Volksbanken Raiffeisenbanken
Cooperative Financial Network

Bridging Continents for a Sustainable Future:

DZ BANK's "Day on Sustainable Transition" in Asia

European corporates and Asian stakeholders met in Singapore and Hong Kong to discuss the evolving landscape of sustainable finance, the next phase of ESG, and the future of the green transition.

In early October 2025, DZ BANK once again took its leadership in sustainable finance to the global stage with the second edition of its Day on Sustainable Transition, a three-day series of events in Singapore and Hong Kong that brought together some of Europe's leading corporates and key stakeholders from Asia's financial markets, regulatory institutions, and government agencies.

The initiative was conceived as a platform for open dialogue on how the global economy can transition towards more sustainable and resilient models. With Europe facing geopolitical headwinds, economic uncertainty, and a changing regulatory environment, and Asia emerging as a laboratory for transition finance, the discussions could not have been timelier.

Building on the success of the inaugural event in 2024, the 2025 Day on Sustainable Transition reaffirmed DZ BANK's role as a bridge between regions, helping to connect capital, ideas, and experience across continents. The participants included senior representatives from Airbus, Lufthansa Group, EEW Energy from Waste GmbH, Lenzing Group, and Siemens Mobility, who met with policymakers, institutional investors, and market participants in both Singapore and Hong Kong.

Transition Takes Center Stage

Unlike earlier discussions of sustainability that often revolved around a binary "green" versus "non-green" assessment, the current dialogue focuses on transition — recognizing the complex, staged process of moving towards low-carbon and sustainable business models.

Content

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In both locations, the term "transition finance" resonated strongly, reflecting the regional emphasis on credible, incremental transformation rather than abrupt change.

From a European point of view, Asia's pragmatic approach to sustainability stood out. Regulatory frameworks in the region increasingly support industries that can demonstrate credible transformation pathways, while investors are prioritizing measurable progress over labels. "Transition is the new ESG" several participants agreed – a phrase that encapsulated the evolving mindset within both the corporate and investment communities.

At the same time, Europe's experience in setting ambitious environmental standards and building transparent capital market structures remains invaluable. This interplay between European policy maturity and Asia's implementation dynamism provided fertile ground for dialogue. The question at the heart of the discussions was clear: How can we maintain the momentum of sustainable transformation amid growing political, economic, and societal pressures?

Singapore: From Policy Dialogue to Market Practice

The roadshow began in Singapore – one of the world's foremost green finance hubs and a model for how regulatory clarity and market innovation can work hand in hand. Over the course of an intensive day, investors, policymakers, and corporate representatives met for a series of public and private discussions designed to connect perspectives across sectors and regions.

The Day on Sustainable Transition in Singapore opened with a public seminar. In its introductory statement, Martin Wehling, General Manager of DZ BANK's Singapore branch, emphasized that the challenges of sustainability are not theoretical: they are tangible, global, and irreversible. "The sustainable transformation of our economy and society is already underway," he noted, "and its momentum cannot be reversed."

The discussions reflected an emerging consensus: the concept of ESG, in its traditional form, is evolving. As one panelist provocatively stated, "ESG is dead – but sustainable finance is here to stay."

This shift signifies a more sophisticated and forward-looking understanding of sustainability – one that recognizes the economic dimension as integral to long-term success. The term EESG (Economic, Environmental, Social, Governance) was introduced as a reflection of this broader, more integrated approach. Further key takeaways included statements that sustainability must be understood as an ongoing process, not a static goal, that the future lies in transition finance – enabling credible, data-driven progress rather than black-and-white categorizations, and that the conversation is becoming more pragmatic and results-oriented, with a focus on measurable transformation outcomes. Furthermore, digitalization and technological innovation are inseparable from the sustainable transformation of industries. In this sense, sustainable finance is no longer about avoidance or exclusion. It is about enabling – channeling capital toward real-world solutions that balance economic resilience with environmental and social progress.

Impressions from the day on Sustainable Transition 2025
Main Event Singapore



The public seminar concluded with a panel discussion, featuring speakers from Airbus, EEW Energy from Waste GmbH, Lenzing AG, and Schroders. The session explored how ESG and sustainable finance are evolving in both Asia and Europe. Despite the geopolitical headwinds that have challenged the use of the term "ESG," participants agreed that the underlying principles of sustainability remain very much alive.

