

Modern Slavery Act Transparency Statement

This statement is made in accordance with section 54 of the Modern Slavery Act 2015 and covers the tax year 2021/2022 by Lenzing Fibers Grimsby Limited ("LGL"). LGL, is part of the Lenzing Group, and is a separate legal entity in the UK with its own Board of Directors.

Background

Based in Austria, the Lenzing Group is a performance materials company that turns CO_2 and sunlight into functional aesthetic and emotional products across the globe. The Lenzing Group produces high-quality fibers for the textile and non-woven industry as well as for technical applications. Its product portfolio extends from dissolving wood pulp as the basic raw material to standard fibers and innovative speciality fibers as well as biobased chemicals. The Lenzing production plant in Grimsby, UK, manufactures a range of branded lyocell fibers.

LGL has relationships with other Lenzing Group companies and external businesses to source labour, raw materials, goods and services for our business. The majority of our suppliers are UK companies. Whilst the majority of LGL's suppliers are managed by our local purchasing team some are dealt with via Lenzing's global purchasing team in Austria.

In Lenzing's corporate strategy, sustainability has been positioned as a core value. Lenzing is committed to a "Triple P concept" (People-Planet-Profit), balancing its desire to make a sustainable profit with the desire to contribute to leaving a small ecological footprint on the planet and to interact with all the people Lenzing touches in a responsible and sustainable way.

Several organisations have already recognised the efforts of the Lenzing Group when it comes to responsible sourcing, energy-efficient production, sustainable innovation, and its responsibility for people. Lenzing's belief is that the risks of modern slavery and human trafficking are relatively low. Nevertheless, the Lenzing Group acknowledges that it must remain vigilant to the risks and ensure that its suppliers, customers, business partners, stakeholders and employees understand and play their part in ensuring that modern slavery and human trafficking does not take place in its organisation or supply chains.



Slavery and trafficking policies

To further the organisation's commitment to combating slavery and trafficking, the Lenzing Group have so far taken the following steps:

Published a Policy on Human Rights and Labour Standards.

Published a Global Supplier Code of Conduct confirming Lenzing's commitment to high standards of sustainability and ethical conduct and requirements that suppliers provide safe working conditions, treat workers with respect, act fairly and ethically and use environmentally responsible practices.

Lenzing amended its Global Code of Business Conduct to incorporate Lenzing's new corporate strategy including a clear commitment to social and cultural responsibility as well as the above policy and code of conduct.

Lenzing's initiatives to combat the risks of modern slavery and human trafficking occurring in its organisation and supply chain are the responsibility of its local and global purchasing team as well as the managers involved in decision making regarding the purchase of labour, raw materials, goods and services as well as those who maintain ongoing relationships with such suppliers.

LGL are fully committed to the Lenzing Group's Policy on Human Rights and Labour Standards, which states as follows:

The Lenzing Group is guided and driven by its corporate values of safety and sustainability. It fosters a safety culture and a sustainable working environment for the benefit of all its employees, all communities in which it operates and all partners it does business with. In everything the Lenzing Group does, its employees and its social responsibility towards them, come first. It is imperative that the Lenzing Group's entire global network fulfills, and whenever possible, exceeds all applicable social and ethical requirements. The Lenzing Group holds its suppliers to the same high standards.

LGL's commitment:

LGL fully supports all internationally recognized human rights. LGL does not participate in or condone any human rights abuses. In particular, LGL is fully committed to uphold the protection of the human rights of all employees within its sphere of influence.

LGL fully respects and supports the principles proclaimed in the Universal Declaration of Human Rights (UDHR), the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the fundamental labour principles that protect workers' rights as defined by the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). These fundamental labour principles include:



- the prohibition of child labour
- the prohibition of forced labour in all its forms (including prison labour, indentured servitude and slavery)
- freedom of association and the right to collective bargaining
- fair compensation and working hours
- safe and healthy workplaces
- protection from discrimination, harassment and inhumane treatment. This includes but is not limited to protection from employment decisions based on personal characteristics or beliefs that are not related to the ability to do one´s job, including gender, age, race, color, national origin, ethnicity, social background, sexual orientation, family responsibility (including pregnancy), disabilities, political opinion, sensitive medical conditions, discrimination in working conditions, marital status and others

The Lenzing Group strongly believes that its success depends on employee satisfaction and well-being. It fosters compliance with its high internal standards and all applicable external requirements on a continuing basis through training programs and risk-based auditing programs for suppliers.

Risk assessment processes

LGL's assessment suggests that any risk of this kind for LGL is most likely to be from either:

a) some overseas suppliers
b) a few UK suppliers where the workers are relatively low skilled, relatively isolated from other workers or trade unions, likely to be on or close to the national minimum/living wage and include some foreign workers.

Due diligence processes

To embed zero tolerance of modern slavery and human trafficking in its business and supply chains the Global Purchasing team have been approaching suppliers to Lenzing Group companies:

- Since April 2017 suppliers of the different sites have been successively connected to the EcoVadis assessment process.
- During 2nd half of 2018 the first group of suppliers were evaluated by EcoVadis. Overall the suppliers achieved good results. Concerns were identified with one supplier due to missing documentation, however the supplier is not listed on any watch lists.
- During 2021 additional suppliers were evaluated by EcoVadis with overall positive results. Onboarding of further suppliers to EcoVadis and improvements of the ratings with already connected suppliers are planned during 2022 and into 2023.



Lenzing has chosen the EcoVadis methodology for assessing its suppliers. The CSR analysis criteria of EcoVadis are split into the four themes:

1. **Environment**: Energy Consumption & GHG; Air emissions; Water; Biodiversity; Local & Accidental Pollution; Materials, Chemicals and Waste; Product Use and End-of-Life; Customer Health and Safety; Sustainable Consumption
2. **Fair labour practices**: Employee Health & Safety; Working Conditions; Social Dialogue; Career Management & Training; Child and Forced Labour; Non-discrimination; External Stakeholder Human Rights; Human trafficking
3. **Ethics/Fair business**: Corruption and Bribery; Anti-Competitive Practices; Responsible Information Management.
4. **Supply Chain**: Supplier Environmental Practices; Supplier Social Practices

The methodology is built on international CSR standards including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000, covering 190 spend categories and 150 countries.

Measuring effectiveness – performance indicators

The measures to establish progress with LGL's suppliers include:

- The Supplier Code of Conduct is part of each purchase order and available on the Lenzing website.
- Modern Slavery Act Awareness training is given to managers
- Due diligence audits are conducted on LGL's suppliers.

Training

LGL raises awareness of slavery and trafficking through our policies and procedures which are available to all managers and employees.

Grimsby, July 2022

Erwin Kuebel
Operations Director