amt d. Steiermärkischen Landesregierung Referat Naturschutz
Heiligenkreuz	Lafnitztal	water, terrestrial	0.5	Natura 2000 (AT1122916) Ramsar site (nr. 1169)	46.971812, 16.266184	Amt d. Burgenländischen Landesregierung, Abt. 4 Agrarwesen, Natur- und Klimaschutz, Amt d. Steiermärkischen Landesregierung Referat Naturschutz

**Operational Site: Lenzing, Austria**  
**Lat.: 47.978798, Long.: 13.616135**  
**Area of Site: 153.4 ha**

Lenzing	Mond- und Attersee	water	4	Natura 2000 (AT3117000) EEA European Protected Site Special Areas of Conservation (Habitats Directive)	47.949561, 13.589000	Amt der Oö. Landesregierung, Abteilung Naturschutz
Lenzing	Untere Traun	water	25	Natura 2000 (AT3113000) EEA European Protected Site Key Biodiversity Area (KBA) Special Protection Area (Birds Directive)	48.083621, 13.908800	Amt der Oö. Landesregierung, Abteilung Naturschutz
Lenzing	Gerlhamer Moor	wetland	5	Natura 2000 (AT3140000) IUCN Management Category IV Special Areas of Conservation (Habitats Directive) EEA European Protected Site	47.952161, 13.555073	Amt der Oö. Landesregierung, Abteilung Naturschutz
Lenzing	Naturpark Attersee-Traunsee	terrestrial	17	IUCN Management Category V Nature Park	47.831764, 13.549271	Amt der Oö. Landesregierung, Abteilung Naturschutz
Lenzing	Reinthal Moos	wetland	10	Natura 2000 (AT3106000) EEA European Protected Site Special Areas of Conservation (Habitats Directive)	47.916750, 13.526394	Amt der Oö. Landesregierung, Abteilung Naturschutz

**Operational Site: Lenzing Fibers Inc., Axis, USA**  
**Lat.: 30.960825, Long.: -88.025558**  
**Area of Site: 65.97 ha**

Mobile	Upper Delta Wildlife Management Area	water	4	IUCN Management Category V Wildlife Management Area	30.974528, -87.985303	Alabama Department of Conservation and Natural Resources (ADCNR), Division of Wildlife & Freshwater Fisheries
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**Operational Site: Lenzing (Nanjing) Fibers Co., Ltd., Nanjing, China**  
**Lat.: 32.283358, Long.: 118.875262**  
**Area of Site: 34.86 ha**

Nanjing	Lanbowan-Qilihe Wetland	wetland	30	Key Biodiversity Area (KBA)	32.070129, 118.668259	
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**Operational Site: Lenzing Biocel Paskov a.s., Paskov, Czech Republic**  
**Lat.: 49.718049, Long.: 18.294587**  
**Area of Site: 211.96 ha**

Paskov	Řeka Ostravice Česká republika	water	1	Natura 2000 (CZ0813462) Special Areas of Conservation (Habitats Directive)	49.718333, 18.313795	Krajský úřad Moravskoslezského kraje – Odbor životního prostředí a zemědělství
Paskov	Paskov PP Přírodní památka Paskov Česká republika	terrestrial	2	Natura 2000 (CZ0813463)	49.731168, 18.295834	Krajský úřad Moravskoslezského kraje – Odbor životního prostředí a zemědělství
Paskov	Koryto řeky Ostravice	water	1	IUCN Management Category III Nature Monument	49.733750, 18.302202	Krajský úřad Moravskoslezského kraje – Odbor životního prostředí a zemědělství, Ministry of the Environment of the Czech Republic
Paskov	Mokřad u Rondelu -	wetland	11	Natura 2000 (CZ0813455) IUCN Management Category III Nature Monument	49.786667, 18.407222	Krajský úřad Moravskoslezského kraje

Paskov	Poodří (CZ0814092)	water, terrestrial	18	Natura 2000 (CZ0814092) Protected Landscape Area IUCN Management Category V Special Areas of Conservation (Habitats Directive) Special Protection Area (Birds Directive) Key Biodiversity Area (KBA)	49.692595, 18.045228	AOPK ČR - RP SCHKO Poodří
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**Operational Site: LD Celulose S.A, Indianópolis, Brazil**