A shared sentiment emerged: while ESG labels may fade, action continues. Sustainability is increasingly woven into the fabric of business and financial decision-making, no longer treated as a stand-alone initiative but as a core driver of long-term competitiveness.

Among the key reflections shared by the speakers were:

- Despite global skepticism, ESG initiatives continue to shape capital allocation and strategic planning.
- Both in Europe and Asia, sustainability is being mainstreamed into core business operations rather than treated as a niche concern.
- Uncertainty about future technologies persists, particularly in hard-to-abate sectors, making increased financial support for Start-ups and innovation ecosystems essential.

The day's discussions underscored that sustainable finance is evolving from a reporting exercise into an enabler of transformation – one that aligns capital markets with industrial innovation.

A Meeting of Minds: Dialogue with Policymakers and Investors

Following the public seminar, the delegation gathered at DZ BANK's Singapore office for a closed-door roundtable with key policy-makers and institutional representatives. Attendees included experts from Enterprise Singapore, the Monetary Authority of Singapore (MAS), Temasek, GenZero, and GIC, as well as members of the European corporate delegation.

The participants discussed the challenges of defining sustainability in measurable, globally compatible terms, as well as the growing importance of data quality and comparability. Gilles Burgat from Lufthansa Group added the perspective of the aviation industry – a sector where the transition to low-carbon operations requires complex collaboration across technology, regulation, and finance. Several priorities emerged from the debate:

- The need for clear and globally consistent definitions of sustainability, reducing fragmentation across markets.
- Transparent data frameworks that allow investors to assess transition credibility.
- Greater coordination between regulators to ensure that reporting obligations lead to tangible action rather than administrative burden.
- The importance of integrating economic and environmental objectives – positioning sustainability not as a constraint, but as a pathway to resilience and innovation.

This emphasis on credible transition pathways echoed throughout the week: sustainability was framed less as compliance and more as competitiveness.

High-level Roundtable

Business Meets Transition: The SGX Roundtable

The Singapore program concluded with a business roundtable co-hosted by the Singapore Exchange (SGX Group) – a gathering that brought together local corporates and members of the European delegation. The event provided a platform for direct, practical exchanges between industries that are at the forefront of operational transformation.

Participants included several representatives from local corporates and investment firms, alongside European representatives from EEW Energy from Waste GmbH and Lenzing AG.

The discussion revolved around best practices in sustainable trans-formation and the growing role of capital markets in accelerating corporate transitions. Several actionable themes emerged from the dialogue:

- Clarity and consistency in sustainability metrics are essential for accountability.
- Global and multilateral standards are needed to ensure fair comparability across markets.
- Mandatory reporting obligations drive behavioral change and enhance transparency.
- Internalizing externalities – for example through carbon pricing – can create stronger economic incentives for decarbonization.

As the day concluded, participants agreed that Asia's financial ecosystem – supported by institutions like SGX, MAS, and Temasek – is increasingly positioned as a key accelerator for global sustainable finance. For European corporates, this environment offers a valuable opportunity to align business strategies with fast-growing markets that prioritize measurable impact.

The Singapore sessions closed on a note of cautious optimism. The road to sustainability may be complex, but the direction of travel is unmistakable. As one participant put it, "The question is no longer whether we transition, but how quickly and effectively we can do it."

Financing our Future Workshop in Partnership with SGX

Hong Kong: Connecting Markets and Mindsets

After two days of investor meetings in Singapore, the delegation traveled north to Hong Kong for the second stage of the road-show. The final Day on Sustainable Transition event was hosted at Bloomberg's Hong Kong offices, bringing together another distinguished lineup of speakers and participants.

Following opening remarks by Molina Nan Ding (Bloomberg) and Johannes Hack, General Manager of DZ BANK's Hong Kong branch, the day's agenda focused on connecting the dots between global finance, policy, and corporate innovation.

Speakers included King Au (Financial Services Development Council), who provided an update on Hong Kong's growing Sustainable Finance cluster; Friedrich Luithlen (DZ BANK), who shared insights on current debt market trends and transition instruments; and Karen Ho (Bloomberg), who presented Bloomberg's latest ESG data and sustainable debt analysis.

A panel discussion featuring Siemens Mobility, EEW Energy from Waste GmbH, Lenzing AG, and the Hong Kong Monetary Authority (HKMA) highlighted the challenges and opportunities in aligning regional initiatives with global sustainability goals.

