

ACCSYS TECHNOLOGIES PLC

("ACCSYS" OR THE "COMPANY")

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

At Accsys, our purpose is "changing wood to change the world". We hold a strong belief that we have a collective social responsibility to use and develop our technology to contribute to a better world, most directly in regard to climate change and pollution. Together with health and safety, these are fundamental priorities for our business. Our values derive from our purpose, and we believe that a focus on corporate governance and social responsibility is crucial to our organisation.

As part of our focus on social responsibility, we are committed to improving our practices to combat and prevent slavery and human trafficking in all areas of our business and supply chain. For further information on our business, its structure and our supply chains, please refer to Appendix 1 of this document.

Our policies and commitments on slavery and human trafficking

We are committed to supporting and upholding the following measures to safeguard against modern slavery:

- Zero-tolerance to modern slavery in our organisation and our supply chains.
- Prevention, detection and reporting of modern slavery in any part of our organisation or supply chain is the responsibility of all those working for us or on our behalf.
- We are committed to engaging with our stakeholders and suppliers to monitor, mitigate and minimise the risk of modern slavery in our operations and supply chain.
- Accsys has a Supplier Code of Conduct that clearly sets expectations and requirements for current and potential suppliers, and their employees, parent, subsidiary or affiliate entities, and subcontractors. This includes specific topics of forced labour, child labour, conditions of work, health and safety, and human rights, and also sets out standards for continuous improvement.
- Suppliers are also expected to complete a declaration that they are in compliance with international conventions regarding human rights, including those relating to slavery or human trafficking, and are not aware of any slavery or human trafficking in their supply channels.
- As part of our ongoing risk assessment and due diligence processes we will, if appropriate, audit our suppliers for their compliance with our Code of Conduct.
- In the event of any breach of this policy, or our zero-tolerance approach to modern slavery, we will ensure that we take appropriate action.
- We will periodically review our policies, suppliers and our Supplier Code of Conduct to keep them up to date, appropriate and effective.

We are not aware of any slavery or human trafficking in our supply chain or any part of our business and are committed to ensuring the same on an on-going basis.

Our internal policies, which include those within our employment contracts and employee handbooks, as well as a Corporate Social Responsibility Policy (<https://www.accsysplc.com/wp-content/uploads/sites/2/2017/09/CSR-brochure-final.pdf>) reflect our commitment to acting ethically and with integrity in all our business relationships, and to implementing and enforcing effective systems

and controls to ensure slavery and human trafficking is not taking place in relation to our business activities.

Our internal policies apply to all Company employees. Any non-compliance with such policies may result in disciplinary action. The Company encourages employees to report any concerns, wrongdoing or danger in the workplace without fear of reprisal. The Company has a Whistleblowing Policy which provides an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace.

Processes for mitigating slavery and human trafficking

As part of our initiatives to mitigate risk in our business and supply chain, we purchase goods and services from suppliers, and sell and licence our Accoya® and Tricoya® products, from and to third parties that we believe take the same stance as us against slavery and human trafficking. We also conduct regular supply chain verification and auditing.

To produce Accoya®, only abundantly available wood species are used from sustainably managed forests and plantations. These are certified by the FSC® (www.fsc-uk.org/en-uk), which includes a key principle of protecting worker rights, or occasionally by other reputable certification bodies (e.g. PEFC). Our procedures and practices are assessed annually by the independent certification body, Control Union (www.controlunion.com) to ensure that we meet FSC® and PEFC chain of custody guidelines and the mills that supply us also complete annual audits. All Tricoya® and Accoya® is also compliant with the European Union Timber Regulation (EUTR) as well as the USA's Lacey Act, which imposes obligations on us to carry out due diligence into the practices of our timber suppliers.

Besides the responsible sourcing of timber, Accsys only works with counterparts with a clear and transparent Corporate Social Responsibility policy. For example, the main supplier of our other key material in the production of Accoya® and Tricoya® - acetic anhydride - is BP. Accsys takes confidence from BP's own Modern Slavery Act Statement (https://www.bp.com/content/dam/bp/country-sites/en_gb/united-kingdom/home/pdf/2019-slavery-and-human-trafficking-statement.pdf) and publicly stated policy on Human Rights (<https://www.bp.com/en/global/corporate/sustainability/human-rights.html>) and its implementation of the relevant sections of the United Nations Guiding Principles on Business and Human Rights, together with its respect for the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Supplier and customer adherence to our values

Our senior management team is asked to confirm on an annual basis that it is not aware of any instances of slavery or human trafficking within any part of our business or supply chain. This team is responsible for all areas of our business including:

- Legal and compliance
- Health, Safety and Environment
- Human resources
- Procurement
- Production and Engineering
- Sales and Marketing
- Business Development and Licensing
- Finance, Auditing and Risk

Our standard form contracts, including with our key business partners, provide for their compliance with law and regulation relating to the sale and purchase of goods. Since the Modern Slavery Act came into force in 2015, the Company has sought to update its standard form distribution and licensing agreements to expressly provide for anti-slavery and human trafficking and the Company has effected such change where reasonably possible.