**Lat.: -18.836333, Long.: -47.917333**

**Area of Site: 150 (mill area) ha**

**90,200 ha (plantation)**

LD Celulose S.A, Indianópolis	LD Celulose S.A, Indianópolis (within plantation area)	water	0.5	High conservation value area within LDC plantations	-18.836333, -47.917333	LD Celulose S.A
LD Celulose S.A, Indianópolis	Páu Furado State Park/Parque Estadual do Pau Furado	water, terrestrial	26	IUCN Management Category II	-18.829523, -48.159716	Instituto Estadual De Florestas De Minas Gerais - Mg, Secretaria de Biodiversidade e Florestas, Ministério do Meio Ambiente

## Waste

[E5-5 37, 39 – not material after ESRS]

### Waste

(Tons)	2025	2024
<b>Total waste generated</b>	<b>155,540</b>	<b>163,983</b>
<b>Total waste diverted from disposal</b>	<b>115,569</b>	<b>129,153</b>
Hazardous waste diverted from disposal	25,118	29,838
Hazardous waste preparation for reuse	0	0
Hazardous waste recycling	25,118	29,838
Hazardous waste other recovery operations	0	0
Non-hazardous waste diverted from disposal	90,452	99,315
Non-hazardous waste preparation for reuse	0	0
Non-hazardous waste recycling	90,452	99,315
Non-hazardous waste other recovery operation	0	0
<b>Total waste directed to disposal</b>	<b>39,971</b>	<b>34,830</b>
Hazardous waste directed to disposal	3,131	4,034
Hazardous waste incineration	1,834	2,842
Hazardous waste landfill	211	102
Hazardous waste other disposal operations	1,086	1,090
Non-hazardous waste directed to disposal	36,840	30,796
Non-hazardous waste incineration	12,189	10,901
Non-hazardous waste landfill	23,688	18,996
Non-hazardous waste other disposal operations	963	899
<b>Percentage of non-recycled waste</b>	<b>26%</b>	<b>21%</b>
<b>Total amount of non-recycled waste</b>	<b>39,971</b>	<b>34,830</b>
<b>Total amount of hazardous waste</b>	<b>28,249</b>	<b>33,873</b>

## Own workforce

### Collective bargaining and social dialog

[S1-8 – not material after ESRS]

Lenzing complies with the local labor standards in all countries in which it operates. Collective agreements cover 80.3 percent (2024: 79.9 percent) of the Lenzing Group's global workforce. 99.7 percent (2024: 99.6 percent) of employees are subject to notice periods governed by labor law or collective agreements.

For more information on Lenzing's social dialog, please see the "Works council/social dialog" section of the "S1 Own workforce" chapter.

### Adequate wages

[S1-10 - not material after ESRS]

After comparing the salaries and wages of all Lenzing employees against the living wage benchmark, it can be stated that everyone is paid an adequate wage or salary. 100 percent of Lenzing's employees were covered by the analysis.

## Gender pay gap - breakdown

[S1-16 98]

### Gender Pay Gap

	Total	Blue collar worker		White collar worker			
		Junior Professional	Seasoned Professional	Clerical / Operations	Supervisory / Junior Professional	Middle Management / Seasoned Professional	Senior Management / Executives
Lenzing Group (Production sites and Sales Offices)	27.16						
<b>Production sites</b>							
Lenzing (Austria)	9.88	23.54	8.44	5.27	11.12	2.74	17.51
Heiligenkreuz (Austria)	11.94	19.76	44.36	-0.23	15.57	9.79	only male
Paskov (Czech Republic)	1.47	-1.12	5.51	only female	20.87	0.09	only female
Grimsby (United Kingdom)	-12.99	35.20	-6.33	13.62	-10.50	21.27	only female
Mobile (USA)	-2.65	-2.04	no employees	-9.58	11.26	0.30	only male
Indianópolis (Brazil)	29.29	30.89	40.85	4.03	12.66	27.70	only male
Purwakarta (Indonesia)	-128.28	-46.58	no employees	no employees	1.57	-13.46	only male
Prachinburi (Thailand)	-39.22	-10.32	-1.99	5.19	14.37	11.96	only male
Nanjing (China)	1.21	0.08	only male	only female	17.67	-1.13	only male

### Legend

Grading	White collar workers
1-3	Clerical / Operations
3a-4a, M1, M2	Supervisory / Junior Professional
5-6, M3	Middle Management / Seasoned Professional
6A - 7a	Senior Management / Executives

Grading	Blue collar workers
1-12, L1-L4, K2-K5 incl. K4A, K4B	Junior Professional
13-17, F2, K6-K7- K8, 3a-4a	Seasoned Professional

