

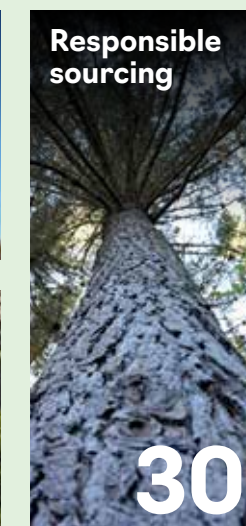
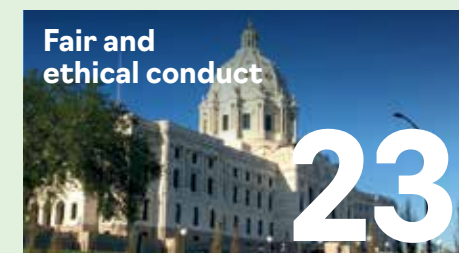
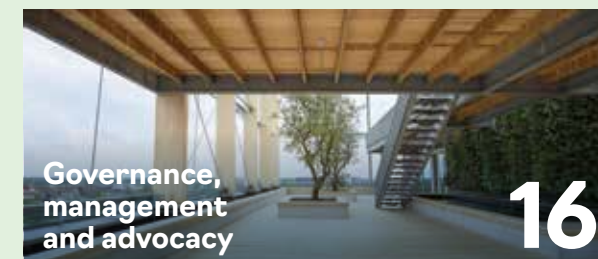
Sustainability Report 2020



**Changing wood
to change the world**

We are changing wood to change the world, enabling the choice to build more sustainably

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.



Chairman's introduction



CEO's welcome



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View the latest results online at:
www.accsysplc.com

Overview

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We use our unique patented processes and technology to create consistently high performing, sustainable wood products that enable new opportunities for the built environment.

In FY2020 use of our products locked
54,603 tonnes CO₂e
in a building material with a usable life of well over 50 years above ground
[see p26 and p40 for more information about our calculations](#)

Choosing to
build sustainably

Providing a choice to build sustainably

Accsys is a fast-growing business with a purpose: **Changing wood to change the world.**

Who we are

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 sustainably.

Accsys transforms fast-growing, certified sustainable wood into a building material with characteristics that match or better those of man-made, intensely resource-depleting and heavily carbon-polluting alternatives.

We are committed to a more sustainable world, and our products help make that a reality. As we achieve further growth, that impact will grow too: every time an Accsys product is used, every cubic metre, provides a benefit to the world compared to the less sustainable alternative materials available.

Accsys, and the people that make up our organisation, are proud to launch this sustainability report and framework: as a record of our work so far, and a statement of intent for the future.



Accoya® is our acetylated solid wood product. It is the world's leading high performance sustainable wood, sourced from fast-growing, certified sustainable forests. It is stable, durable and resists rot; its properties match or exceed those of the best tropical hardwoods, plastics and other non-renewable alternatives.

These competitive advantages make Accoya® the material of choice for a wide range of demanding applications: from windows and doors to decking and cladding, as well as many others that would otherwise require unsustainable or high carbon footprint materials.



Tricoya® wood chips are used by our licensees to create Tricoya® panel products (such as MDF) with enhanced properties: exceptional durability, stability, and suitable for use in wet environments. Currently produced from Accoya®, the world's first Tricoya® plant in Hull, UK, is under construction and will directly acetylate wood chips from sustainable sources.

This opens countless new opportunities for specifiers, architects, designers and joinery manufacturers. Tricoya® panels are used in a wide variety of applications such as window components and door skins, façades and cladding, wet interiors, kitchen carcasses, outdoor furniture, decorative construction, sculpture and more.

