

Sustainability Report 2020

Key figures of the Lenzing Group



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Key business figures

Figure	Unit	2018	2019	2020
Value creation ¹	mn EUR	587.6	575.7	406.4
Distribution of value creation				
Employees ²	mn EUR	368.2	389.2	349.6
Retained earnings	mn EUR	15.5	114.9	-10.6
Public sector ³	mn EUR	62.3	60.4	44.8
Shareholders (dividends) ⁴	mn EUR	132.8	0	0
Lenders ⁵	mn EUR	8.8	11.2	22.5
ROCE (return on capital employed) ⁶	%	10.3 %	5.3 %	-0.6 %
Adjusted equity ratio	%	59 %	50 %	45.8 %
Revenue	mn EUR	2,176.00	2,105.20	1,632.60
EBITDA (earnings before interest, tax, depreciation and amortization)	mn EUR	382	326.9	196.6
Sales volume fibers	t	915,000	899,000	787,000
Proportion of wood source certified or controlled by forest certification	%	>99 %	>99 %	>99 %
Proportion of suppliers with EcoVadis rating	%	63 %	89 %	84 %
Share of own pulp	%	60 %	62 %	62.4 %
R&D expenditure, calculated according to the Frascati method	mn EUR	42.8	53.2	34.8
Specialty fiber share based on revenue ⁷	%	45.5 %	51.6 %	62.0 %
Specific ⁸ primary energy consumption [GJ/t, 2014 = 100%]	%	99 %	98 %	97 %
Specific GHG emissions ⁹ [tons of CO ₂ eq./t, 2014 = 100%]	%	98 %	92 %	85 %
Specific sulfur emissions [kg/t, 2014 = 100%]	%	71 %	67 %	61 %
Specific water intake [m ³ /t, 2014 = 100%]	%	96 %	93 %	96 %
Specific water emissions after wastewater treatment [kg COD/t, 2014 = 100%]	%	93 %	86 %	100 %
Number of employees ¹⁰	-	6,839	7,036	7,358
Lost workday cases (LWC, per 1.000 employees)	-	5.7	4.4	4.2
Lost Time Injury Frequency Rate (LTIFR based on 200,000 worked man-hours) for employees incl. supervised workers and contractors	-		0.51	0.43 ¹¹

Circular economy

Figure	Unit	2018	2019	2020
Waste by type and disposal method				
Hazardous waste				
Reused	kg	-	-	-
Recycled	kg	3,552,223	2,910,015	196,172
Composted	kg			
Recovered including energy recovery	kg	49,499,256	69,454,243	52,189,106
Incinerated (mass burn)	kg	-	-	-
Deep well injection	kg	-	-	-
Landfill	kg	2,014,090	2,724,040	2,261,530
On-site storage	kg	-	-	-
Other (to be specified by Lenzing)	kg	100,666	225,994	48,049
Total waste	kg	55,166,235	75,314,292	54,694,857
Non-hazardous waste				
Reused	kg	-	-	-
Recycled	kg	71,784,983	75,454,644	65,857,370
Composted	kg	-	-	-
Recovered including energy recovery	kg	9,435,416	29,392,435	32,834,326
Incinerated (mass burn)	kg	-	-	-
Deep well injection	kg	-	-	-
Landfill	kg	14,870,358	13,882,404	12,650,638
On-site storage	kg	-	-	-
Other (to be specified by Lenzing)	kg	997,077	316,016	377,900
Total waste	kg	97,087,834	119,045,499	111,720,234

Raw material security

Figure	Unit	2018	2019	2020
Wood certification status¹²				
PEFC™	%	23.3 %	23.9 %	28.5 %
FSC® Mix	%	42.5 %	40.5 %	41.8 %
FSC® Controlled Wood	%	34.0 %	35.6 %	29.7 %
Regionality¹³ of purchased chemicals				
Regionally	%	93 %	91 %	95 %
Non-regionally	%	7 %	9 %	5 %
Number of suppliers responding to EcoVadis questionnaire	-	93	102	152