As part of our ongoing due diligence we request, where possible and in the absence of their own existing statement, that new suppliers complete a declaration which states that they are in compliance with international conventions regarding human rights, including those relating to slavery or human trafficking, and are not aware of any slavery or human trafficking in their supply channels (https://www.accsysplc.com/app/uploads/2020/01/Modern-Slavery-and-Human-Rights-Confirmation_12-6-17-Version-3.pdf).

Our Supplier Code of Conduct, setting out Accsys' expectations for all suppliers in relation to labour, human rights, environmental and ethical conduct, was implemented early in the 2018 calendar year (<https://www.accsysplc.com/app/uploads/2019/12/Accsys-Supplier-Code-of-Conduct-2018.pdf>). Non-adherence to the principles stated within the Code of Conduct is a key determinant as to whether a supplier is deemed eligible to do business with us.

We conduct quarterly desk top due diligence reviews of all known shippers used by our global suppliers of wood to monitor for risks and seek assurance that they do not engage in slavery and human trafficking practices. In the last year, quarterly reviews of the shippers known to be used by our suppliers have not revealed any concerns.

We have also introduced a Group-wide online training programme, which includes a module on slavery and human trafficking which must be completed annually. In so doing, awareness and understanding of slavery and human trafficking has been elevated and our ability to detect and prevent these abhorrent practices has been increased, throughout the organisation.

Our on-going commitment

We are committed to preventing and eradicating slavery and human trafficking. In the year ahead we intend to continue to implement our anti-slavery and human trafficking policies, procedures and practices, monitor our supply chain and businesses, and liaise with business counterparts to further promote our expectations and efforts against slavery and human trafficking.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will continue to discuss and monitor these important issues internally and ensure our procedures remain effective.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2020.

Stephen Odell

A handwritten signature in blue ink, appearing to read 'Stephen Odell', with a large, stylized flourish at the end.

Chairman
Accsys Technologies PLC

Date: 24th September 2020

Appendix 1

Further Information

Background on Accsys

We transform fast-growing, certified sustainable wood into building materials with characteristics that match or better those of man-made, intensely resource-depleting, or heavily carbon-polluting alternatives. Our products not only compete on performance, but also benefit the circular economy, locking away carbon for years, and are sourced from certified completely sustainable forests.

We believe we have a responsibility as a business, an employer and organisation to act responsibly, ethically and in a way that aligns with the positive impact our products make on the world. We aim to ensure that, moving forward, we are able to grow sustainably and maximise the sustainability impacts and opportunities not just of our products, but also in how we operate.

This shared purpose and values-led approach also provides an attractive opportunity for our employees, distributors, licensees and other stakeholders. We want to ensure that our business is not only a commercial success, but also run in a responsible fashion as we change wood to change the world.

Organisation's structure

Accsys is a fast-growing business with a purpose. We combine chemistry, technology and ingenuity to make high performance wood products that are extremely durable and stable, opening new opportunities for the built environment. By doing so, we give the world a choice to build more sustainably and offer a wide spectrum of other advantages over typically-used products.

Accsys Technologies PLC has its head office in London, England, and manufacturing, research and development operations in Arnhem, the Netherlands, as well as sales and marketing offices in each of these locations and in Dallas, USA. In 2017 Accsys Technologies completed agreements with a Consortium in respect of the construction, operation and financing of the world's first dedicated Tricoya® wood chip acetylation plant, to be located in Hull, England. Despite some delays to the Hull project, due to construction issues, together with the global Coronavirus (COVID-19) pandemic and the subsequent need for social distancing measures on site, progress with the construction of this Tricoya® plant continues to be made, with the project now expected to be complete in the first quarter of the 2021 calendar year.

Accsys also announced in August 2020 the formation of the Accoya USA LLC joint venture with Eastman Chemical Company, with the intent to design, build and operate an Accoya® manufacturing facility in the USA.