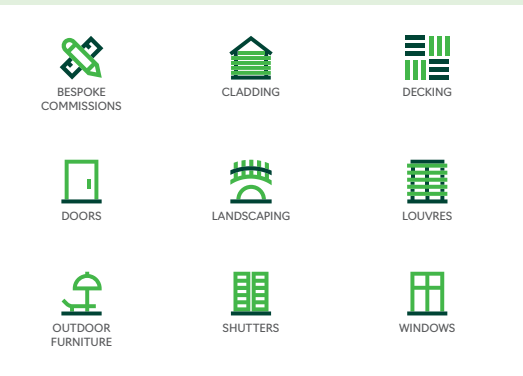
Our products and applications

Our products not only compete on performance, but also fit into the circular economy bio-cycle, lock away carbon for decades, and are made from wood sourced from certified sustainable forests.

They offer a sustainable choice to architects, specifiers, manufacturers, builders and building owners. Accoya® wood and Tricoya® panels are versatile, long-lasting, very dimensionally stable and offer substantial sustainability benefits over alternative materials such as plastics, metals, concrete and other types or species of wood.

Both products have a 50 year warranty for use above ground and 25 year warranty for use in ground or freshwater.

Accoya®, our flagship solid wood product, is Cradle to Cradle Certified™ at the Gold level with a Platinum rating for Material Health, affirming its status at the very forefront of sustainable building materials. By increasing durability and extending the usable lifespan of the wood, all our products keep carbon trapped for longer, providing crucial environmental benefits.



PURPOSE

Changing wood to change the world

'Changing wood' is what we do, and 'to change the world' is why we do it. Our employees and external stakeholders have embraced this purpose, and it gives us a common, aspirational goal to work towards: making the world a better, more sustainable place.

Business Model

Giving the world a choice to build sustainably and creating value for all our stakeholders.

Our activities include sourcing, manufacturing and sales and distribution. We continue to prove the value and quality of our products and processes, opening up growth opportunities for the business and our stable, durable, high-performance products.

We invest in our future through building and optimising plants, research and development, and working with our business partners. We identify and target growth opportunities to realise the substantial potential for expanding our operations, our business, and our impact on the world.



Investment Proposition



Substantial market opportunity

Potential sales for Accoya® and Tricoya® estimated to be in excess of 2.6 million cubic metres per annum.

Accoya® sales in FY2020

57,842m³



Sustainability

Our products meet the growing demand for environmentally-friendly alternatives, seen in everyday life and in every sector of manufacturing.



Scalable growth

Our manufacturing process and modular industrial design is based upon confidential know-how and protected IP which can be expanded and replicated world-wide. Growth ambition to reach annual production capacity of 200,000m³ in next five years.



Strong organisational capability

Talented people are at the core of Accsys, with skilled employees at all levels and committed and experienced leadership.



World leaders in wood technology

We have developed innovative, proprietary and protected technologies, and our products are first in class and leading the revolution of modified woods in a growing building industry.

We have a global opportunity to make an impact through our purpose



See the detailed strategy in our annual report at: www.accsysplc.com/investors

OUR VALUES

Giving the world a choice to build sustainably and creating value for all our stakeholders.

Earlier in 2020 we formalised and launched our company values. They are unique to us, they represent what we believe in, and we use them to guide our strategy and actions for the long term and on a daily basis. Our values are:

1 Be ambitious – the world depends on us

Our ambition is to change the world – it doesn’t get much bigger than that. We must be bold, agile and committed to our goals. We have to be ‘all in’, and move quickly and decisively.

To achieve our ambitions we may make mistakes, but we must not be afraid to try. We will always learn from the experience.

2 Respect and value all stakeholders

Everyone we work with and encounter is important – our colleagues, customers, partners, suppliers, investors and more.

We act with integrity and authenticity, encourage collaboration, and build trust through inclusion and mutual respect.

As a team, we will succeed.

3 Be committed to safety, quality and sustainability

No matter how ambitious we are, safety is of the utmost importance in everything we do. We all share responsibility for protecting people, property and the environment at all times.

We must strive to fulfil our brand promise and delight our customers. We will always deliver consistently high quality.

Sustainability and our impact on society are central to what we do – not just for our products, but also how we operate. They guide our decision-making throughout the business.

Along with our purpose, these values are core to our shared culture as overarching and underpinning tenets, informing the way we work, how we make decisions, and how interact with each other and the world around us. We will continue to embed and encourage engagement with our values over the coming years.

