

# Remuneration Report of the Lenzing Group 2024

## Market environment and business trends

Although demand along the value chain in the textile and apparel industry improved slightly year-on-year, this was at least partly due to accelerated purchasing effects in anticipation of higher trade barriers, particularly towards the year-end. Prices remained under pressure. Satisfaction with the business situation rose over the course of 2024, according to a global survey conducted by the International Textile Manufacturers Federation (ITMF).<sup>1</sup> Most market participants, however, continue to view the situation negatively.

Revenue grew by 5.7 percent year-on-year to EUR 2.66 bn in the reporting year, mainly reflecting a higher level of revenue generated from fibers. The positive effects of the performance program were the main factor driving the operating earnings trend. Earnings before interest, tax, depreciation and amortization (EBITDA) rose by 30.4 percent year-on-year to EUR 395.4 mn in 2024. The EBITDA margin increased from 12.0 to 14.8 percent.

Lenzing implemented a cost-cutting program at the end of 2022. Building on this, the Managing Board is currently implementing a comprehensive performance program with the overriding objective of achieving significantly enhanced long-term resilience to crises and greater agility in the face of market changes.

## Personnel changes on the Managing Board

The composition of Lenzing's Managing Board was characterized by several changes in 2024. On September 1, Rohit Aggarwal took over the position of Chief Executive Officer from Stephan Sielaff, who left Lenzing AG by mutual agreement with the Supervisory Board at the end of August. Walter Bickel was appointed Chief Transformation Officer and member of the Managing Board of Lenzing AG until December 31, 2025 with effect from April 15.

## Consideration of investor feedback on the Remuneration Report

When preparing the remuneration report for the 2024 financial year, investor criticism and investor feedback from previous years were taken into account. Based on the insights gained, the focus was placed on the following aspects:

- Improving the clarity and general readability of the report
- Increasing transparency
- Stronger and better presentation of the pay-for-performance principle

In addition to the regulatory requirements, the investor-friendly and transparent presentation and current best practices on the market were also considered.

## Remuneration Policy and Remuneration Report

### Remuneration Policy for the 2024 financial year

The Remuneration Report provides a comprehensive overview of the remuneration owed or granted to current and former members of the Managing and Supervisory Boards, including all types of benefits, during the past financial year. The statutory requirements of the Austrian Stock Corporation Act (Section 78c et seq. AktG) form the related legal basis.

The principles that are applied to determine the remuneration of the Managing and Supervisory boards of Lenzing Aktiengesellschaft (Lenzing AG) are defined in the Remuneration Policy of Lenzing AG. The remuneration system implements the statutory requirements of the Austrian Stock Corporation Act (Section 78 et seq. AktG) and the recommendations of the Austrian Code of Corporate Governance (ÖCGK). The primary aim of the Remuneration Policy is to promote the long-term and sustainable development of the company's business. The Remuneration Policy was first approved by the Annual General Meeting on June 18, 2020.

The remuneration system for members of the Managing Board of Lenzing AG that was applied for the 2024 financial year was presented as an updated version at the Annual General Meeting on April 26, 2022, and approved by a majority of 74.35 percent.

The Remuneration Report for 2023 was submitted to be voted upon by the shareholders' Annual General Meeting on April 18, 2024, and was approved by a majority of 79.07 percent.

<sup>1</sup> Source: ITMF, 30th Global Textile Industry Survey, January 2025

## Components and structure of remuneration

The Managing Board members' remuneration comprises both performance-unrelated and performance-based components, which are as follows:

### Overview of remuneration components

Remuneration components	Description of major parameters
<b>Performance-unrelated remuneration</b>	
Basic remuneration	Fixed salary at a competitive level taking into consideration individual Managing Board members' responsibilities and performance
Remuneration in kind and other benefits	Company car, insurance premiums
Pension contributions	Defined pensions are paid via an external pension fund
<b>Performance-based remuneration</b>	
Short-term variable performance bonus (Short-Term Incentive, STI)	<p>Performance assessment based on financial and non-financial criteria over a one-year assessment period</p> <ul style="list-style-type: none"> <li>- Financial criteria: consolidated EBITDA, consolidated ROCE and the share of net profit/loss for the year attributable to shareholders of Lenzing AG</li> <li>- Non-financial targets: overall performance and individual performance (modifier of +/-20 %)</li> </ul> <p>CAP: 150 % of the target value bonus</p>
Long-term variable performance bonus (Long-Term Incentive, LTI)	<p>Performance assessment based on financial and non-financial criteria over an assessment period of several years</p> <ul style="list-style-type: none"> <li>- Financial criteria: consolidated ROCE, the share of net profit/loss for the year attributable to Lenzing AG shareholders, and relative TSR</li> <li>- Non-financial criteria: sustainability targets</li> </ul> <p>CAP: 200 % of the target value bonus</p>
Special grants and bonuses	May be granted in the case of extraordinary achievements that have a future-oriented benefit for the company, as well as sign-on and retention bonuses
<b>Other components</b>	
Malus and clawback	Possibility of reclaiming performance-related remuneration in the event of payouts based on manifestly incorrect data ('performance clawback')

## Determination of the remuneration of the members of the Managing Board

The tasks and performance of the individual members of the Managing Board, the situation of the company and the customary level of remuneration are considered when determining the remuneration of the Managing Board. In addition, the professional experience and responsibility of the individual members of the Managing Board as well as the scope and complexity of their work are taken into account. A horizontal comparison of remuneration with other Austrian and German industrial companies ensures that the Managing Board remuneration is in line with the market and competitive in order to attract, motivate and retain the most qualified Managing Board members for the company. ATX Prime and MDAX companies (excluding banks, insurance companies and property companies) are used for benchmarking purposes. Furthermore, in accordance with Rule 26b of the Austrian Code of Corporate Governance (ÖCGK), the remuneration and employment conditions of the company's employees are taken into consideration to compare the remuneration of the Managing Board with the remuneration structure of the company.

Managing Board members are employed on local Austrian terms and conditions. The remuneration components are therefore determined in euros (gross). The employment contracts of the members of the Managing Board are concluded with Lenzing AG and are subject to Austrian law.

## Application of the Remuneration Policy of the Managing Board in the 2024 financial year

### Base salary

The base salary consists of a fixed annual salary which is paid in 14 equal instalments. This remuneration covers all overtime, travelling and commuting time as well as services rendered in excess of the normal working hours applicable to employees of the company. This also includes directorships held at Group companies.

The base salary is a fixed salary at a competitive level that incentivizes the members of the Managing Board to act in the best interests of the company and in accordance with the interest of shareholders and employees as well as the public interest.

The salaries of the active members of the Managing Board were increased in January 2024. No increase was implemented for the new members of the Managing Board Rohit Aggarwal and Walter Bickel. No changes were made to any of the remuneration components specified in the Remuneration Policy.

### Remuneration in kind and other benefits

The company has taken out a directors and officers (D&O) insurance policy, accident insurance and other insurance policies required for Managing Board members' activities, such as legal expenses and foreign travel health insurance, the costs of which are borne by the company. The company may provide Managing Board members with a company car. In addition, the members of the Managing Board may be reimbursed for reasonable business expenses associated with their position as a member of the Managing Board as well as travel expenses. Managing Board members are covered by the Austrian social security system for health, pension and accident insurance. Social security contributions are divided between the members of the Managing Board and the company according to the statutory key and the company makes the statutory contribution to a severance payment and pension fund. In the event of the death of a Managing Board member, the company may grant a death benefit to the widow or the children of the deceased.