Among the main takeaways:

- Communication is key – rebuilding trust in ESG requires renewed dialogue and transparency.
- The tools for sustainable finance already exist; the focus should now be on implementation and scaling.
- The sustainable transformation remains a business opportunity, provided it is approached with realism, collaboration, and innovation.

Following the formal sessions, DZ BANK's corporate delegation held a series of investor meetings throughout Hong Kong, exploring how local investors integrate sustainability criteria into their processes. Many participants expressed that Europe continues to be viewed as a frontrunner in sustainable finance – a reassuring signal amid ongoing debates such as the EU's Omnibus proposal.

A Platform for Ongoing Dialogue

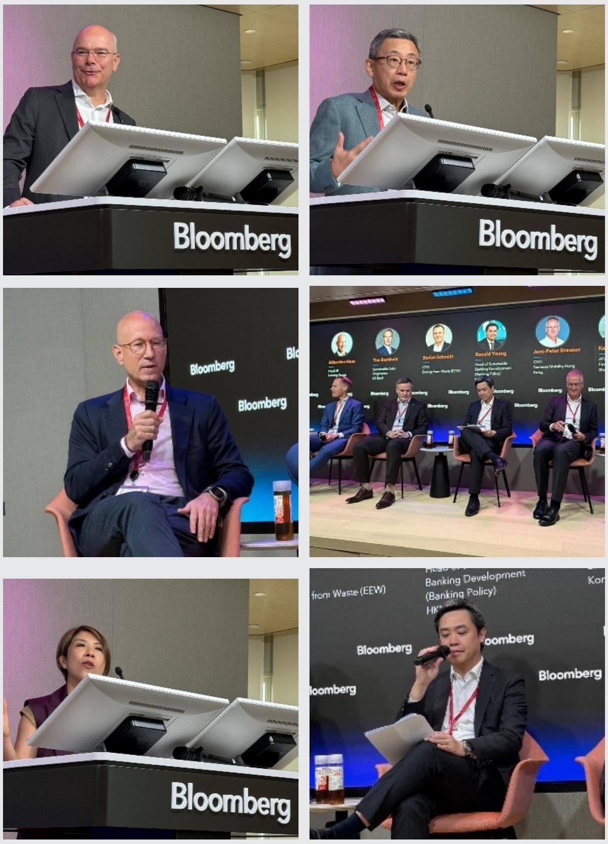
By combining public discussions, private dialogues, and investor meetings, DZ BANK's Day on Sustainable Transition once again proved to be more than just a series of events. It served as a living dialogue – connecting markets, ideas, and people committed to driving a sustainable global economy.

The exchanges underscored Asia's growing influence in shaping sustainable finance and Europe's continued importance as a benchmark for regulatory credibility and transformation experience. Above all, they reaffirmed that sustainability is not a static goal but a shared journey – one defined by collaboration, innovation, and mutual learning.

As Marcus Pratsch, Global Head of Sustainable Bonds & Finance at DZ BANK, emphasized in his closing remarks, the journey is far from over. "Our goal is to keep building bridges – between continents, between sectors, and between ideas. The sustainable transition is not about perfection, but about progress."

Looking ahead, DZ BANK plans to continue expanding its sustainable finance initiatives in Asia and beyond, supporting both issuers and investors as they navigate the evolving transition landscape. The 2025 Day on Sustainable Transition made one thing abundantly clear: while the language and tools of sustainability may evolve, the commitment to shaping a resilient, inclusive, and forward-looking financial system remains unwavering.

A day on Sustainable Transition with DZ BANK in partnership with Bloomberg



Keeping an eye on Asia-Pacific: a robust source of growth for Sustainable Finance