OUR STRATEGIC PRIORITIES

GROW PRODUCT DEMAND

Developing market opportunities to drive revenue growth, for example increasing awareness, consideration and conversion to sales for our products.

We do this primarily through developing our sales and marketing networks, strategy and capabilities to create, grow and realise demand in existing and new markets.

Material issues

- Sustainable & quality products
- Energy & climate change
- Governance, management and advocacy

- Responsible sourcing
- Society & Communities

See p12 for more about our material issues

PRACTISE MANUFACTURING EXCELLENCE

Always working safely, and growing our manufacturing position in Europe, USA and Malaysia; establishing new platforms in key markets to enable and support further growth.

We aim to doing things faster, more efficiently, better, more safely, and, ultimately, continue to increase our production capacity through plant expansion and construction.

Material issues

- Sustainable & quality products
- Energy & climate change
- Governance, management and advocacy

- Responsible sourcing
- Health and safety
- People and wellbeing
- Ecological footprint

DEVELOP OUR TECHNOLOGY

Developing technology and IP programmes based on evidence and commercial viability.

We have the opportunity and capability to maximise the potential of our unique knowledge and technology, and develop technical and IP programmes to maintain and protect our leading position in the modified wood market.

Material issues

- Sustainable & quality products
- Innovation and technology

BUILD ORGANISATIONAL CAPABILITY

Developing our people and organisational capabilities to enable us to meet our growth objectives.

Developing our resources, skills, capabilities and processes to help us meet our business objectives, and enable long-term growth. This includes training, talent management and development, organisational and structural improvements to our ways of working, developing new communication and collaboration mechanisms, and improving levels and accessibility of to expertise both inside the business and from third parties.

Material issues

- Governance, management and advocacy
- People and wellbeing

- Fair & ethical conduct

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Overview

Changing wood...

...to change the world

Summary and additional information

Changing wood to change the world

Introduction

Accsys is a business that I am proud to have joined. The purpose, the values, the strategy and the people in the organisation are all geared towards making a positive, lasting and sustainable impact in the world. As the business grows and prepares for further global expansion, it is always with the consideration that the impact we can have is growing too: we are changing wood to change the world, so we can change the world more – and more quickly – by growing our business.

Stephen Odell
Chairman



“As the business grows and prepares for further global expansion, it is always with the consideration that the impact we can have is growing too.”

The global importance of sustainability

Attention to and focus on sustainability and ESG issues have been increasing over the last decade especially, with particular acceleration this year as the world has had to face up to immediate and sometimes shocking changes and challenges. We have seen these changes reflected at all levels of society, sometimes subtly and incrementally and sometimes more visibly and suddenly.

Businesses have always aimed for efficiency, and this has become more and more closely integrated with social and environmental factors over the years – there is little argument now that holistic approaches are more effective than strictly financial ones, or that energy and material use, pollution and people are crucial to an enterprise's continued success.

At a consumer level, it is no coincidence that energy efficiency ratings and miles per gallon are now headlined product differentiators; it is an accumulation of changing perceptions and behaviours. Coupled with the pull from consumers and the drive of industry, regulatory changes and national policies across the world have pushed advances in minimum acceptable levels of environmental and social responsibility.



Leading from the front

It is a testament to Accsys' sustainability – both generally and commercially – that the company has for years already been heralding the shift in attitudes and behaviours thrown into stark relief by recent events. Whether it is bushfires and wildfires sweeping across tranches of Australia and the USA, or the global repercussions of the COVID-19 pandemic that are still evolving, there is a growing momentum that we – as a global community – can overcome the most severe challenges, and that now is the time to act, to change our behaviours, to build back better.

Accsys, with its products, customers, suppliers and partners, is positioned to help the world do exactly that.