## Top five injury types

### Top five work-related injuries

	2025		2024	
For employees in the own workforce	Cuts & lacerations	47	Cuts & lacerations	75
	Bruises	46	Bruises	52
	Abrasions	28	Abrasions	36
	Strains	22	Puncture wounds	29
	Chemical burns	21	Chemical burns	24
For non-employees in the own workforce	Cuts & lacerations	14	Cuts & lacerations	20
	Bruises	6	Bruises	10
	Chemical burns	4	Chemical burns	10
	Foreign bodies	3	Abrasions	10
	Hot burns	3	Foreign bodies	7
			Dislocations	7

## Nationalities within the Lenzing Group

### Different nationalities within the Lenzing Group 2025

Nationality	Female	Male	Total
Afghanistan		3	3
Albania	1	2	3
Argentina	1		1
Austria	583	2,520	3,103
Belgium		3	3
Bolivia	1		1
Bosnia Herzeg.	8	35	43
Brazil	300	988	1,288
Bulgaria	1		1
Canada	1		1
China	164	638	802
Columbia	1	1	2
Croatia	6	16	22
Czech Republic	120	398	518
Dutch Antilles		1	1
Egypt		2	2
France	4	4	8
Georgia		2	2
Germany	19	79	98
Hong Kong		2	2
Hungary	4	16	20
India	5	24	29
Indonesia	63	1,251	1,314
Italy		9	9
Kirghizstan		1	1
Kosovo	3	8	11
Malaysia	1	5	6
North Macedonia	2	3	5
Mexico	1	1	2
Montenegro		1	1
Netherlands	3	4	7
Nigeria		2	2
Pakistan	1	3	4
Poland	2	6	8
Portugal		1	1
Romania	1	20	21
Russian Fed.	2	3	5
Serbia	2	3	5
Singapore	3	1	4
Slovenia	1	4	5
Slovakia	5	8	13
Somalia		1	1
South Africa		2	2
South Korea	2	1	3
Spain		2	2
Switzerland		2	2
Syria		8	8
Tajikistan		1	1
Taiwan	1	3	4
Thailand	43	227	270
Türkiye	11	12	23
Ukraine	4		4
United Kingdom	26	204	230
USA	42	157	199
Vietnam		1	1
No nation	1	1	2
<b>Total</b>	<b>1,439</b>	<b>6,690</b>	<b>8,129</b>

## **NaDiVeG compliance table**

You can find this table here:

<https://reports.lenzing.com/annual-and-sustainability-report/2025/sustainability/annex/nadiveg.html>

## **TCFD index**

You can find this table here:

<https://reports.lenzing.com/annual-and-sustainability-report/2025/sustainability/annex/tcfid.html>

## **TNFD index**

You can find this table here:

<https://reports.lenzing.com/annual-and-sustainability-report/2025/sustainability/annex/tnfd-index.html>

Lenzing, March 5, 2026  
**Lenzing Aktiengesellschaft**

**The Managing Board**

**Georg Kasperkovitz**  
Chief Operations Officer

**Mathias Breuer**  
Chief Financial Officer

**Christian Skilich**  
Chief Pulp & Chief Technology Officer

# Independent assurance report on the non-financial reporting pursuant to Section 243b and 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 243b and 267a UGB (hereafter „non-financial reporting“) for the financial year 2025 of the

**Lenzing Aktiengesellschaft,  
Lenzing  
(hereinafter also referred to as „Lenzing“ or „Company“).**

## Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 243b and 267a UGB (hereafter „non-financial reporting“) is not prepared, in all material respects, in compliance with:

- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Sections 243b and 267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation“),
- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS“), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process“); with the description set out in disclosure „Double materiality analysis“

in the currently valid version.

## Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised)) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance („limited assurance engagement“) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance („reasonable assurance engagement“), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting“ section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

## Other information

Management is responsible for the other information. The other information comprises all information included in the „Annual and Sustainability Report 2025“ but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

## Responsibility of the management

Management is responsible for the preparation of a non-financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 243b and 267a UGB, including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

## **Inherent limitations in the preparation of non-financial reporting**

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

## **Responsibility of the auditor of the consolidated non-financial reporting**

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional skepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Procedures - Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 243b and 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

## **Limitation of liability, publication and terms of engagement**

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the „General Conditions of Contract for the Public Accounting Professions” issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in the “Consolidated non-financial statement / Sustainability report” section of the group management report and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third-party claims.

## **Auditor responsible for the assurance engagement**

The auditor responsible for the assurance engagement of the non-financial reporting is Mr. Mag. Alexander Gall.

Linz  
March 5, 2026

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

**Mag. Alexander Gall**

Wirtschaftsprüfer  
(Austrian Chartered Accountant)