In the 2024 financial year, a non-cash benefit for a company car was recognized in the salary statement for the members of the Managing Board, with the exception of Nico Reiner, who receives a monthly car allowance.

The amount of the sums insured for individual accident insurance is regulated in the contracts of the Managing Board. For Nico Reiner and Christian Skilich, the sum insured was adjusted together with the increase in base salary in January 2024.

## Pension fund

Lenzing AG makes contributions to an external pension fund for the Managing Board members it employs. The amount of these payments is agreed individually in the employment contract and amounts to between 4 percent and 15 percent of the annual base salary.

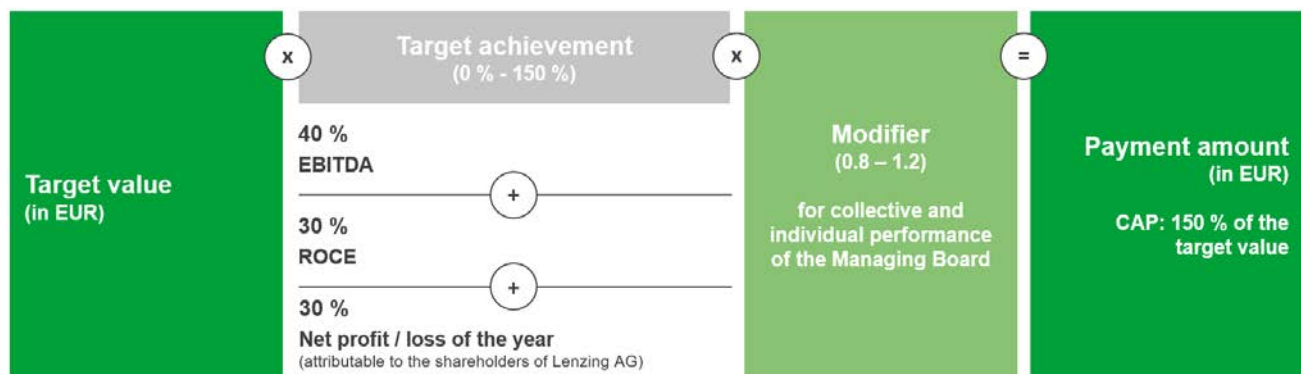
In the 2024 financial year, the agreed fixed amount of 10 percent of the annual base salary was paid into the pension fund for Christian Skilich and Nico Reiner. While Walter Bickel is not entitled to pension fund contributions, Rohit Aggarwal receives a monthly payment according to his contract in 14 monthly instalments for a pension insurance policy of his choice.

## Short-term variable performance bonus (Short-Term Incentive; STI)

### General functionality of the STI

The STI is based on the company's performance in the respective past financial year and depends on the financial targets of consolidated EBITDA, consolidated ROCE and the share of net profit/loss for the year attributable to the shareholders of Lenzing AG as well as non-financial criteria.

### Calculation of the STI in accordance with the Remuneration Policy



### Financial performance criteria and degree of target achievement

The Remuneration Committee of the Supervisory Board defines target values as well as upper and lower limits for the financial performance criteria for the assessment period (the current financial year), which apply to all Managing Board members equally, by January 31 of the respective financial year. The target value can be determined based on the approved budget for the respective year, among other things. The actual target achievement rates are then determined based on the audited IFRS consolidated financial statements after the end of the respective financial year.

If exactly the lower limit is reached for the respective financial performance criterion, the target achievement level amounts to 50 percent. If the upper limit is reached or exceeded, the target achievement rate is 150 percent (CAP). Intervening target achievement rates are distributed on a linear basis (linear interpolation). If the lower limit is not reached, the target achievement rate is 0 percent. Consequently, the bonus component for the relevant performance criterion and the short-term variable performance bonus as a whole may be omitted completely.

### Modifier

The bonus entitlement resulting from the achievement of the financial performance criteria can be increased by the Remuneration Committee by a maximum of 20 percent by applying a modifier in the event of exceptional performance that is not reflected in the financial criteria or reduced by a maximum of 20 percent in the event of performance below expectations. Normally, a modifier of 1.0 is applied. The basis for the assessment of non-financial performance is, on the one hand, the collective performance of the Managing Board as a whole and, on the other hand, the individual performance of each Managing Board member. This may, for example, include the achievement of important strategic corporate goals and the realization of key projects.

### Target amount and CAP of the payment amount

The level of the STI target value is determined individually for each Managing Board member in the employment contract. The STI bonus entitlement is limited to 150 percent of the target value and cannot be exceeded even by applying the modifier.

## Further explanations and special circumstances

The inclusion of three financial and one non-financial target figure ensures a comprehensive and balanced assessment of the performance of the Managing Board members. The financial targets consider the development of both profitability and return on investment. By using consolidated EBITDA with a weighting of 40 percent, the focus is on the development of profitability. In addition, consolidated ROCE, with a weighting of 30 percent, takes into account the efficiency of capital employed. The utilization of the share of the net profit/loss for the year attributable to the shareholders of Lenzing AG ensures that the remuneration is aligned with the interests of the shareholders of Lenzing AG.

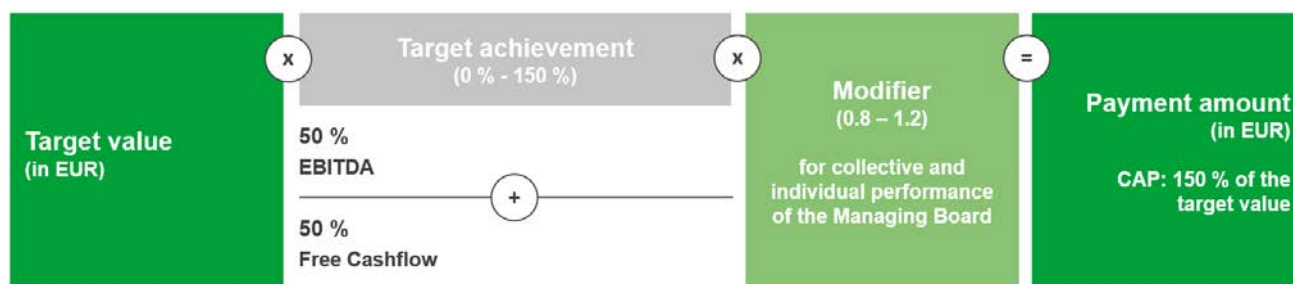
In special circumstances (particularly in a phase of corporate restructuring), the Remuneration Committee of the Supervisory Board may replace the financial performance criteria with alternative performance criteria such as free cash flow and EBITDA or EBIT margin by January 31 of the current financial year. The weighting of the criteria can also be adjusted in the course of such

a change. This is intended to enable the Managing Board to focus on the generation of free cash flow in critical phases in compliance with the development of profitability.

## Application of the STI in 2024, target achievement and payment amount

In accordance with the Remuneration Policy, the STI of Lenzing AG is based on the company's performance in the 2024 financial year and depends on financial targets and non-financial criteria. Due to the current economic conditions and the resulting operational focus on cash flow generation, the Remuneration Committee of the Supervisory Board has replaced consolidated ROCE and the share of the net profit/loss for the year attributable to the shareholders of Lenzing AG with consolidated free cash flow for the year 2024. The weighting of the performance criteria EBITDA and free cash flow was set at 50 percent each. The non-financial criteria are taken into account by the modifier in accordance with the Remuneration Policy. The calculation of the STI after adjustment of the performance criteria by the Remuneration Committee is shown in the figure below.