Shifting consumer priorities

Even five years ago, it was the established norm to get free plastic bags with your shopping. In the past couple of years, paper straws have made a widespread comeback after around 70 years taking a back seat to plastic ones. The shift from plastic packaging destined only for landfill to at least partially recycled and recyclable plastics is now being supplanted by a growing preference for reusable or renewable and truly recyclable paper-based packaging. Personal transport has also seen huge changes, first with the focus on engine efficiency and emissions and subsequently the rise of hybrids and electric vehicles, supported by technological developments, consumer demand and regulatory pressures. In the built environment, we can see evidence all over the world of mass timber buildings and 'plyscrapers' – using renewable, carbon-storing wood instead of concrete and steel to construct even high-rise buildings.

One common theme here is that innovation and technological advancements have eroded the traditional choice of 'sustainability vs. performance'. When a more sustainable option is available without significant drawbacks in functionality, it becomes an easy and obvious decision. We should not expect consumers to compromise on quality in favour of sustainability though, and our products are frequently chosen for their exceptional performance and characteristics, which match or exceed those of less sustainable alternatives. The sustainability of Accsys' products is an both integral part of what we offer and a valued competitive advantage.



Climate action and the circular economy

The world – including governments, research organisations, enterprises and consumers – is coming to a consensus that action is needed in all areas of human activity, civilisation and industry to address climate change and the effects of society on the environment. In addition to the Paris Agreement, we have seen commitments by many businesses, nations and institutions to meet new and improved targets in the coming years and decades.

In addition to 'race to zero', there is also an increasing focus on the renewability of resources, embodied carbon in materials and buildings and shifting to the circular economy philosophy instead of the linear 'take-make-waste' model. In the EU and the Netherlands the concept of 'material passports' is gaining traction and popularity, and the draft London Plan includes requirements for Circular Economy Statements. The environmental, social and economic benefits possible through improved sustainability are being increasingly recognised at a global level.

Accsys has consciously made this a part of its purpose, business and products for much of its history. From sourcing renewable, sustainable wood through to over a decade of Cradle to Cradle Certified™ Gold status for Accoya®, sustainability in its broadest sense is part of Accsys' identity and proposition. Looking beyond just sourcing and production, our products are made to be sustainable for their full life cycle: durable enough to lock in carbon for decades while new trees grow, but also recyclable, biodegradable, and non-toxic at end of life. In the decking market, for example, wood-plastic composite is a key competitor material and often marketed as 'sustainable' through its use of recycled plastic – but it is destined for landfill at the end of its product life.



Creating a positive impact

CO₂ emissions and energy consumption are a component rather than the entirety of sustainability. Sustainability as a concept can, should, and for Accsys does include and touch on many more aspects: financial sustainability, corporate citizenship, social and ethical responsibility, organisational capability, employee wellbeing, purpose and values, and of course the overall environmental, societal and economic impact of a business's operations and products. It reaches into, is affected by and influences all parts of an organisation, its people and its partners up and down the value chain.

To maintain focus and accountability, there do of course need to be boundaries, parameters and a structure to how we approach and talk about sustainability. Our review of ESG issues, and our strategy to assess, monitor and address them therefore concentrates on those most important and relevant to our business and stakeholders: what we do, how we do it, and the impacts we, our activities, and our products have on the world around us.



Providing a choice to build sustainably

Welcome

Sustainability is not just a trend, it is a global imperative. Accsys – our people, our technology, and the products we create – has had this at heart for years. We know that what we offer is a more sustainable option for developing the built environment, that our products are grown from renewable sources, that they sequester carbon and lock it in to a useful, recyclable and non-toxic building material.

We know that our products not only offer competitive advantages compared with other materials, but also open new opportunities and enable creative, innovative design and construction – all while fitting into a sustainable circular economy bio-cycle, reducing embodied carbon costs, and without risking environmental contamination through the leaching of chemicals or microplastic pollution.

That is why we feel a responsibility – an obligation – to fulfil our purpose: “Changing wood to change the world.”

Rob Harris
Chief Executive Officer



“Sustainability is not just a trend, it is a global imperative. Accsys – our people, our technology, and the products we create – has had this at heart for years.”