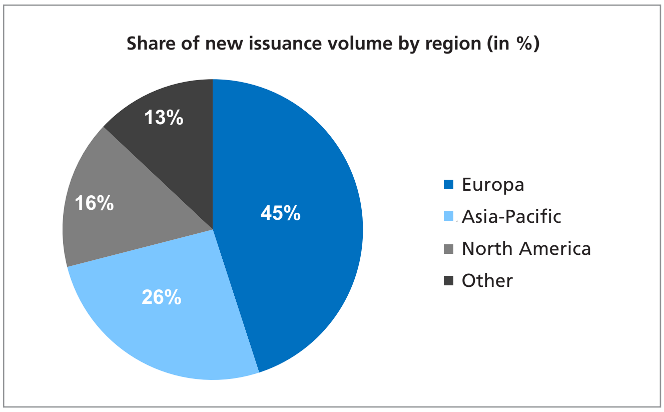
Over the past two decades, Asia-Pacific has experienced rapid economic growth, establishing itself as a significant player on the global stage. These days, Asia-Pacific economies account for around 40% of the world's GDP, generating 60% of global growth. This growth has also made the region susceptible to sustainability challenges, while simultaneously positioning it to drive change. The region is also home to some of the most vulnerable areas when it comes to risks related to climate and nature.

The economic growth has been accompanied by a significant increase in capital market activity in the region.

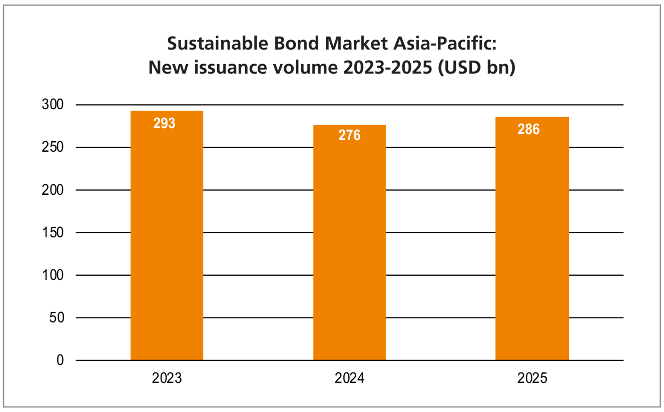
Asia-Pacific has also emerged as a key market for sustainable finance. Hence, global institutional investors are increasingly targeting the region for sustainable and responsible investments. Asia-Pacific boasts a robust ecosystem of sustainable finance, with several major sustainable finance hubs having emerged.

Taxonomies form a key part of this sustainable finance ecosystem. Of the approximately 60 taxonomies currently under development or in use in the world, one-third originate from the Asia-Pacific region. These include Hong Kong, Singapore and China – three countries home to financial centers that rank among the world's top ten. And some sustainable finance hubs have led the way with innovations. For example, in December 2023, Singapore launched the world's first multi-sector Transition Taxonomy, which uses a traffic light system to define green, transition and ineligible activities across eight focus sectors.

In recent years, the Asia-Pacific region has emerged as the second strongest growth driver in the sustainable bond market after Europe.



Source: Bloomberg, Climate Bond Initiative, DZ BANK



Source: Bloomberg, Climate Bond Initiative, DZ BANK

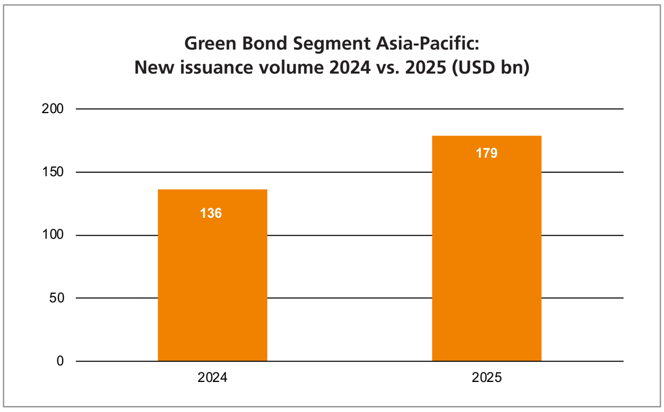
According to the Climate Bonds Initiative, Asia-Pacific was the second largest source of green-labelled-debt (24% of global issuance volume), the second largest source of social-labelled debt (30% of global issuance volume), the largest source of sustainability-labelled-debt (29% of global issuance volume) as well as the second largest source of SLB-labelled-debt (15% of global issuance volume) in 2024.

There have also been many innovations in the Asia-Pacific Sustainable Bond market, particularly in the area of Sovereign Sustainable Bonds.