### Calculation of the STI in 2024 after adjustment of the performance criteria by the Remuneration Committee



The Remuneration Committee of the Supervisory Board set the target values as well as the lower and upper limits for the 2024 financial year on January 31, 2024. They apply uniformly to all members of the Managing Board with the exception of Walter Bickel.

These and the target achievement per performance criterion are shown in the table below.

### STI target achievement 2024

Criteria		Lower limit	Target value	Upper limit	Actual value 2024	Target achievement	Weighting
Consolidated EBITDA	in EUR mn	325.0	375.0	425.0	395.4	121%	50%
Target achievement rate	in %	50%	100%	150%			
Consolidated Free cash flow	in EUR mn	10.0	55.0	100.0	167.0	150%	50%
Target achievement rate	in %	50%	100%	150%			
<b>Target achievement before modifier</b>	<b>in %</b>					<b>136%</b>	
Modifier						1.0	
<b>Target achievement after modifier</b>	<b>in %</b>					<b>136%</b>	

Consolidated EBITDA and consolidated free cash flow are above the target value due to the positive development in the 2024 financial year. The target achievement of 136 percent results in the following STI bonus entitlements for 2024:

### STI bonus entitlement 2024

EUR thousands	Target compensation	Target achievement after modifier	Payout amount STI
Rohit Aggarwal	210	136%	285
Christian Skilich	445	136%	605
Nico Reiner	430	136%	584

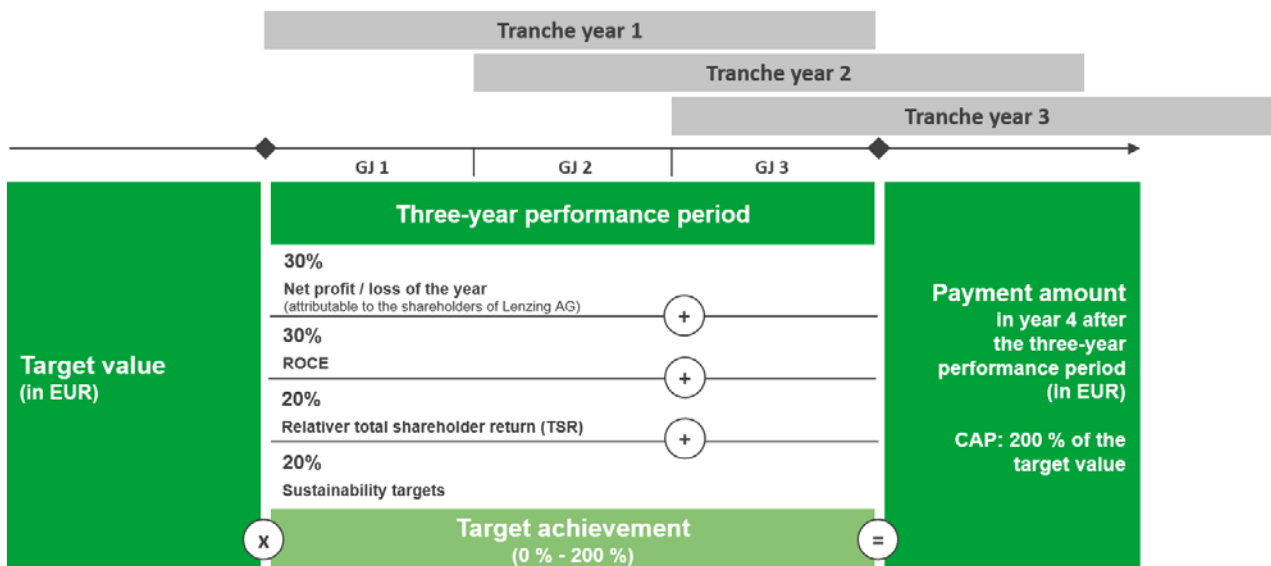
## Long-term variable performance bonus (Long-Term Incentive; LTI)

### General functionality of the LTI

The LTI is a performance-based remuneration component with an assessment period of several years which is intended to achieve a long-term incentive effect. The LTI is granted on a rolling basis, i.e.

in annual tranches with assessment periods of three years each. Financial performance criteria, namely the share of the net profit/loss for the year attributable to the shareholders of Lenzing AG, consolidated ROCE and the company's capital market performance in relation to selected peer companies (relative TSR), and non-financial sustainability criteria are applied for this purpose.

### Calculation of the LTI in accordance with the Remuneration Policy



### Performance criteria and CAP

The long-term variable performance bonus promotes the medium to long-term increase in value and the successful implementation of the Group strategy, including the sustainability strategy, of Lenzing AG. In addition, the LTI also takes into account the relative total shareholder return (TSR), i.e. the share return from share price performance and dividends in relation to the selected companies in the ATX Prime and MDAX indices. This harmonizes the objectives of the Managing Board with the interests of shareholders and stakeholders.

By January 31 of the financial year, the Remuneration Committee of the Supervisory Board sets target values and upper and lower limits for the financial LTI performance criteria for the assessment period (average of the next three financial years).

The relevant ESG KPIs, assessment criteria and specific targets for the sustainability criteria are also defined by January 31 of a financial year, for the first time in January 2022.

Incentivizing Managing Board members in a uniform manner simplifies the integration of newly appointed Managing Board members, thereby serving the company's sustainable performance. When defining LTI targets, resources are made to both internal sources such as corporate planning and, where appropriate, external sources such as analysts' estimates and historical peer performance. This is intended to create targets that are ambitious compared to the competition, thereby promoting the long-term competitiveness of Lenzing AG. The level of target achievement is then determined based on the audited IFRS consolidated financial

statements and the sustainability reporting or, where applicable, the corresponding external ESG ratings for the financial years of the assessment period. In contrast to the STI, the LTI target achievement rate amounts to 200 percent (CAP) when reaching the upper limit.

Accordingly, the bonus share for the respective performance criterion and the long-term variable performance bonus as a whole may be omitted completely.

## Tranche model

The LTI is granted in annual instalments, which have an assessment period of three years. The target values as well as the upper and lower limits for the three financial performance criteria always relate to the average values for the three years of the assessment period. An LTI target value bonus applies to each tranche, the amount of which is determined individually for each Managing Board member in the employment contract.

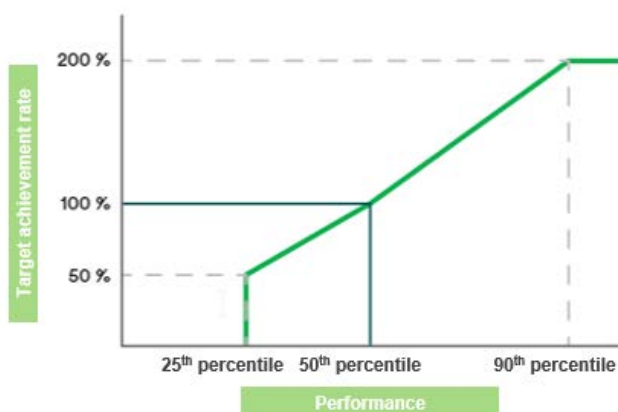
The tranche model for the LTI serves the long-term, strategic development of the company. This allows the company's performance after the end of a Managing Board member's term of office to be taken into account when determining the LTI. This incentivizes Managing Board members to make sustainable investments in the company even at the end of their term of office. Furthermore, the effects of cyclical fluctuations in earnings on the LTI are smoothed out.