Our approach to sustainability



This past year has seen many challenges on a global scale: to nations, to businesses, to societies, and to the people that comprise them, support them and depend on them. Because we know sustainability is not just a passing trend though, we have kept our focus on this important issue and conducted a thorough review of our overall sustainability and ESG issues, impacts and opportunities. Even as we work hard on growing our business in size, scale and profitability, we have developed our sustainability strategy and refined and reframed our commitment to improved monitoring, management and reporting of ESG issues.

We engaged a specialist sustainability consultancy to make sure we approached this in the right way, taking guidance and input from best practice methodologies and independent, respected reporting guidelines and frameworks.

We engaged in thorough initial research of our markets, our industry and the wider global sustainability landscape, and we refined our list of material issues through interviews, focus groups and surveys with our stakeholder groups.

It is reassuring that there is very strong overlap in our resulting materiality matrix with our previous existing priorities and successes, confirming where we can and should focus our efforts while also highlighting and expanding some new areas of opportunity.



10

material issues

5

main UN SDGs we contribute to

7

additional UN SDGs we have an impact towards

100%

committed to sustainability

Who we are and what we do

“Changing wood” is what we do, and “to change the world” is why we do it. There is and will continue to be a need and desire for developing the built environment around us: it is estimated by the World Economic Forum that 60% of the urban development required by 2030 is yet to be built, and there is regeneration and refurbishment as well.

Accsys creates long-lasting, high-performance and sustainable modified wood from fast-growing, renewable forests and our unique blend of chemistry, technology and ingenuity. We enhance the natural properties of the wood: we change the wood to make it more stable so it doesn’t shrink, swell or warp like other wood, to make it resistant to the detrimental effects of water so it can be used in a huge range of applications, and to make it more durable so it lasts for decades, storing carbon and maximising the positive environmental impact.

We are changing wood to change the world.

More information online at: www.accsysplc.com

Sustainability strategy roadmap

Stage 1:
Evaluation and strategy refinement

- Improve assessment, monitoring and data management
- Review and, where necessary, set up new formal policies, oversight and workflows
- Initial actions for improvement in each material issue
- Establish baseline statistics and metrics

Stage 2:
Impactful action and data-led direction

- Use improved data to refine action plans & set realistic, ambitious and attainable targets
- Implement and support new programmes and initiatives
- Manage and reassess material issues and stakeholder priorities to ensure continued relevance

5+ years

Looking ahead

Our goal is to maximise the positive impact of what we do and what we make, capitalise on opportunities for improvements, and minimise any negative impacts or risks from the way we create those products and operate as a business.

We aim to grow our business in a sustainable way: sustainable environmentally, and able to sustain long term success and growth. This report is an initial output from our ESG review and strategy development work this year, and marks the start of a new chapter in Accsys’ growth and evolution as a force for sustainable change in the world.



Integrating our purpose, commitment and impact

Our ESG framework

In 2020 we have renewed and refreshed our focus on the environmental, social and governance issues that affect our business, and that our business affects. We have worked with an expert outside consultancy to assess our material ESG issues and refine our strategy and reporting.

Through research of global and industry-focused trends, leading reporting frameworks and methodologies (e.g. GRI, SASB, CDP, DJSI, UN SDGs), and consultation and engagement with our various stakeholder groups, we have established the 10 issues most relevant and important to us as an organisation, and to those stakeholders.

To make sure these issues are core to our ongoing growth, success and overall strategic development, we have aligned the issues to our purpose:

“Changing wood” is what we do, and “to change the world” is why we do it: to have a positive impact on a global scale.

This lets us recognise, monitor and mitigate our business actions that might have a negative impact, and maximise the positive impacts of our products and activities as we grow. There is naturally some crossover between the two, and we will not ignore risks or opportunities that transcend categorisation – but we are proud to have this integral alignment to our core purpose and strategy as a business, as a community of co-workers, and as a force for good in the world.

Our contribution to the United Nations Sustainable Development Goals ('SDGs')

Our biggest contribution to the SDGs focuses on SDG 9, 11, 12, 13 and 15, as we understand that this is where our business can have the biggest impact:



Aside from our key focus areas, we are also focusing on the strong sustainability performance, and are aligning to a larger number of SDGs.



