



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 2016/2017 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 CO₂ 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 TENCEL® 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 our corporate strategy, sustainability has been positioned as a core value. Lenzing is committed to a “Triple P concept” (People-Planet-Profit), balancing our desire to make a sustainable profit with the desire to contribute to leaving a small ecological footprint on our 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 our responsibility for people.

An analysis of our supply chains is scheduled to start during 2017 however, our expectation is that the risks of modern slavery and human trafficking are relatively low. The Lenzing Group acknowledges that it must remain vigilant to the risks and ensure that our 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 our organisation or supply chains.



Slavery and trafficking policies

To further our organisation's commitment to combating slavery and trafficking, the Lenzing Group have taken, or continued with, the following policy steps over the last tax year:

In September 2016 Lenzing published its Policy on Human Rights and Labor Standards.

In January 2017 Lenzing published its 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.

In January 2017 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.

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

LGL are fully committed to the Lenzing Group's Policy on Human Rights and Labor 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 our 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 labor principles that protect workers' rights as defined by the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO). These fundamental labor principles include:

- the prohibition of child labor
- the prohibition of forced labor in all its forms (including prison labor, 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 initial 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 our business and supply chains plans have been drawn up by the Global Purchasing team initially to start approaching suppliers to Lenzing Group companies during 2017:

- In September 2016 tenders were received from consultants to advise and assist the Lenzing Group with a supplier evaluation project
- In November 2016 the winning consultant was chosen
- In March 2017 a workshop was held to discuss the project
- A first wave of 44 suppliers were approached in April 2017
- A second wave of 124 suppliers were approached in June 2017
- Focus on suppliers of purely Lenzing subsidiaries including LGL is planned for 2018

Measuring effectiveness – performance indicators

The measures to establish progress with our suppliers are expected to include:

- Proportion of LGL's suppliers that have been sent the Lenzing Global Supplier Code of Conduct
- Proportion of LGL's managers trained in Modern Slavery Act Awareness
- Number of due diligence audits conducted on LGL's suppliers

Training

To raise awareness of slavery and trafficking and of our policies and procedures, LGL is rolling out management training during the tax year 2017/2018.

This statement has been approved by Lenzing Fibers Grimsby Limited's Board of Directors on 2nd January 2018 who will review and update it annually.

Grimsby, January 2018

Adrian Dodds
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