## Target setting and target achievement curve per performance criterion

### Relative TSR

To assess the target achievement rate of the relative TSR, the TSR performance of Lenzing AG is compared with the performance of all companies in the ATX Prime and MDAX indices (excluding banks, insurance companies and real estate companies in each case). If the TSR of Lenzing AG corresponds to the 50th percentile (median) of the peer group, the target achievement rate is 100 percent. The 25th percentile is defined as the lower limit with a target achievement rate of 50 percent, and the upper limit is the 90th percentile with a target achievement rate of 200 percent. If the TSR of Lenzing AG lies below the 25th percentile, the degree of target achievement is 0 percent. Between the 25th and 50th percentiles as well as the 50th and 90th percentiles, the TSR target achievement levels are distributed in a straight line (linear interpolation).

### Target achievement curve - relative TSR



### ROCE and net profit


In addition to the relative TSR, the use of consolidated ROCE and the share of net profit/net loss for the year attributable to the shareholders of Lenzing AG takes into consideration both the development of profitability and earnings in the long-term variable performance bonus. While the consolidated ROCE focuses on the efficient long-term use of capital, the share of net profit/net loss for the year attributable to the shareholders of Lenzing AG aligns the

remuneration with the interests of the shareholders. The target values as well as the upper and lower limits for consolidated ROCE and the share of net profit/net loss for the year attributable to the shareholders of Lenzing AG are generally not identical for the short-term and long-term performance bonus. By using consolidated ROCE in both remuneration components the focus is on efficient capital employment.

### Sustainability targets


Owing to the increasing significance of the topic of sustainability for all businesses and Lenzing AG in particular, two to five sustainability targets are defined from the 2022 LTI tranche onwards based on the following catalogue of criteria:

List of Criteria




**Environment**

- Climate Targets
- Efficient use of resources
- Innovative processes
- Innovative products
- Broadening of raw material base
- ...



**Social**

- Attractiveness as employer
- Business culture
- Customer satisfaction
- Occupational health and safety
- Supplier relations
- ...



**Governance**

- Compliance
- Human rights
- Data security
- Governance structures
- Reporting
- Diversity
- ...

Positioning in external ESG-Ratings

The sustainability targets can therefore be adapted to the business environment of Lenzing AG and different priorities can be set for each financial year. The disclosures on sustainability and climate-related targets are made in accordance with ESRS 2 GOV-3 and ESRS E1 paragraph 13.

## Application of the LTI in 2024, target achievement and payment amount

The LTI of Lenzing AG is granted on a rolling basis, i.e. in annual tranches with assessment periods of three years each. The financial performance criteria used are the consolidated net profit and consolidated ROCE, relative TSR and, from the tranche 2022 financial year onwards, an additional two to five sustainability targets from a defined catalogue of criteria. The company reserves the right not to publish the target values as well as lower and upper limits for the LTI tranches in order to protect sensitive business information.

The following sustainability targets are linked to the remuneration of the Managing Board in the active LTI tranches. Details of the performance range can be found at the end of the Remuneration Report.

### Sustainability targets for the 2022 LTI tranche:

- CO2 reduction: 40 percent reduction plus substantiated commitment to 1.5°C target and 2040 carbon zero
- Use of recycled materials in commercial products: Use of 3,500 tons of recycled pulp in fiber production
- External ESG ratings: Maintaining CDP Forest (A), MSCI (AA) and EcoVadis (Platinum) ratings
- Strengthening awareness in the area of business ethics and anchoring good governance in the corporate culture

### Sustainability targets for the 2023 LTI tranche:

- CO2 reduction: 45 percent reduction plus substantiated commitment to 1.5°C target
- Use of recycled materials in commercial products: Sale of 75,000 tons of fiber with a recycled pulp content of at least 10 percent
- Wastewater: All Lyocell sites except for Lenzing Fibers Grimsby Limited achieve 'Aspirational Level' in the ZDHC Wastewater and Responsible Production Guidelines
- Diversity in management: Lenzing increases the proportion of women to 22.5 percent in all positions from level 5a plus commitment to an ERG program and EDI training by 2025
- External ESG ratings: Maintaining the CDP Forest (A), MSCI (AA) and EcoVadis (Platinum) ratings and reducing the CDP Climate and CDP Water ratings by a maximum of one level

### Sustainability targets for the 2024 LTI tranche:

- CO2 reduction: 47 percent reduction plus substantiated commitment to 1.5°C target
- Use of pulp from recycled materials: Use of 2,000 tons of recycled pulp in fiber production
- Social impact: Improvement of 3 percentage points on average in all 7 categories of the Lenzing Climate Survey
- External ESG ratings: Maintaining the CDP Forest (A), MSCI (AA) and EcoVadis (Platinum) ratings and reducing the CDP Climate and CDP Water ratings by a maximum of one level

The target achievement for the 2022 tranche (assessment period from 2022 - 2024) is as follows:

### LTI target achievement tranche 2022

Criteria		Lower limit	Target value	Upper limit	Actual value 2022-24	Target achievement	Weighting	Weighted
Net profit	in EUR mn	161.0	201.0	242.0	(293.0)	0%	30%	0%
Target achievement rate	in %	50%	100%	200%				
ROCE	in %	6%	8%	9%	(3)%	0%	30%	0%
Target achievement rate	in %	50%	100%	200%				
Relative TSR	percentil	25	50	90	18	18%	20%	4%
Target achievement rate	in %	50%	100%	200%				
CO2 reduction						100%	5%	5%
Use of recycled material						0%	5%	0%
External ESG ratings						100%	5%	5%
Strengthening awareness business ethics						100%	5%	5%
<b>Overall goal achievement</b>	<b>in %</b>							<b>19%</b>

1) Net profit/loss for the year attributable to the shareholders of Lenzing AG

The lower limit of the KPIs was not reached for net profit and consolidated ROCE. The target achievement for both criteria is therefore 0 percent. The target achievement for relative TSR is 18 percent, which is the average of the annual target achievement levels in the assessment period (2022: 0 percent, 2023: 0 percent, 2024: 53 percent). Taking into account the non-financial performance criteria with a weighted target achievement of 15 percent overall,

the weighted overall target achievement for the 2022 tranche is 19 percent.

The assessment period for the 2022 LTI tranche was completed in the 2024 financial year and the entitlements were finally vested. This tranche will be paid out in 2025. The following table presents the final target achievement of the 2022 tranche.

## LTI bonus entitlement tranche 2022

EUR thousands	Target compensation	Target achievement	Payout amount LTI
Christian Skilich	350	19%	65

The remaining active members of the Managing Board have not yet participated in the 2022 LTI tranche and therefore do not receive a bonus from it. Of the former members of the Managing Board, only Thomas Obendrauf is entitled to a bonus from the 2022 LTI tranche totaling EUR 15 thousand.

The remuneration granted includes those remuneration components that are economically attributable to the 2024 reporting period but have not yet been finally determined and disbursed. At Lenzing AG, the LTI is a contractual component that will not be finalized and paid out until after the reporting period. The final entitlements are only determined and thus acquired at the end of the last year of the assessment period of the respective LTI tranche. The values for the preliminary determination of the target achievement of the LTI tranches are based on the published results as well as budget and medium-term planning and calculated as an average over the respective assessment period of three years.

The following table shows the status of the LTI tranches that have not yet been finally vested and thus granted:

### Status of the LTI tranches granted

EUR thousands	Rohit Aggarwal	Christian Skilich	Nico Reiner	Walter Bickel	Total
LTI tranche 2023	0	0	0	0	0
LTI tranche 2024	150	310	300	0	760
<b>Total</b>	<b>150</b>	<b>310</b>	<b>300</b>	<b>0</b>	<b>760</b>

The remuneration granted from the LTI in the amount of EUR 760 thousand results from the 2024 LTI tranche. The 2023 LTI tranche was replaced by the 2023 special bonus.

