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Bioenergy Policy

The Lenzing Group has implemented an ambitious climate transition plan to achieve its science-based climate target. Switching to renewable energy is a core objective of Lenzing's climate action plan. Bioenergy from biomass is an important option, complementing the other sources of renewable energy like hydro, solar, wind and geothermal energy.

The scope of this Policy is to give guidance for sourcing biomass for Lenzing's energy production as well as for biomass sourcing of third parties delivering bioenergy to the members of the Lenzing Group.

The Lenzing Group is an environmentally responsible company operating as sustainably as possible. We therefore strive to source biomass for energy exclusively from non-controversial sources. The controversial sources are defined according to **three major sources of biomass for energy**:

- Woody biomass purpose-grown for energy use
- Woody biomass as by-product of other wood uses
- Agricultural residues

For **purpose-grown woody biomass**, we strive to source biomass for energy exclusively from non-controversial sources as laid out in the Wood and Pulp Policy. Controversial sources include wood deriving from:

- illegal logging or the trade in illegal wood or forest products
- destruction of high conservation values in forestry operations, including ancient and endangered forests, and endangered species habitats
- plantations established after 2020 through significant conversion of natural forests or conversions to non-forest use
- introduction of genetically modified organisms in forestry operations
- violation of traditional, community and/or human rights
- any violation of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work

For **woody by-products and agricultural residues** we require transparency about the sourcing region and demand that the biomass is at least

- Legally harvested
- Connected to low risk of deforestation



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We generally avoid biomass from agricultural products with a high risk of deforestation¹, in particular, residues from palm oil production. If such products are considered for a supply, the compliance with this Policy has to be assured by credible third-party certification

Regular risk-assessments specific for the sourcing regions, audits and on-site visits as well as independent third-party certification of the biomass for energy programs (like the ones endorsed by the European Union Renewable Energy Directive RED II) help to ensure the policy compliance and our commitment to no-deforestation. Responsibility for the assessment is on the site level.

If we discover that we are sourcing biomass from controversial sources, we will first engage our suppliers to encourage consistent practices with our policy, and if the response is unsatisfactory, we will eliminate it from our supply chain with a reasonable lead time.

Lenzing, June 2023

Signatures



MOXIS



Christian Skilich

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¹ Agricultural commodities defined by the EU Deforestation Regulation – Annex 1: cattle, cocoa, coffee, oil palm, rubber, soya