Decarbonization

Figure	Unit	2018	2019	2020
Primary energy consumption¹⁴				
Fossil primary energy	mn GJ	42.62	42.26	37.99
Renewable primary energy	mn GJ	20.18	20.05	19.70
Specific primary energy consumption ¹⁵ (Index in percentage based on GJ/t, 2014 = 100 %)	%	98.8 %	98.1 %	97.3 %
Greenhouse gas emissions				
Direct emission, scope 1	mn t CO ₂ eq.	1.15	1.10	0.88
Indirect emission, scope 2	mn t CO ₂ eq.	0.60	0.53	0.50
Total scope 1 & 2 GHG emissions ¹⁶	mn t CO ₂ eq.	1.75	1.64	1.38
Indirect emissions, scope 3 ¹⁷	mn t CO ₂ eq.	1.99	1.92	1.52
Total scope 1, 2 & 3 GHG emissions	mn t CO ₂ eq.	3.74	3.56	2.89
Total biogenic CO ₂ emissions, scope 1	mn t CO ₂ eq.	-	1.86	1.52
Greenhouse gas emissions intensity¹⁸				
Specific emissions, scope 1 & 2	t CO ₂ eq./t product sold	1.58	1.44	1.40
Specific emission index, scope 1 & 2 (index in percentage based on t CO ₂ eq./t, 2017 = 100 %)	%	94.4 %	86.1 %	83.5 %
Specific emissions, scope 3	t CO ₂ eq./t product sold	1.79	1.70	1.54
Specific emission index, scope 3 (index in percentage based on t CO ₂ eq./t, 2017 = 100 %)	%	100.6 %	95.2 %	86.4 %
Specific emissions, scope 1, 2 & 3	t CO ₂ eq./t product sold	3.37	3.14	2.94

Specific emission index, scope 1, 2 & 3 (index in percentage based on t CO ₂ eq./t, 2017 = 100 %)	%	97.6 %	90.8 %	85.0 %
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Water stewardship

Figure	Unit	2018	2019	2020
Water withdrawal¹⁹				
Surface water	Megaliters (ML)	89,507	87,954	82,359
Freshwater	ML	89,507	87,954	82,359
Other water	ML	-	-	-
Groundwater	ML	15,008	14,002	12,730
Freshwater	ML	15,008	14,002	12,730
Other water	ML	-	-	-
Seawater	ML	-	-	-
Freshwater	ML	-	-	-
Other water	ML	-	-	-
Produced water	ML	-	-	-
Freshwater	ML	-	-	-
Other water	ML	-	-	-
Third-party water	ML	7,676	7,185	6,849
Freshwater	ML	7,676	7,185	6,849
Other water	ML	-	-	-
Total	ML	112,191	109,141	101,938
Specific²⁰ water use				
Index in percentage (based on m ³ /t, 2014 = 100 %)	%	96.3 %	92.9 %	96.2 %
Water discharge				
Water discharged by destination				
Surface water	ML	39,747	40,026	37,796
Groundwater	ML	-	-	-
Seawater	ML	-	-	-
Third-party water	ML	60,188	59,198	57,800
thereof third-party water sent for use to other organizations	ML	-	-	-
Water discharged by water quality				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML	71,280	69,802	67,694
Other water (>1,000 mg/L Total Dissolved Solids)	ML	28,655	29,422	27,902
Total water discharged	ML	99,935	99,224	95,596
Total water consumption	ML	12,256	9,917	6,342

Absolute emissions to water



COD after WWTP	t	5,713	5,286	5,510
SO ₄ ²⁻ after WWTP	t	159,156	152,519	177,003
Amines after WWTP	t	226	208	233

Specific²¹ emissions to water (Index in percentage based on m³/t, 2014 = 100 %)

COD after WWTP	%	95.3 %	86.2 %	100.0 %
SO ₄ ²⁻ after WWTP	%	92.3 %	87.5 %	113.0 %
Amines after WWTP	%	114.5 %	104.4 %	130.7 %

Sustainable innovations

Figure	Unit	2018	2019	2020
Absolute emissions to air²²				
Sulfur emissions (CS ₂ , H ₂ S, emissions expressed as sulfur)	t	24,559	23,280	19,187
SO ₂ emissions	t	2,996	2,684	2,135
NO _x emissions ²³	t	-	619	587
Specific²⁴ emissions to air (Index in percentage based on m³/t, 2014 = 100 %)				
Sulfur emissions	%	70.5 %	66.7 %	60.9 %
SO ₂ emissions	%	76.6 %	68.4 %	60.3 %