Our material issues

Changing wood...

Governance management and advocacy

We'll maintain first-class governance, management and stakeholder relationships to sustain our growing scale.

[Read more on page 16](#)

Health and safety

Our ambition is ultimately for zero harm, which we will achieve through practising continuing health and safety excellence, improved monitoring, raising awareness of our safety policies and strategy, and further work embedding the importance of health and safety in our company culture.

[Read more on page 18](#)

People and wellbeing

We'll ensure the wellbeing of our people through employee engagement, diversity and inclusion, development and talent management, and rewards and recognition.

[Read more on page 20](#)

Innovation and technology

We'll innovate and utilise technology with sustainability and quality as our goals, going above and beyond to make a positive impact on a global scale.

[Read more on page 22](#)

Fair and ethical conduct

We'll uphold our commitment to high ethical standards, ensuring our processes and procedures are strengthened as we continue to grow.

[Read more on page 23](#)

...to change the world

Sustainable and quality products

We'll ensure our products continue to meet high standards of quality and sustainability by achieving accreditations and certifications – while always meeting our customers' needs.

[Read more on page 26](#)

Responsible sourcing

We'll keep sourcing timber responsibly, working with our suppliers to ensure our needs are met and forging new partnerships to ensure the secure supply of sustainable materials.

[Read more on page 30](#)

Energy and climate change

We are committed to monitoring, managing and reducing the overall negative impacts of our operations, while maximising the beneficial impacts of our business and products on the world. Operationally, our key focus is on climate mitigation and adaptation so we are able to deliver on our purpose effectively.

[Read more on page 32](#)

Ecological footprint

We'll work to minimise the ecological impact from our operations, particularly focusing on reducing water and waste, and adopting a circular economy approach to materials use instead of 'take-make-waste'.

[Read more on page 34](#)

Society and communities

We'll create a positive environmental and social impact through a variety of activities aligned with our purpose of "Changing wood to change the world".

[Read more on page 36](#)

Changing wood...

What we do as a business

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We believe society needs to address energy use and carbon dioxide emissions in all areas, and building and construction is no exception. Accsys' products can help significantly lower the environmental costs of our buildings.

Global energy use
39%

is accounted for by building and construction, with 11% embodied in building materials (source: GABC).

see p26 for more information

Changing wood...



Growing quickly, and growing sustainably

Our policies

We have in place various measures and policies that are reviewed periodically to maintain and improve our processes, accountability and levels of performance against important criteria, including but not limited to our:

- Anti-Corruption, Bribery and Tax Evasion Policy and training
- Supplier Code of Conduct
- Employee Handbook (including Code of Conduct, Ethics and Discrimination)
- Health and Safety Policy
- Whistleblowing Policy
- Political and Charitable Donations and Sponsorship Policy
- General Data Protections and Regulations policies and training
- Share Dealing Policy and training
- Maternity and paternity Policy

Performance (FY2020)

0

No fines and non-monetary sanctions from non-compliance with environmental laws and/or regulations in FY2020

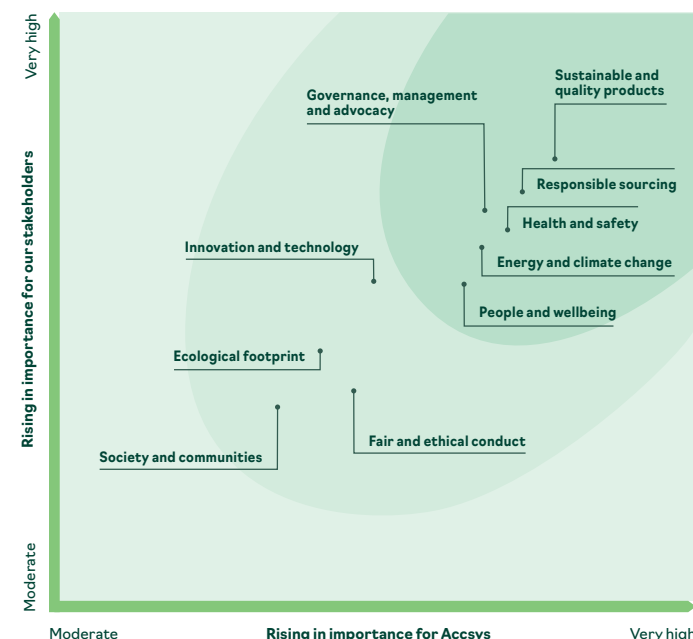


We strive for first-class governance, management and stakeholder relationships to sustain our growing scale.