## Special bonuses

The Remuneration Committee reserves the right to grant special bonuses for exceptional performances in addition to the aforementioned variable performance bonuses, provided that this exceptional performance has resulted in a future-oriented benefit for the company. Special bonuses are intended to motivate the Managing Board members to manage the company in a long-term and sustainable manner.

The granting of sign-on and retention bonuses to the members of the Managing Board is granted. This may be necessary to attract particularly qualified Managing Board members to the company or to retain them.

As part of the special bonuses, Rohit Aggarwal received a sign-on bonus in addition to compensation for the expenses incurred in connection with the relocation.

the starter budget and relocation costs in accordance with his contract.

The Remuneration Committee resolved the 2023 special bonus at the beginning of 2024. While part of the special bonus was paid out in 2024, the remaining part that replaces the 2023 LTI tranche will not be paid out until 2026, provided that the respective Managing Board member has not resigned from their position early at their own request or been dismissed prematurely for good cause by then.

Also in 2024, the Remuneration Committee approved the special bonus 2024 - 2026. The basic prerequisite for granting the bonus is a valid Managing Board contract as at December 31, 2025. In addition, the special bonus is entirely performance-based and dependent on the achievement of individual milestones.

The parts of the special bonuses not yet paid out represent remuneration granted.

### Status of special bonuses granted

EUR thousands	Rohit Aggarwal	Christian Skilich	Nico Reiner	Walter Bickel	Total
Other performance-based remuneration	480	736	796	392	2,404

## Malus and Clawback

With regard to C-Rule 27 of the Austrian Code of Corporate Governance (ÖCGK), the Remuneration Policy stipulates that the company can reclaim variable remuneration components if it transpires that these were paid out on the basis of manifestly incorrect data ('clawback').

## Terms of office of Managing Board mandates

Managing Board mandates are generally limited to around 3 years; in exceptional cases, a term of up to 5 years is agreed. Reappointments are permitted. To maintain continuity in the composition of the Managing Board, the Supervisory Board ensures that the majority of the contracts of Managing Board members do not expire on the same date.

## Termination of a Managing Board mandate

The employment contracts of the Managing Board members are concluded for limited periods of time. They may only be terminated for exceptional reasons, in particular those of Section 27 of the Austrian Employees Act (AngG), with no notice period being applicable. In the event of permanent occupational disability or if an illness continues for more than six months, the employment relationship may also be terminated during the term of the contract by either party by three months' written notice as of June 30 or December 31 of a given year.

In the case of early termination of an appointment to the Managing Board by the company for any of the reasons stated in Section 75 AktG, or in the event of resignation from office without an exceptional reason and without the consent of the Supervisory Board, the employment contract is also to end.

If severance pay was agreed with Managing Board members in the event of early termination without an exceptional reason, such severance pay must not exceed the annual base salary plus the maximum STI for a maximum of two years or a shorter residual term of contract, if applicable.

If the Managing Board member resigns from the Managing Board before the end of the term of appointment or if the Managing Board member is dismissed for good cause within the meaning of Section 75 AktG, all entitlements to LTI payments for all LTI tranches, for which the assessment period has not yet expired, are forfeited.

## Deviation from the Remuneration Policy in exceptional circumstances

In extraordinary circumstances, the Remuneration Committee or the Supervisory Board may temporarily deviate from the Remuneration Policy in accordance with Section 78a (8) AktG in order to ensure the long-term development of the company or its profitability.

In the event that a Supervisory Board member takes on a Managing Board mandate on an interim basis, the variable remuneration components and the ratio of base salary to variable remuneration components may be determined differently in order to incentivize the Managing Board member delegated from the Supervisory Board in a manner appropriate to the situation.

In addition, in exceptional circumstances that are particularly challenging in macroeconomic terms or specifically for the company, different short-term and long-term performance bonuses may be defined temporarily in order to attract or retain particularly suitable Managing Board members and to motivate them accordingly through remuneration incentives.

Walter Bickel's contract does not contain any agreement on STI and LTI; instead, a special bonus was agreed. This special bonus is based exclusively on financial KPIs.

## Total remuneration owed to the Managing Board

The remuneration owed represents those remuneration components that actually accrued in the 2024 reporting period and are attributable to this reporting period, as well as the entitlements finally acquired in the reporting period, even if payment is not made until a later period.

This is to be distinguished from the remuneration granted, which is listed in the sections 'Long-term variable performance bonus' and 'Special bonuses' and relates exclusively to those components that have not yet been finalized and have therefore not yet been definitively earned.

The total remuneration owed (see table below) to all active and former members of the Managing Board for the financial year 2024 amounts to EUR 8,219 thousand. Non-performance-related components account for EUR 2,873 thousand. The performance-related remuneration components totaled EUR 2,580 thousand and other remuneration accounted for EUR 2,766 thousand.

The performance-related remuneration components in the 2024 financial year result from the STI 2024 and the final determination of the entitlements for the 2022 LTI tranche and the resulting adjustment to the provision recognized in profit or loss. In addition, the individually agreed special bonus of a member of the Managing Board is also included.

Other remuneration includes compensation for the expenses incurred in connection with the relocation and the sign-on bonus for Rohit Aggarwal as well as payments in connection with the termination of Stephan Sielaff's contract.

Stephan Sielaff's contract was prematurely terminated on August 31, 2024. The STI is calculated and paid in accordance with the provisions of the employee contract and the target agreement. In addition, a lump sum severance payment of EUR 821 thousand and a post-contractual non-competition clause were agreed with the Managing Board member. In return for complying with the post-contractual non-competition clause, the Managing Board member is entitled to compensation totaling EUR 1,364 thousand, for which a liability was expensed. Outstanding claims from the LTI and special bonuses are offset against the compensation for non-competition, as a consequence of which the provision of EUR 733 thousand for these components was released to the income statement.

For the calculation of the relative shares of performance-unrelated and performance-based components of total remuneration, ancillary benefits, pension contributions as well as other components are not taken into consideration, as specified by the Remuneration Policy.

The following table shows the remuneration owed in accordance with the statutory requirements of the Austrian Stock Corporation Act (Sections 78 et seq. AktG) and the recommendations of the Austrian Corporate Governance Code.