In March 2018, Indonesia issued the world's first Sovereign Green Sukuk. In February 2023, the Government of the Hong Kong Special Administrative Region came to the market with the first tokenised Green Bond ever issued by a government globally (which was also the inaugural issuance of a tokenised Green Bond in Asia-Pacific). In February 2024, Japan issued the world's first Climate Transition Bond. In November 2024, Thailand entered the market with the first Sovereign Sustainability-Linked Bond in Asia. And in April 2025, China issued its debut Sovereign Green Bond on the London Stock Exchange - its first sovereign bond ever issued overseas.

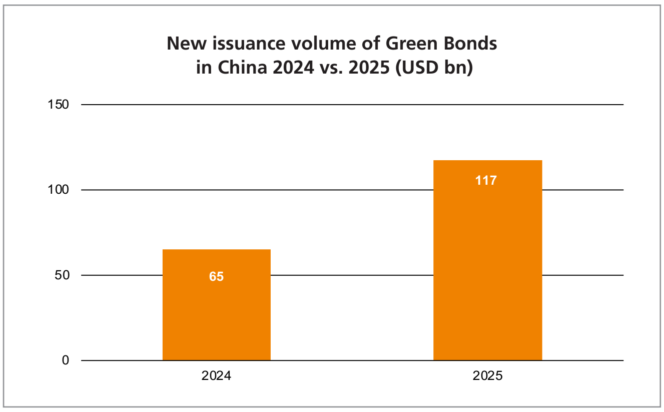
In 2025, the Asia-Pacific region demonstrated that it is a reliable source of sustainable debt. Although the global Sustainable Bond market was affected by macroeconomic factors, political polarization, and geopolitical tensions, and regions such as Europe and the U.S. saw a decline in issuance volume, the market in the Asia-Pacific region remained robust, growing by around 4% yoy.

With growth of 31% compared to the previous year, the Green Bond segment set new records. It accounted for around 63% of the new issuance volume of the entire Sustainable Bond market in the Asia-Pacific region.



Source: Bloomberg, Climate Bond Initiative, DZ BANK

This was particularly due to China's strong performance, where the new issuance volume of Green Bonds almost doubled in 2025 compared to 2024. Therefore, China accounted for around two-thirds of the total volume of new Green Bonds issued in the Asia-Pacific region.



Source: Bloomberg, Climate Bond Initiative, DZ BANK

Guest article:

EEW Energy from Waste: We turn waste into resources

Waste-to-Energy as a Pillar of the Circular Economy

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Nachhaltigkeit

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EEW Energy from Waste GmbH is a leading provider of thermal waste treatment, operating critical waste-to-energy infrastructure in Germany, the Netherlands, and Luxembourg. From our headquarters in Helmstedt, we manage 19 plants across 17 locations. Each year, we process around 5 million tons of residual, non-recyclable waste and several hundred thousand tons of sewage sludge.

The result: reliable baseload electricity, district heat for more than 700,000 households and low-carbon process steam for major industrial sites. Additionally: Waste-to-energy allows the recovery of valuable resources from ash – including ferrous and non-ferrous metals, mineral fractions, and, at dedicated sites, phosphorus from sewage-sludge mono-incineration – a critical resource under the European critical raw materials act.

What We Do and Why It Matters

Not all waste can be recycled. At EEW, we process what remains in a way that protects both people and the environment. Through controlled thermal treatment, we hygienize waste, neutralize contaminants and pathogens, and eliminate microplastics – preventing them from entering the environment. Our operations meet the strictest environmental regulations and the highest flue-gas cleaning standards.

By avoiding methane emissions from landfills and replacing fossil-based energy generation, we are already cutting emissions today, strengthening energy security, and keeping valuable materials in use. This is the circular economy in action: treating waste as a resource – and energy as a responsibility.

Our Sustainability Approach

Progress and responsibility belong together. Every ton of waste we treat reminds us that how we manage resources today shapes tomorrow. Our purpose is to turn what society no longer needs into what the future demands: low-carbon & reliable energy, recovered raw materials and resilient infrastructure that protects people and the planet.

Our vision is to be one of **Europe's frontrunners** in circular energy – transforming unavoidable waste into climate-positive value and conserving finite resources – while recognizing and reducing the impacts of essential infrastructure through strict compliance, innovation, continuous improvement, and transparent reporting.

Since 2018, EEW has followed a dedicated sustainability agenda with strong governance and reports in accordance with the Global Reporting Initiative (GRI). Our **Sustainability Roadmap** serves as the guiding instrument for implementing our strategic sustainability goals across all business areas. Building on the achievements of our 2018 sustainability strategy, we developed the Roadmap 2030 in 2022 through a participatory process. It defined ambitious targets in five action areas, rooted in our materiality assessments and validated by the Sustainability Steering Committee and the Management Board.