Highlights from our assessment

This list of key issues is the result of the research and stakeholder engagement, and highlights the most relevant topics and their importance to Accsys and our stakeholders.

- Sustainable and quality products
- Responsible sourcing
- Governance, management and advocacy*
- Energy and climate change
- People and wellbeing*
- Health and safety*
- Innovation and technology*
- Ecological footprint
- Fair and ethical conduct
- Society and communities*



We will be continuing to advance our assessment of these issues as our project progresses.

* During the course of our materiality assessment which was conducted across April to June 2020, we recognise that the circumstances of COVID-19 has placed a greater emphasis on these specific material issues.

Accsys is a fast-growing company, and we know that good governance is essential to support this continued growth. In 2018 we conducted a corporate governance review, and subsequently adopted the QCA Corporate Governance Code ('QCA Code') as the standard for our activities and reporting.

Our Board of Directors and Executive Committee work closely together to develop and deliver our strategic priorities, monitor, manage and mitigate risks and identify and capitalise on opportunities. This enables effective oversight and direction as we grow the organisation as a business enterprise, as an investment for our shareholders, as a community of colleagues with shared purpose and value, and as a force for sustainable benefit to the world.

Oversight, responsibility and engagement

Accsys continues to comply with the QCA Code, and during the financial year ending 31 March 2020 ('FY2020') continued to refine and improve its systems of management, reporting, risk monitoring and stakeholder engagement. Further information and our statement of compliance are available on the Accsys website: <https://www.accsysplc.com/investors/corporate-governance/>

During FY2020, we have also reviewed and updated our Supplier Code of Conduct, our schedule of 'matters reserved' for the Board, and added new expertise to our Executive Committee. In September 2020, Patrick Shanley stepped down as Chairman after nearly 10 years' service to the Company, and Stephen Odell took up the role in his place. Alexander Wessels also joined Accsys as a Non-executive Director in September 2020, further expanding the Board's breadth of experience and knowledge.

Throughout the challenges posed by the COVID-19 pandemic, regular contact and reporting was maintained through appropriate and safe means, primarily video calls and telephone meetings. The embracing of video technology throughout the business has also enabled more beneficial and frequent 'all-hands' meetings, with senior leaders and various issue experts engaging with colleagues throughout the organisation on a twice-weekly basis. This has provided a new channel for feedback, cross-functional and hierarchy-spanning communications, and been welcomed and encouraged by employees from all areas of the business.

Effective sustainability strategy and action

The undertaking of our ESG review, and this report, is also a notable achievement for the Company. The decision was made to make this a priority even through the difficulties of the last six months, and included development of our ESG agenda as a performance target in the annual incentive plan for the Executive Committee for the coming year. It involved substantial desk-based research coupled with broad and deep stakeholder engagement: interviews with key internal and external figures, focus groups, and over 1800 employees, investors, suppliers, customers and other stakeholder groups were invited to complete our online survey, with over 200 fully completed responses.

Even though we are a growing business, there is a determination and commitment to grow in a sustainable way – both financially and in terms of broader societal and environmental impacts. This was confirmed and reflected by the results of the desk-based research and stakeholder engagement for the ESG review, resulting in the ESG materiality matrix, development of our sustainability framework and strategy, an internal roadmap and action plan for each material issue, and this report.

Evolving our ESG capabilities and integration

One initial activity identified across the spectrum of ESG issues is to improve our data capture, recording, management and reporting processes and resources. We are forming an Executive ESG Committee comprised of senior leaders in the business, subject matter experts and other relevant members of the Accsys team.