## Remuneration owed to the Managing Board 2024

	Rohit Aggarwal			Christian Skilich			Nico Reiner			Walter Bickel			Total		
	Chief Executive Officer (Managing Board since 01/09/2024)			Chief Pulp and Technology Officer (Managing Board since 01/06/2020)			Chief Financial Officer (Managing Board since 01/01/2023)			Chief Transformation Officer (Managing Board since 15/04/2024)					
EUR thousands	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)
<b>Performance-unrelated</b>	<b>308</b>			<b>624</b>	<b>582</b>	<b>7.3%</b>	<b>699</b>	<b>561</b>	<b>24.4%</b>	<b>729</b>			<b>2,360</b>	<b>1,143</b>	<b>&gt; +100%</b>
% of total compensation	26%			48%	58%		39%	60%		100%			47%	59%	
Base salary	267			539	506	6.5%	590	480	22.9%	711			2,106	986	> +100%
Benefits in kind	4			16	17	(1.4)%	24	24	0.5%	8			54	41	30.7%
Pension fund contributions	37			69	59	16.7%	84	57	47.3%	10			200	116	71.8%
<b>Performance-based</b>	<b>285</b>			<b>670</b>	<b>427</b>	<b>56.9%</b>	<b>1,084</b>	<b>370</b>	<b>&gt; +100%</b>	<b>0</b>			<b>2,039</b>	<b>797</b>	<b>&gt; +100%</b>
% of total compensation	24%			52%	42%		61%	40%		0%			41%	41%	
STI	285			605	0	> +100%	584	0	> +100%	0			1,474	0	> +100%
LTI	0			65	22	> +100%	0	0	(100.0)%	0			65	22	> +100%
Other performance-based remuneration	0			0	405	(100.0)%	500	370	35.1%	0			500	775	(35.5)%
<b>Other remuneration</b>	<b>581</b>			<b>0</b>			<b>0</b>			<b>0</b>			<b>581</b>	<b>0</b>	
% of total compensation	49.5%			0.0%			0.0%			0.0%			11.7%	0.0%	
<b>Total remuneration</b>	<b>1,174</b>			<b>1,294</b>	<b>1,009</b>	<b>28.3%</b>	<b>1,783</b>	<b>931</b>	<b>91.4%</b>	<b>729</b>			<b>4,980</b>	<b>1,940</b>	<b>&gt; +100%</b>
thereof performance-unrelated in % <sup>1)</sup>	76%			48%	58%		39%	60%		100%			59%	59%	
thereof performance-based in %	24%			52%	42%		61%	40%		0%			41%	41%	

<sup>1)</sup> includes not only the performance-related remuneration but also other remuneration

## Remuneration owed to former board members 2024

	Stephan Sielaff			Robert van de Kerkhof			Thomas Obendrauf			Total		
	Former Chief Executive Officer (Managing Board 01/03/2020 to 31/08/2024)			Former Chief Comm. Officer Fiber (Managing Board 01/05/2014 to 31/12/2023)			Former Chief Financial Officer (Managing Board 01/03/2016 to 31/05/2022)					
EUR thousands	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)
<b>Performance-unrelated</b>	<b>513</b>	<b>704</b>	<b>(27)%</b>		<b>522</b>		<b>0</b>	<b>0</b>		<b>513</b>	<b>1,226</b>	<b>(58)%</b>
% of total compensation	16%	60%			56%		0%	0%		16%	58%	
Base salary	455	620	(27)%		470		0	0		455	1,090	(58)%
Benefits in kind	1	9	(88)%		9		0	0		1	19	(94)%
Pension fund contributions	57	74	(23)%		42		0	0		57	117	(51)%
<b>Performance-based</b>	<b>526</b>	<b>462</b>	<b>14%</b>		<b>0</b>		<b>15</b>	<b>22</b>	<b>(31)%</b>	<b>541</b>	<b>484</b>	<b>12%</b>
% of total compensation	16%	40%			0%		100%	100%		17%	23%	
STI	526	0	> +100%		0		0	0		526	0	> +100%
LTI	0	22	(100)%		0		15	22	(31)%	15	44	(65)%
Other performance-based remuneration	0	440	(100)%		0		0	0		0	440	(100)%
<b>Other remuneration</b>	<b>2,185</b>	<b>0</b>	<b>&gt; +100%</b>		<b>403</b>		<b>0</b>	<b>0</b>		<b>2,185</b>	<b>403</b>	<b>&gt; +100%</b>
% of total compensation	68%	0%			44%		0%	0.0%		67%	19%	
<b>Total remuneration</b>	<b>3,224</b>	<b>1,166</b>	<b>&gt; +100%</b>		<b>925</b>		<b>15</b>	<b>22</b>	<b>(31)%</b>	<b>3,239</b>	<b>2,113</b>	<b>53%</b>
thereof performance-unrelated in % <sup>1)</sup>	84%	60%			100%		0%	0%		83%	77%	
thereof performance-based in %	16%	40%			0%		100%	100%		17%	23%	

<sup>1)</sup> includes not only the performance-related remuneration but also other remuneration

## Annual change in remuneration owed of the Managing Board, Supervisory Board and financial performance 2024

	EUR thousands	2024	Change in %%	2023	Change in %%	2022	Change in %%	2021	Change in %%	2020
<b>Change in Managing Board remuneration</b>										
Managing Board Member as at 31/12/2024										
Rohit Aggarwal	(Managing Board since 01/09/2024)	1,174		0		0		0		0
Christian Skilich	(Managing Board since 01/06/2020)	1,294	28%	1,009	80%	561	(48)%	1,077	> +100%	524
Nico Reiner	(Managing Board since 01/01/2023)	1,783	91%	931		0		0		0
Walter Bickel	(Managing Board since 15/04/2024)	729		0		0		0		0
Former members of the Managing Board										
Stephan Sielaff	(Managing Board 01/03/2020 to 31/08/2024)	3,224	> +100%	1,166	68%	692	(37)%	1,092	> +100%	429
Robert van de Kerkhof	(Managing Board 01/05/2014 to 31/12/2023)	0	(100)%	925	70%	544	(38)%	874	69%	516
Thomas Obendrauf	(Managing Board 01/03/2016 to 31/05/2022)	15	(31)%	22	(97)%	785	(35)%	1,202	> +100%	492
<b>Change in Supervisory Board remuneration</b>										
Supervisory Board Members as at 31/12/2024										
Thomas Cord Prinzhorn	(Supervisory Board since 26/04/2022)	363	17%	310	> +100%	131	> +100%	25		0
Stefan Fida	(Supervisory Board since 14/04/2021)	143	12%	128	57%	81	13%	72	57%	46
Cornelius Baur	(Supervisory Board since 28/04/2024)	96		0		0		0		0
Helmut Bernkopf	(Supervisory Board since 23/04/2009)	69	8%	64	39%	46	(23)%	60	28%	47
Franz Gasselsberger	(Supervisory Board since 24/04/2013)	105	15%	91	34%	68	(17)%	82	21%	68
Astrid Skala-Kuhmann	(Supervisory Board since 19/04/2012)	138	23%	112	74%	64	(16)%	76	(3)%	78
Carlos Anibal de Almeida Junior	(Supervisory Board since 10/10/2024)	35		0		0		0		0
Gerhard Schwartz	(Supervisory Board since 19/04/2023)	187	69%	110		0		0		0
Markus Fürst	(Supervisory Board since 14/04/2021)	66	(50)%	133	56%	85	25%	68		0
Former member of the Supervisory Board										
Nicole van der Elst Desai	(Supervisory Board 19/04/2023 to 10/10/2024)	89	22%	73		0		0		0
Melody Harris-Jensbach	(Supervisory Board 18/06/2020 to 10/10/2024)	72	(10)%	80	55%	52	(2)%	53	39%	38
Christian Bruch	(Supervisory Board 17/04/2019 to 29/05/2024)	37	(53)%	78	28%	61	(18)%	74	(17)%	89
Marcelo Feriozzi Bacci	(Supervisory Board 10/10/2024 to 06/12/2024)	23		0		0		0		0
<b>Remuneration of employees</b>										
Average remuneration of employees on a full-time equivalent basis										
		90	21%	75	10%	68	(13)%	78	20%	65
<b>The company's financial performance</b>										
EBITDA	in EUR mn	395.4	30%	303.3	25%	241.9	(33)%	362.9	85%	196.6
Net Income	in EUR mn	(138.3)	77%	(693.0)	< (100)%	(37.2)	< (100)%	127.7	< (100)%	(10.6)
Net Income attributable to shareholders	in EUR mn	(156.6)	76%	(649.4)	< (100)%	(73.1)	< (100)%	110.3	> +100%	6.3
ROCE	in %	2.6	> +100%	(14.2)	< (100)%	2.0	(63)%	5.4	> +100%	(0.6)
Free Cashflow	in EUR mn	167.0	> +100%	(122.8)	(83)%	(740.7)	(66)%	(445.5)	28%	(614.8)
TSR	percentil	26.4	> +100%	1.5	(88)%	12.9	(83)%	75.8	> +100%	23.9

<sup>1)</sup>The following remuneration components were included in the calculation of the average remuneration of employees: basic wage, basic salary, apprentice remuneration, special payments, allowances, overtime, bonuses. The calculation basis therefore corresponds to the remuneration owed.