Accsys employs a distribution model, with a network that extends to over 50 distributors, suppliers or Accoya® agents serving most major markets worldwide, including in Europe, Asia, Africa, North and South America and Australasia. The Accsys group currently employs approximately 200 personnel across these locations and has a global annual turnover of in excess of €90 million.

Our business

Accsys' activities:

- Sourcing. In addition to purchasing acetic anhydride from global leaders who have a clear commitment to the elimination of modern slavery, we obtain timber from certified sustainable forest resources. We require all of our wood suppliers to meet the strict criteria set out by the

FSC® (Forest Stewardship Council) or other similar internationally recognised certification schemes.

- Proprietary manufacturing. We currently manufacture our Accoya® solid wood products using our proprietary acetylation wood modification process at our existing plant in the Netherlands, with a future Accoya® plant being planned in the United States as part of a joint venture with Eastman Chemical Company. Tricoya® wood chips are currently produced from Accoya® wood. In future, Tricoya® wood chips will be manufactured in the first instance at a new production plant in Hull (under construction), with a further possible Tricoya® plant under discussion with our potential joint venture partner, PETRONAS Chemicals Group Berhad in Malaysia.
- Global sales and distribution. We work with a network of global distributors to get our sustainable wood products to our customers, who utilise Accoya® and Tricoya® materials to create branded high-performance products such as windows, doors, decking, cladding, façades and other external applications.
- Technology, research and product development. We have developed innovative, proprietary and protected technologies which chemically modify wood through a low emissions acetylation process.
- Accoya® and Tricoya® technology licensing to third parties, including joint venture companies such as Tricoya Technologies Limited and Accoya USA LLC.

The principal activities of the Group are the production and sale of Accoya® solid wood and Tricoya® wood elements, technology and product development as well as the licensing of technology for the production and sale of Accoya® and Tricoya® via the Accsys' subsidiaries Titan Wood Limited, Titan Wood B.V., Titan Wood Technology B.V., Titan Wood Inc., Tricoya Technologies Limited and Tricoya UK Limited (collectively the 'Group'). Manufactured through the Company's proprietary acetylation processes, these products exhibit superior dimensional stability and durability compared with alternative natural, treated and modified woods as well as more resource-intensive and less sustainable man-made materials.

The Tricoya® Consortium is developing the Group's second commercial acetylation plant. At the same time, the Group has expanded its Accoya® production plant in Arnhem by 50% since 2017 to approximately 60,000 cubic metres per annum. Construction of this expansion was completed in early 2018 and following a ramping up period Accoya® production and supply is now running at full capacity. The preliminary design and engineering work for a fourth Accoya® reactor in Arnhem has been completed, which will add a further 20,000 cubic metres of capacity to the plant. We are now progressing with the next stage of the project which will include detailed engineering and procurement of key items of equipment, with completion expected by March 2022.

Together, these construction projects mark a major step forward in our objective in establishing acetylated wood as the leading modified wood technology in the building materials sector, and a leading sustainable choice for the built environment.

In January 2019, Accsys announced that Tricoya Technologies Limited entered into an agreement with PETRONAS Chemicals Group Berhad to evaluate the feasibility of jointly funding, designing, building and operating an integrated acetic anhydride and Tricoya® wood elements production plant in Malaysia and work on the same is progressing.

In tandem, and as referred to above, the Company has formed a joint venture company, Accoya USA LLC, with Eastman Chemical Company. The joint venture intends to construct and operate an Accoya® wood production plant to serve the North American market. The new company has been formed and a technology licence entered into so that front-end engineering and design for the proposed plant in the USA can be completed. A decision to proceed to the next stage with plant construction, and as to

funding, is expected to be made following the initial engineering and design work which is expected to be completed in the first quarter of the 2021 calendar year.

The Company's technologies and brands are internationally protected by patents and trademarks. They have been technically validated at full commercial production level, pilot-scale or have been validated by independent experts.

Our supply chains

Our supply chains include the following key elements:

- The purchase and sale of wood materials
- The purchase of acetic anhydride and sale or recycling/upcycling of by-product acetic acid
- The procurement of transport, logistics, and manufacturing support services
- The procurement of utilities required to operate our acetylation plant process
- The procurement of acetylation plant equipment, construction, engineering and maintenance services

In relation to the last of these points, and in respect of both the expansion of our Accoya® wood plant in Arnhem, the Netherlands, and the construction of the Tricoya® wood chip acetylation plant in Hull, UK, due diligence has been performed on key suppliers, covering amongst other things supplier ethics and conduct, in order to identify and mitigate areas of risk in the supply chain for these two important projects.