As regulatory expectations evolve – particularly through **the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)** – EEW is currently reviewing and updating its roadmap to strengthen transparency, traceability, accountability, and material impact orientation. It ensures that every target delivers measurable value, remains within EEW's sphere of control, and supports our long-term sustainability ambition

Engaging Global Investors for Green Infrastructure

EEW is committed to a sustainable transition and actively pilots green infrastructure projects.

In waste-to-energy, CO_2 from treating non-recyclable residuals is technically unavoidable but **Carbon Capture Solutions** (CCU/CCS) can prevent these emissions from entering the atmosphere. Looking ahead, by capturing and permanently storing all CO_2 emissions – including the 50% biogenic share – waste-to-energy plants can remove more CO_2 from the atmosphere than they emit, making them **net carbon sinks** and helping substitute fossil carbon in industry.

To boost system efficiency and deliver energy when it's most needed, we are integrating **battery storage systems** that smooths peaks and enables targeted power delivery; combined with district-heat integration (and, where suitable, large heat pumps), this creates flexible, **green infrastructure** that secures safe waste treatment & energy transition while recovering resource and cutting emissions further.

During the APAC-Roadshow EEWs CFO, **Stefan Schmidt,** highlighted the company's role in Europe's green transition and its relevance to global ESG portfolios: Stable, regulated returns from essential infrastructure, scalable decarbonization & green infrastructure technologies, alignment with European Environmental goals and frameworks (e.g. EU Taxonomy).

With our **Green Bond** and **ESG-rating-linked revolving credit facility (RCF),** we have demonstrated that our investments and operations support multiple ESG targets and convincingly communicate our transition story. The consistently high interest in sustainable infrastructure and circular economy models makes EEW a compelling partner for long-term, climate-focused investment – with a new benchmark-sized **Green Bond** being projected in 2026.

Strategic Shareholder BEHL: Linking EEW to the APAC Region

EEW's international relevance is reinforced by its ownership structure. The 2016 investment by Beijing Enterprises Holdings Limited (BEHL) – a Hong Kong-listed conglomerate and one of China's leading public utilities providers – marked the largest direct Chinese investment in Germany at the time. It underscored BEHL's strategic interest in advanced waste-to-energy technologies.

BEHL's objective was to foster mutual exchange and leverage EEW's operational excellence and technological expertise to support the global advancement of waste management standards. As environmental technologies and regulatory frameworks continue to evolve in China and across the APAC region, EEW also benefits from BEHL's regional insights and innovation. This partnership provides EEW with access to capital, long-term strategic support, and opportunities for technology transfer and collaboration across Asia.

As the **waste-to-energy sector** evolves, EEW continues to lead with transparency, innovation, and a clear commitment to climate action. The company invites stakeholders across Asia to join in shaping a future where waste becomes a resource - and sustainability drives growth.

Guest article:

From single to ready to mingle: the multiple benefits of nature chart the path for resilience and growth in Southeast Asia

Tamara Singh,
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The tail end of the year is always marked by a string of conferences. The Nature Conservancy (TNC) Singapore was fortunate to have been invited to a breadth of these, in keeping with the wealth of work we do. The debates and discourse at forums across Southeast Asia and Europe saw our latest thinking and perspectives interrogated, challenged, and standing up to scrutiny. Now, we invite the curious and the committed to change to join us as we reflect on the learnings that cap the year and plan for impactful action in 2026.

We began the 2025 "Conference Season" by sharing the opportunity we see, underpinned by our work with sovereign-level innovative financing and structures for impact and return that supported the mandates of our partners. The rationale was that, with the potential to create US$4.3 trillion in value and 230 million jobs, there was a lot of opportunity to go around! Soon though, the tone was turning, as audiences and stakeholders challenged us to go further in innovating to strengthen the flow of finance towards nature and the multitude of impacts, including financial impacts, this offers.

Drawing on TNC's experience as first movers in reef and mangrove insurance, and our leadership in Carbon Markets development, we shared concepts and nascent ideas on stages from Frankfurt to Manila to Kuala Lumpur and Singapore, positing mechanisms to better price ecosystem transactions, strengthen integrity in Carbon Markets and realise value.