## Remuneration of former board members

Post-employment benefits for former members of the Managing Board of Lenzing AG or their surviving dependents were recognized in the form of expenses in the income statement and remeasurements in other comprehensive income in the amount of EUR 308 thousand (2023: expenses of EUR 1,469 thousand). The present value of the pension provision recognized in this context, after deduction of the fair value of plan assets (net obligation) amounted to EUR 5,090 thousand as at December 31, 2024 (December 31, 2023: EUR 5,548 thousand).

## Remuneration of the Supervisory Board

### Personnel changes on the Supervisory Board and committees

At the Annual General Meeting on April 18, 2024, Cornelius Baur was newly elected to the Supervisory Board of Lenzing AG (until the Annual General Meeting that resolves on the 2028 financial year). Markus Fürst stepped down from the Supervisory Board at the end of this Annual General Meeting at his own request. At the constituent meeting of the Supervisory Board following the Annual General Meeting, Cord Prinzhorn was re-elected as Chairman and Stefan Fida as Deputy Chairman of the Supervisory Board.

On May 29, 2024, Christian Bruch stepped down from the Supervisory Board at his own request.

At the Extraordinary General Meeting on October 10, 2024, Marcelo Feriozzi Bacci (until the Annual General Meeting that resolves on the 2028 financial year), Carlos Aníbal de Almeida Junior (until the Annual General Meeting that resolves on the 2028 financial year) and Markus Fürst (until the Annual General Meeting that resolves on the 2028 financial year) were elected to the Supervisory Board. Nicole van der Elst Desai and Melody Harris-Jensbach stepped down from the Supervisory Board at the end of this Annual General Meeting at their own request.

On December 6, 2024, Marcelo Feriozzi Bacci stepped down from the Supervisory Board at his own request.

### Basic features of the Remuneration Policy

Supervisory Board remuneration generally consists of basic remuneration for Supervisory Board activities and for membership of a committee as well as an attendance fee for Supervisory Board and committee meetings. In view of the greater responsibility and the wider scope of activities, the Chairman of the Supervisory Board, his deputy, the committee chairmen, specific committee members and the financial expert may be granted a higher basic remuneration than the regular Supervisory Board members. In addition, Supervisory Board members are entitled to reimbursement of their cash expenses.

If Supervisory Board members take on a special task in the company, special remuneration may be granted to them by resolution of the Annual General Meeting.

In order to attract, motivate and retain the most suitable Supervisory Board members, remuneration is defined in a performance-based manner and is in line with the market. When defining remuneration in line with the market, not only Austrian but also foreign companies, in particular German companies at present, are used as a benchmark. In view of the global business activities of Lenzing AG, this is necessary in order to offer highly qualified international candidates attractive remuneration.

The company has taken out a directors and officers (D&O) insurance policy, which also covers the members of the Supervisory Board.

Remuneration components	Description of major parameters
Basic remuneration	Fixed salary at a competitive level Higher basic remuneration may be granted as a result of greater responsibility (e.g. for chairmanship of the supervisory board, committee chairmanship, etc.) All members of the Supervisory Board are entitled to reimbursement of their cash expenses
Attendance fee	For Supervisory Board and committee meetings
Special compensation	Special remuneration may be granted by resolution of the Annual General Meeting if a special activity is assumed within the company
Directors and officers (D&O) insurance	Supervisory Board members are also covered

The Remuneration Committee is responsible for preparing and regularly reviewing the Remuneration Policy for Supervisory Board members. The entire Supervisory Board is responsible for drawing up the Remuneration Policy for the Supervisory Board. The rules for determining the remuneration of the members of the Supervisory Board can be found in the Articles of Association (Section 13) of Lenzing AG, which are published on the company's website. The remuneration of the Supervisory Board is determined annually by the Annual General Meeting (Section 98 AktG).

### Total remuneration of the Supervisory Board

The total remuneration of all Supervisory Board members for the 2024 financial year amounts to EUR 1,422 thousand (previous year: EUR 1,221), which corresponds to an increase of 16 percent.

The following table shows the remuneration owed in accordance with the statutory requirements of the Austrian Stock Corporation Act (Sections 78 et seq. AktG) and the recommendations of the Austrian Corporate Governance Code. No additional remuneration was granted to the Supervisory Board.

## Overview of the total remuneration of the Supervisory Board in 2024

EUR thousands	Fixed salary	% of total compensation	Committee activity	% of total compensation	Attendance fees	% of total compensation	Total
<b>Supervisory Board Members as at December 31, 2024</b>							
Thomas Cord Prinzhorn (Chairman of Supervisory Board since 26/04/2022)	115	32%	195	54%	53	14%	363
Carlos Anibal de Almeida Junior (First Deputy Chairman of Supervisory Board since 06/12/2024)	11	32%	15	43%	9	25%	35
Stefan Fida (Second Deputy Chairman of Supervisory Board since 10/10/2024)	75	53%	30	21%	38	26%	143
Cornelius Baur (Supervisory Board Member since 18/04/2024)	35	36%	35	36%	26	27%	96
Helmut Bernkopf (Supervisory Board Member since 23/04/2009)	50	73%	0	0%	19	27%	69
Franz Gasselsberger (Supervisory Board Member since 24/04/2013)	50	48%	25	24%	30	29%	105
Gerhard Schwartz (Chairman of the Audit Committee since 19/04/2023)	50	27%	95	51%	41	22%	187
Astrid Skala-Kuhmann (Supervisory Board Member since 19/04/2012)	50	36%	55	40%	33	24%	138
Markus Fürst (Supervisory Board Member since 14/04/2021)	26	40%	25	38%	15	23%	66
<b>Total remuneration of the members as at December 31, 2024</b>	<b>463</b>		<b>476</b>		<b>263</b>		<b>1,201</b>
<b>Former members of the Supervisory Board</b>							
Marcelo Feriozzi Bacci (First Deputy Chairman of Supervisory Board 10/10/2024 to 06/12/2024)	12	51%	6	27%	5	22%	23
Nicole van der Elst Desai (Supervisory Board Member 19/04/2023 to 10/10/2024)	39	44%	31	35%	19	21%	89
Melody Harris-Jensbach (Supervisory Board Member 18/06/2020 to 10/10/2024)	39	54%	19	27%	14	19%	72
Christian Bruch (Supervisory Board Member 17/04/2019 to 29/05/2024)	20	55%	10	28%	6	17%	37
<b>Total remuneration former members</b>	<b>110</b>		<b>67</b>		<b>44</b>		<b>221</b>
<b>Total remuneration of current and former members</b>	<b>573</b>		<b>543</b>		<b>306</b>		<b>1,422</b>

## Outlook: Adapted Remuneration Policy from the 2025 financial year

The Remuneration Committee of the Supervisory Board fundamentally reviewed and further developed the remuneration policy in the 2024 financial year to take account of investor feedback.