Empowering people

Figure	Unit	2018	2019	2020
Total number of employees	-	6,839	7,036	7,358
Female	-	946	1,010	1,090
Male	-	5,893	6,026	6,268
thereof in Austria	-	3,387	3,513	3,482
thereof in Indonesia	-	1,763	1,735	1,614
thereof in Czech Republic	-	406	416	410
thereof in China	-	743	751	839
thereof in USA	-	205	209	210
thereof in UK	-	190	200	203
Others (India, Thailand, Turkey, Korea, Singapore, Thailand, Taiwan and Brazil)	-	145	212	600
Total number of employees - full time	-	5,344	5,482	6,904 ²⁵
Female	-	681	717	797
Male	-	4,663	4,765	6,107
Total number of employees - part time	-	1,495	1,554	454
Female	-	265	293	293



Male	-	1,230	1,261	161
Total number of supervised workers	-	523	457	433
Number of apprentices	-	182	190	184
Female	-	23	24	22
Male	-	159	166	162

Individuals within the organization's governance body (board and supervisory board)²⁶

Number of individuals, total	-	15	15	14
Under 30	-	0	0	0
Between 30 and 50	-	3	4	2
Over 50	-	12	11	12
Female	-	1	1	2
Male	-	14	14	12
Percentage of individuals, under 30	%	0 %	0 %	0 %
Between 30 and 50	%	20 %	27 %	14 %
Over 50	%	80 %	73 %	86 %
Female	%	7 %	7 %	14 %
Male	%	93 %	93 %	86 %

Individuals outside the organization's governance body (others)²⁷

Number of individuals, total	-	6,835	7,032	7,353
Under 30	-	1,360	1,304	1,337
Between 30 and 50	-	3,952	4,116	4,341
Over 50	-	1,523	1,612	1,675
Female	-	946	1,010	1,090
Male	-	5,889	6,022	6,263
Percentage of individuals, under 30	%	19.9 %	18.5 %	18.2 %
Between 30 and 50	%	57.8 %	58.5 %	59.0 %
Over 50	%	22.3 %	22.9 %	22.8 %
Female	%	13.8 %	14.4 %	14.8 %
Male	%	86.2 %	85.6 %	85.2 %

Individuals within managing role - overall (at least one direct)

Number of individuals, 30 and below	-	36	32	32
Between 30 and 50	-	458	480	507
Over 50	-	281	281	297
Female	-	87	99	128
Male	-	688	694	708
Percentage of individuals, 30 and below	%	5 %	4 %	4 %
Between 30 and 50	%	59 %	61 %	61 %
Over 50	%	36 %	35 %	36 %
Female	%	11 %	12 %	15 %
Male	%	89 %	88 %	85 %
Number of employee category 1 ²⁸ , 30 and below	-	15	13	16
Between 31 and 50	-	325	348	388
Over 50	-	241	235	249
Female	-	78	84	115
Male	-	503	512	538
Number of employee category 2 ²⁹ , 30 and below	-	21	19	16
Between 31 and 50	-	132	130	108
Over 50	-	38	44	43
Female	-	8	15	11
Male	-	183	178	156
Number of employee category 3 ³⁰ , 30 and below	-	0	0	0
Between 31 and 50	-	1	2	11
Over 50	-	2	2	5
Female	-	1	0	2
Male	-	2	4	14
Percentage of employee category 1 , 30 and below	%	3 %	2 %	2 %
Between 31 and 50	%	56 %	58 %	59 %
Over 50	%	41 %	39 %	38 %
Female	%	13 %	14 %	18 %
Male	%	87 %	86 %	82 %
Percentage of employee category 2 , 30 and below	%	11 %	10 %	10 %
Between 31 and 50	%	69 %	67 %	65 %
Over 50	%	20 %	23 %	26 %
Female	%	4 %	8 %	7 %
Male	%	96 %	92 %	93 %
Percentage of employee category 3 , 30 and below	%	0 %	0 %	0 %

Between 31 and 50	%	33 %	50 %	69 %
Over 50	%	67 %	50 %	31 %
Female	%	33 %	0 %	13 %
Male	%	67 %	100 %	88 %