Across these conversations, a powerful theme emerged: the market's demands are changing, and the opportunity exists for the curious and creative to define new, near-term investable opportunities.

The „What": A New Demand for Resilience

With economies under pressure, sovereign debt levels at all-time highs, and geopolitics driving a reallocation of resources toward security, **single-benefit transactions have become an indulgence.** Instead, strategic allocators demand that transactions meet multiple needs.

This shift is rooted in a stark reality: over half of the world's gross domestic product (GDP) is highly or moderately dependent on nature. Yet, we face a global biodiversity finance gap estimated at $700 billion per year. The market continues to misprice this future value, even as climate events inflict staggering economic costs. The US alone saw more than $101 billion in losses from severe storms and fires in the first half of 2025, and as typhoons sweep across Southeast Asia, it is hard to imagine facing continuing losses at this scale.

What we heard was that the new „hygiene factors" for any deal are twofold:

1. Does it offer returns in a conventional cash-flow analysis?

2. Does it demonstrate **resilience**?

Investors are asking about the robustness of the business – does it have sustaining cash flows to enable an exit? Are there alternative cash flows and complementary growth pathways to ensure the business is resilient should the core product come under threat?

The „How": Defining and Valuing Benefits

With allocators placing clear value on resiliency, the conversation shifts to „how" we quantify and price these complementary benefits. How do we protect the watersheds that support our agriculture and hospitality sectors? What is this worth, and to whom?

This begins with understanding what these benefits are. With ecosystem approaches like nature-based solutions (NbS), how do we measure and quantify benefits to communities, climate, and biodiversity? As any innovation leader would say, we start by starting. Just as metrics for financial standards evolved, so too will these. We may not find the perfect data point on first try, but we will pave the pathway to understanding what we value and what may one day underpin an investment strategy with an edge.

Here are some models proving the „how" for their users:

- **High-Integrity Carbon Markets:** Carbon Markets (especially the Voluntary Carbon Market or VCM) have faced skepticism over quality, a natural challenge for any market – even "mature" voluntary markets such as traditional stock markets continue to learn. We are now in a „version 2.0" (VCM+), driven by bodies like the Integrity Council for the Voluntary Carbon Market (IC-VCM). TNC is actively supporting this shift, not only through initiatives like SHIFT CM, co-led with Yale University, which brings together over 40 scientists to develop state-of-the art science to accelerate these markets' development. At the ASEAN Capital Markets Forum, the need to meet criticism with action was a topic of conversation. There we shared how we have adopted higher standards for carbon projects, supported innovative regulating bodies like ICVCM, stepped away from projects when necessary, and consistently applied the best available science to develop high-integrity driven projects.

- **Regenerative Food Systems:** In agri- and aquaculture, we advocated going beyond single supply chains to regenerative food systems. TNC's „Foodscapes" approach, for example, treats food production as a complex intersection of local biophysical, political, and cultural layers. It's not just about soil, but also water, biodiversity, people, and productivity. With agri- and aquaculture forming a large share of employment in Southeast Asia, and contributing meaningfully to global food security, the need to preserve the yield potential of these systems has proven to be existential.

- **Blue Economy in Action:** An NbS project offers ecosystem benefits far beyond carbon. A single adult oyster, for instance, can filter up to 200 litres of water daily. Scaling restorative aquaculture is an example of an NbS project that improves water quality, protects coastlines, and provides livelihoods. With insurance for coastlines proving increasingly expensive, nature-based solutions can offer a potentially low(er)-cost, high(er) benefit alternative.

- **Valuing Avoided Loss:** We can crystallise value by insuring against loss. TNC's work on the world's first insurance policies for coral reefs and mangroves proves a structural model for such constructs. The next evolution may be to use these insurance concepts to actualise the savings driven by adaptation services.

The „Who": Won't Get Fooled Again – Activating an Ecosystem of Partners

These models highlight the challenge. When value is created at an ecosystem level, how does this get funded and distributed? This is where there are lessons to be learned from the broader finance ecosystem.

- **Blended Finance is Key:** Unlocking this opportunity, especially in Southeast Asia, requires blended finance structures that combine public and private capital to de-risk and scale investment. For example, in our Ocean Innovation Challenge, catalytic philanthropy funds pilots that prove the capacity of frontier technologies to address ocean conservation use cases at scale. The catalysts engage in the design of the challenges and evaluation of startup contenders, offering a venture-like experience and de-risking the commercial scale-up envisioned.