The aim of the previous Remuneration Policy was to promote the strategic focus and the sustainable and long-term orientation of performance-related remuneration. In order to align the Remuneration Policy more closely with the interests of our shareholders at the same time, the share price reference in performance-related remuneration and the shareholder culture at Lenzing have now been further strengthened. The revised Remuneration Policy ('Remuneration Policy 2025') will be submitted to the Annual General Meeting on April 17, 2025 for approval and will apply to members of the Managing Board and Supervisory Board whose contracts are concluded or amended after January 1, 2025. The revised Remuneration Policy 2025 for the members of the Management Board of Lenzing AG is based on the following principles:

- **Promotion of the corporate strategy:**

The remuneration of the Managing Board members of Lenzing AG is linked to the implementation of the corporate strategy and the long-term development of the company. In particular, the performance-related remuneration components are designed to incentivize the strategic objectives of Lenzing AG. Ambitious targets are used to set important short- and long-term incentives that effectively work towards the realization of relevant strategic goals.

- **Promotion of long-term orientation and sustainability**

The predominantly long-term structure of the performance-related remuneration incentivizes the Managing Board to act sustainably and with a long-term focus. In addition, the inclusion of ESG targets in the performance-related remuneration places a special focus on sustainability and provides important incentives for the implementation of Lenzing's sustainability strategy.

- **Strengthening the pay-for-performance principle**

The remuneration of the Managing Board members is predominantly performance-related and linked to ambitious, strategy-relevant targets. Both financial and non-financial targets are taken into account in order to fully reflect Lenzing's corporate strategy.

- **Ensuring appropriateness and promoting competitiveness**

The remuneration of the Managing Board of Lenzing AG is commensurate with the situation of the company and the usual remuneration at comparable companies. At the same time, the remuneration takes into consideration the responsibility, scope and complexity of the activities of a member of the Managing Board as well as their role on the Managing Board as a whole. In order to find and retain suitable candidates for the Managing Board, it is also ensured that the remuneration is competitive.

The adaptation of the Remuneration Policy includes a revision of the short-term incentive (STI) and the long-term incentive (LTI), the introduction of a share retention obligation, the introduction of comprehensive malus and clawback regulations and standardization of pension contributions.

Adopted by the Managing Board:

Lenzing, March 11, 2025

Adopted by the Supervisory Board:

Lenzing, March 11, 2025

## Details on the sustainability targets of the LTI tranches

### Sustainability targets LTI tranche 2022

Target size	Target value	Performance range	
		Lower limit	Upper limit
CO2 reduction 2024	40 percent reduction plus substantiated commitment to 1.5°C target and 2040 carbon zero	Reduction of 40 percent	Reduction of 45 per cent plus additional planning agreed with the Supervisory Board
Use of recycled materials in commercial products	3,500 tons	2,500 tons	7,000 tons
External ESG ratings (current rating as at December 31, 2024)	Maintaining the ratings CDP Forest (A), MSCI (AA) and EcoVadis (Platinum)	Reduction by a maximum of 1 level for a maximum of 2 of the following 3 ratings: CDP (Climate, Forest, Water), MSCI, EcoVadis	Maintaining the ratings CDP Climate (A), CDP Forest (A), CDP Water (A), MSCI (AA) and EcoVadis (Platinum)
Strengthening awareness in the area of business ethics and anchoring good governance in the corporate culture	Quantitative evaluation based on: - Code of Conduct acceptance rate  Qualitative assessment based on the following criteria, among others: - Participation in training on the Code of Conduct (at least >95 percent) - Expansion and promotion of a best-practice compliance management system		

The four target values of the sustainability criteria are equally weighted and each contribute 25 percent to the assessment of the ESG component of the 2022 LTI tranche.

### Sustainability targets LTI tranche 2023

Target size	Target value	Performance range	
		Lower limit	Upper limit
CO2 reduction 2025	45 percent reduction plus substantiated commitment to 1.5°C target	43 percent reduction plus substantiated commitment to 1.5°C target	50 percent reduction plus substantiated commitment to 1.5°C target
Use of recycled materials in commercial products	Sale of 75,000 tons of fiber with a recycled pulp content of at least 10 percent	Sale of 50,000 tons of fiber with a recycled pulp content of at least 10 percent	Sale of 90,000 tons of fiber with a recycled pulp content of at least 10 percent
Waste water	All Lyocell sites except for Lenzing Fibers Grimsby Limited achieve the "Aspirational Level" at the ZDHC Wastewater and Responsible Production Guidelines	All Lyocell sites except for Lenzing Fibers Grimsby Limited achieve the "Foundational Level" at the ZDHC Wastewater and Responsible Production Guidelines	All Lyocell sites except for Lenzing Fibers Grimsby Limited achieve the "Aspirational Level" at the ZDHC Wastewater and Responsible Production Guidelines and Lenzing Fibers Grimsby Limited achieves the "Foundational Level" except for CoD and BoD
Diversity in management	22.5 percent share of women in middle management (5A+) plus commitment to an ERG programme and EDI training	21.5 percent share of women in middle management (5A+) plus commitment to an ERG programme and EDI training	24.0 percent share of women in middle management (5A+) plus commitment to an ERG programme and EDI training
External ESG ratings (current rating as at December 31, 2025)	Maintaining the ratings CDP Forest (A), MSCI (AA) and EcoVadis (Platinum) and reduction of ratings CDP Climate and CDP Water by a maximum of 1 level	Reduction by a maximum of 1 level for a maximum of 2 of the following 3 ratings: CDP (Climate, Forest, Water), MSCI, EcoVadis	Maintaining the ratings CDP Climate (A), CDP Forest (A), CDP Water (A), MSCI (AA) and EcoVadis (Platinum)

The five target values of the sustainability criteria are equally weighted and each have a 20 percent weighting in the assessment of the ESG component of the 2023 LTI tranche.

## Sustainability targets LTI tranche 2024

Target size	Performance range		
	Target value	Lower limit	Upper limit
CO2 reduction 2026	47 percent reduction plus substantiated commitment to 1.5°C target	45 percent reduction plus substantiated commitment to 1.5°C target	50 percent reduction plus substantiated commitment to 1.5°C target
Use of pulp made from recycled materials from the SÖDRA co-operation	Use of 2,000 tons of recycled SÖDRA pulp in fiber production	Use of 1,500 tons of recycled SÖDRA pulp in fiber production	Use of 3,000 tons of recycled SÖDRA pulp in fiber production
Social impact (current Lenzing Climate Survey as at December 31, 2026)	Improvement of 3 percentage point on average in all 7 categories of the Lenzing Climate Survey	Improvement of 1 percentage point on average in all 7 categories of the Lenzing Climate Survey	Improvement of 5 percentage point on average in all 7 categories of the Lenzing Climate Survey
External ESG ratings (current rating as at December 31, 2026)	Maintaining the ratings CDP Forest (A), MSCI (AA) and EcoVadis (Platinum) and reduction of ratings CDP Climate and CDP Water by a maximum of 1 level	Reduction by a maximum of 1 level for a maximum of 2 of the following 3 ratings: CDP (Climate, Forest, Water), MSCI, EcoVadis	Maintaining the ratings CDP Climate (A), CDP Forest (A), CDP Water (A), MSCI (AA) and EcoVadis (Platinum)

The four target values of the sustainability criteria are equally weighted and each contribute 25 percent to the assessment of the ESG component of the 2024 LTI tranche.