Number of newly hired employees

Female	-	87	111	185
Male	-	535	494	703
Under 30	-	132	44	152
Between 30 and 50	-	255	324	465
Over 50	-	235	237	271
Austria	-	354	294	213
Indonesia	-	74	40	2
China	-	105	115	96
Czech Republic	-	47	26	18
USA	-	24	30	12
United Kingdom	-	18	19	11
Others (India, Thailand, Turkey, Korea, Singapore, and Brazil)	-	0	81	536

Percentage of newly hired employees

Female	%	14.0 %	18.4 %	20.8 %
Male	%	86.0 %	81.7 %	79.2 %
Under 30	%	21.2 %	7.3 %	17.1 %
Between 30 and 50	%	41.0 %	53.6 %	52.4 %
Over 50	%	37.8 %	39.2 %	30.5 %
Austria	%	56.9 %	48.6 %	24.0 %
Indonesia	%	11.9 %	6.6 %	0.2 %
China	%	16.9 %	19.0 %	10.8 %
Czech Republic	%	7.6 %	4.3 %	2.0 %
USA	%	3.9 %	5.0 %	1.4 %
United Kingdom	%	2.9 %	3.1 %	1.2 %
Others (India, Thailand, Turkey, Korea, Singapore, and Brazil)	%	0.0 %	13.4 %	60.4 %

Employee turnover

Number of employees that left the company	-			
Female	-	59	47	105
Male	-	285	361	461
Under 30	-	80	100	119
Between 30 and 50	-	140	160	240
Over 50	-	124	148	207
Austria	-	126	168	244
Indonesia	-	60	68	123

China	-	88	100	95
Czech Republic	-	30	16	24
USA	-	22	26	11
United Kingdom	-	7	9	8
Others (India, Thailand, Turkey, Korea, Singapore, and Brazil)	-	11	21	61

Percentage of employees that left the company

Female	%	17.2 %	11.5 %	18.6 %
Male	%	82.9 %	88.5 %	81.5 %
Under 30	%	23.3 %	24.5 %	21.0 %
Between 30 and 50	%	40.7 %	39.2 %	42.4 %
Over 50	%	36.1 %	36.3 %	36.6 %
Austria	%	36.6 %	41.2 %	43.1 %
Indonesia	%	17.4 %	16.7 %	21.7 %
China	%	25.6 %	24.5 %	16.8 %
Czech Republic	%	8.7 %	3.9 %	4.2 %
USA	%	6.4 %	6.4 %	1.9 %
United Kingdom	%	2.0 %	2.2 %	1.4 %
Others (India, Thailand, Turkey, Korea, Singapore, and Brazil)	%	3.2 %	5.2 %	10.8 %

Employees with disabilities³¹

Lenzing Group	-	102	104	101
Austria	-	85	88	79
Czech Republic	-	13	11	11
USA	-	1	3	2
Indonesia	-	2	2	2
China	-	1	-	-
Brazil	-	-	-	7

Work related injuries for all employees

Total hours worked (Productive working hours)	h	13,707,428	14,104,975	14,572,350
i) Number of fatal injuries	-	0	0	0
Rate of fatal injuries	-	0	0	0
ii) Number of high-consequence work-related injuries	-	2	0	0
Rate of high-consequence work-related injuries	-	0.02	0	0
iii) Number of recordable work-related injuries	-	145	148	67 ³²
Rate of recordable work-related injuries	-	2.12	2.1	0.92
iv) Number of work-related injuries or ill health	-	221	228	179 ³³
Rate of work-related injuries	-	3.22	3.23	2.46

Work-related injuries for other workers³⁴

Total hours worked (Productive working hours)	h	1,455,685	5,160,620	4,179,812
i) Number of fatal injuries	-	0	0	0
Rate of fatal injuries	-	0	0	0
ii) Number of high-consequence work-related injuries	-	1	0	0
Rate of high-consequence work-related injuries	-	0.14	0	0
iii) Number of recordable work-related injuries	-	52	37	18 ³⁵
Rate of recordable work-related injuries	-	7.14	1.43	0.86
iv) Number of work-related injuries or ill health	-	67	46	31
Rate of work-related injuries	-	9.21	1.78	1.48

Endnotes

¹ Value creation within the Lenzing Group is calculated as the company's business performance minus the cost of materials, other expenses, depreciation and amortization. The distribution of value creation shows the extent to which it is distributed among stakeholders such as employees, the public sector, and lenders.