- **Enabling Frontline Action:** The „Who" must include frontline organisations and local communities to ensure lasting adoption. However, these groups often lack the resources to develop investable projects. This is why TNC embraces movements like the **SCeNe Coalition,** which aims to pool the resources and expertise of nine NGOs to benefit frontline communities at low to no cost. This helps smaller organisations develop feasible, high-integrity projects with benefits to people, nature, and climate.
- **Community-Led, Not Cookie-Cutter:** To be durable, NbS projects must be tied to local livelihoods and meet today's needs for jobs and revenue. Scaling should mean replicating **principles,** not just copying models.

These break away from the specialism-first thinking of old. Neglecting nature and biodiversity actively undermines our climate goals, food and water security needs, and limits the prosperity potential of our futures. The future of finance lies in integration – recognizing that a investing in nature can secure our climate, our water, our food, and our economies all at once.

Lenzing AG: Driving sustainable transformation with a strong presence in the APAC region

Lenzing
Innovative by nature

Sustainability as a Corporate Mission

Lenzing is reshaping the future of fibers with sustainability at its core. Its cellulose-based premium fibers – including TENCEL™, VEOCEL™, and LENZING™ ECOVERO™ – play a central role in transforming the global textile and nonwovens industry. The company pursues ambitious, science-based climate targets: a 50% reduction in greenhouse gas emissions by 2030 and net-zero emissions by 2050, validated by the Science Based Targets Initiative (SBTi). These goals are backed by continuous investments in renewable energy, circularity, and technological innovation.

External assessments confirm Lenzing's leadership. In the 2025 Hot Button Ranking by Canopy, Lenzing ranked first globally with 34.5 out of 40 points, demonstrating responsible wood sourcing and strong forest protection. The company also repeatedly achieves CDP Climate Leadership status, reflecting robust emissions management and transparency. **These achievements position Lenzing as one of the most credible transition leaders in the global fiber industry.**

Innovation and Circularity Across the Value Chain

Lenzing advances innovations that combine ecological responsibility with economic performance. REFIBRA™ technology transforms cotton scraps from garment production into new fibers by blending them with wood-based cellulose – a major step toward circularity in the textile sector. Partnerships with companies such as Södra accelerate textile-to-textile recycling technologies, strengthening circularity across the entire value chain. Lenzing also collaborates with brands, manufacturers, and technology partners to support global climate goals, including through the UN Fashion Industry Charter for Climate Action. **Circularity is not a vision for the future – it is being scaled today.**

APAC: A Strategic Region for Transformation, Growth, and Sustainable Finance

APAC is one of the world's largest markets for textiles and nonwovens and a key region for Lenzing. At the same time, APAC is emerging as one of the most dynamic regions in sustainable finance. New regulatory initiatives, rising transparency requirements, and growing consumer expectations are increasing demand for responsibly produced materials and companies with measurable ESG performance. Lenzing's production sites in Nanjing (China) and Prachinburi (Thailand) ensure proximity to major markets and strengthen the company's position in this evolving environment.

In Nanjing, Lenzing converted production lines from standard viscose to TENCEL™ modal, enabling local supply of around 35,000 tons per year for the Chinese market and reducing transport distances. Prachinburi hosts the world's largest lyocell plant, with an annual capacity of around 100,000 tons. Its highly resource-efficient processes significantly reduce water and energy consumption and form a cornerstone of Lenzing's decarbonization pathway. **These cites align industrial operations with science-based climate targets, circularity principles, and transparent ESG reporting – priorities that matter to investors in APAC and globally.**

Driving Sustainable Industry Transformation

Through technological innovation, international partnerships, and a strong regional presence, Lenzing supports the textile and nonwovens industry's shift toward low-impact, circular production models. While the transformation of the global fiber sector remains complex and requires long-term investment, Lenzing's progress shows that scalable, low-impact solutions are already achievable today. The company's validated climate targets, CDP leadership ratings, and top ranking in Canopy's Hot Button Report provide the transparency and credibility that sustainable-finance investors expect. **As financial markets increasingly reward measurable progress and strong governance, Lenzing is well positioned to deliver long-term, sustainability-aligned value creation.**