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Lenzing presented first blockchain pilot project at Hong Kong Fashion Summit

- Pioneering pilot project conducted with Hong Kong based brand Chicks
- A large majority of consumers wants brands to disclose their supply chain
- Transparency ensured from fiber-to-retail

Lenzing – The Lenzing Group has made a huge leap forward in introducing blockchain technology, allowing for a new level of transparency and traceability in the textile industry. After joining the platform of the technology company TextileGenesis™ earlier this year, the world market leader in specialty fibers made from the renewable raw material wood presented the first pilot at this year's Fashion Summit in Hong Kong on September 05, 2019. This pioneering pilot project was conducted in close cooperation with TextileGenesis™, WWF and Hong Kong based brand Chicks.

A baseline survey on EU consumer attitudes to sustainability and supply chain transparency in the fashion industry conducted by Ipsos MORI in October 2018 shows that a large majority of consumers (80 %) wants brands to disclose their supply chain. The blockchain technology enables brands and consumers to identify TENCEL™ branded fibers across each production and distribution step from fiber-to-retail of the finished garment or home textiles. The technology also allows consumers to verify the garment composition and the underlying textile supply chain at the point of sale, simply by scanning the barcode with a mobile device.

“Together with TextileGenesis™ we pursue the ambitious goal to achieve an unparalleled level of transparency for fashion brands and consumers. We will use blockchain technology to maximize the digital traceability of fibers, thus making an important contribution to green up the fashion industry”, says Stefan Doboczky, Chief Executive Officer of the Lenzing Group. “This strong belief in and commitment to sustainability will support the business with TENCEL™ fibers.”

In an industry's first, Lenzing issued blockchain based TENCEL™ fibercoins to its supply chain partners in direct relation to physical shipments. These digital tokens serve as an authentication mechanism, against any adulteration, and provides secure digital chain-of-custody across the entire textile value chain. Recognizing

that data integrity and ease of use are critical, the supply chain players conducted transactions through the data upload mechanism on the platform. To ensure real-world complexity, a total of 49 distinct garment stock-keeping unit (~25000 pieces), of Chicks, were tracked on the digital platform from fibers up to retail.

“This is an important milestone for the apparel industry. Our focus is to drive meaningful step-change in an industry where less than 5 percent of top 250 apparel brands can track their garments back to the fiber origin”, says Amit Gautam, CEO & Founder of TextileGenesis™.

Lenzing is carrying out further pilot tests over the next few months involving partners along the entire value chain and expects the platform to be fully operational as of 2020.

Photo download:

<https://mediadb.lenzing.com/pinaccess/showpin.do?pinCode=y8R5f3LTMxhw>

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About the Lenzing Group

The Lenzing Group stands for ecologically responsible production of specialty fibers made from the renewable raw material wood. As an innovation leader, Lenzing is a partner of global textile and nonwoven manufacturers and drives many new technological developments.

The Lenzing Group's high-quality fibers form the basis for a variety of textile applications ranging from elegant ladies clothing to versatile denims and high-performance sports clothing. Due to their consistent high quality, their biodegradability and compostability Lenzing fibers are also highly suitable for hygiene products and agricultural applications.

The business model of the Lenzing Group goes far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, creating added value for consumers. The Lenzing Group strives for the efficient utilization and processing of all raw materials and offers solutions to help redirect the textile sector towards a closed-loop economy.

Key Facts & Figures Lenzing Group 2018

Revenue: EUR 2.18 bn

Nameplate capacity: 1,034,000 tons

Employees: 6,839

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