² Personnel expenses less municipal taxes.

³ Based on the proposed distribution of profits.

⁴ Income tax expenses plus asset taxes and similar taxes plus municipal taxes.

⁵ Financing costs less net foreign currency gain/losses from financial liabilities.

⁶ The financial indicators are derived primarily from the IFRS consolidated financial statements of the Lenzing Group. Additional details are provided in the section "Notes on financial performance indicators of the Lenzing Group" in the glossary of the Annual Report and in the consolidated financial statements of the Lenzing Group.

⁷ Lenzing's speciality fibers are net-benefit products that offer positive impacts and benefits to society, the environment, and value chain partners.

⁸ Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volumes).

⁹ Includes both scope 1 and 2 emissions of all greenhouse gases, expressed as CO₂ equivalents. It was observed that the system boundaries of different wood-based fiber producers differ from the Lenzing Group's boundaries. In particular, upstream production of chemicals that are consumed in Lenzing's facilities belongs to scope 3, according to the GHG protocol, so they should not be included here. However, some Lenzing Group sites produce chemicals themselves, namely H₂SO₄ and CS₂, leading to a higher energy demand and scope 1 and 2 CO₂ emissions for the Lenzing Group. This is relevant for all indicators. Scope 1 emissions are calculated from emission factors from EU ETS. Scope 2 emissions are calculated using a market-based method.

¹⁰ Employees (incl. apprentices, excluding supervised workers) in Austria, the Czech Republic, United Kingdom, USA, China, Indonesia, India, Taiwan, Thailand, Turkey, Korea, Singapore, and Brazil.

¹¹ Contractors for the major projects in Thailand and Brazil are not included.

¹² Certification status of total wood input at Lenzing fiber production sites via own and purchased dissolving wood pulp. Basis: dissolving wood pulp by weight.

¹³ regionally: same country and neighboring countries

¹⁴ Lenzing reports both direct and indirect energy use. According to the GHG protocol, scope 1 covers direct energy consumed within the Lenzing Group and scope 2 covers the energy bought from energy suppliers and national grids. Primary energy here includes all forms of energy such as electricity and steam. All energy sources such as fossil (coal, oil, natural gas) and renewable (biomass, waste fuels, water, wind, etc.) are included.

¹⁵ All specific indicators in this chapter are reported per unit of production (pulp and fiber). This is applicable for all specific indicators in this report except for CO₂ emissions.

¹⁶ Includes both scope 1 and 2 emissions of all greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃), expressed as CO₂ 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. Scope 2 emissions according to the location-based approach are 0.56 mn tons CO₂ equivalents in 2020.

¹⁷ Scope 3 includes categories 1, 3, 4 and 9 – which covers 93 % of total scope 3 emissions in 2017

¹⁸ Intensity indicators (i.e. specific CO₂ emissions) are reported based on pulp and fiber sold as in SBT.

¹⁹ freshwater (\leq 1,000 mg/L Total Dissolved Solids), other water ($>$ 1,000 mg/L Total Dissolved Solids)

²⁰ Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volumes).

²¹ Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volumes).

²² Sulfur emissions were calculated using mass balances. SO₂ emissions are based on measurements.

²³ Improvement in reporting NO_x emission started in 2019, currently excluding data from Indonesian production facility

²⁴ Specific indicators are reported per unit of production by the Lenzing Group (i.e. pulp and fiber production volumes).

²⁵ Due to a transition to a 5-shift system, these employees (=0.9 FTE) were counted as part-time employees in the previous reporting years.

From 2020 onwards they will be counted as full-time employees and therefore be included in the full-time employee figures.

²⁶ excluding Supervisory Board members appointed by works council; members of Supervisory Board are not included in any other headcount figure/table, apart from this one.

²⁷ including Supervisory Board members appointed by works council

²⁸ white collar manager

²⁹ blue collar manager

³⁰ supervised worker – manager

³¹ No formal recording of numbers of employees with disabilities is conducted at the site in Grimsby (United Kingdom) since there is no definition provided by local legislation.

³² 2020 reduction due to introduction of recordable incident classification in accordance with OHSAS standard

³³ Reduction related in part to COVID-19

³⁴ exclusive of major projects Brazil and Thailand for reasons of data consistency

³⁵ 2020 reduction due to introduction of recordable incident classification in accordance with OHSAS standard