This committee will be responsible for driving the further progress of Accsys' ESG strategy, providing oversight and governance through its ongoing development and implementation. This includes monitoring progress of activities that further Accsys' ESG goals for its material issues, periodic reassessment of material issues, communication around achievement and progress, reporting of key metrics, and promotion of the sustainability agenda within the business. The committee will report to the Accsys Board on a regular basis, several times per year, and ensure that ESG issues are and remain core to our business, our growth, our culture and our success.

Looking ahead

- Assessing potential of pursuing ISO 9001, ISO 45001, ISO 50001, ISO 14001
- Assessing reporting to standards such as GRI or SASB
- Further developing ESG strategy

In the coming months and years ahead we will build on our current activities and plans, and improve our data monitoring and management throughout the business. This report marks a very positive step forwards, but is not the end goal – it is the beginning of a stage in our growth.

How we govern ESG





Targeting zero harm

Highlights (FY2020)

- Improvements to health and safety performance, monitoring, reporting and learning
- Relunched 'Commitment to safety' as a core value
- Took an employee safety and wellbeing first approach during the COVID-19 pandemic
- Continuous focus on embedding health and safety culture

Performance (FY2020)

1.18
Lost Time Incident Rate (LTIR)

3.92
Total Recordable Incident Rate (TRIR)

27
Near misses recorded and actioned

610
Safety inductions

21
Safety meetings

31
Risk assessments

Our ambition is ultimately for zero harm, which we will achieve through practising continuing health and safety excellence, improved monitoring, raising awareness of our safety policies and strategy, and further work embedding the importance of health and safety in our company culture.

Our policy is that we:

- Provide and maintain a workplace that is safe and without risk to the health and welfare of all its employees, independent contractors, members of associated companies and the general public, so far as is reasonably practicable to do so.
- Provide and maintain plant and systems of work that are safe and with minimum risk to health.
- Provide appropriate information, instruction, training and supervision to ensure the health and safety at work for all employees.
- Seek to continually improve health and safety performance.
- Review operational performance using appropriate measures. Review accident investigation reports and audit information, seeking to address root causes and share those learnings.
- Make the management of health and safety an integral part of the Company.
- Meet or exceed all statutory regulations, approved codes of practice and industry recognised guidelines.

Monitoring, reporting and learning

In preparation for the transition of the Tricoya® Hull plant work from construction to operation, and with further growth planned for the future, we are also in the process of improving our health and safety monitoring, reporting and learning programmes across the entire business. In November 2020 we created a new position for the business to help this process: Group Head of HSE, to add value through oversight, standardisation, strategic planning and implementation support across all of our sites.

We promote communication and participation of our employees at all levels throughout the organisation – and we encourage our employees to actively participate in fostering a safe work environment through safety improvement programmes, risk assessments, safety improvement recommendation programmes, and 'tool box talks', along with other forums.

Aiming for zero harm

As a commitment to safety is one of our core values, we are proud of the progress we achieved in improving our high levels of safety in FY2020. There were three lost time incidents, but the renewed emphasis began yielding benefits, as the business experienced zero lost time incidents in the final five months. The moving annual average lost time incident rate (LTIR) for Hull improved from 1.3 in H1 to 0.7 at the end of the year; at Arnhem, the rate improved from a peak of 2.8 to 1.9 at year's end, showing significant improvement as the year progressed.

While these figures are short of our ultimate goal of zero lost time incidents, they highlight the emphasis and strong effort by all colleagues to address safety concerns on a proactive basis by analysing data, evaluating risks and taking preventive measures. We have already implemented improvements to our performance measurement through better tracking of leading and lagging indicators, and a whole-company awareness and education campaign of why they are useful, valuable and important to understand.

Lost Time Incident Rate (LTIR) improved

50%

H2 vs H1 2020 across the organisation

LTIR for the year

1.18

The importance of continuous improvement

We embrace a philosophy of continuous improvement, constantly looking for ways to perform better and learn from the observations and experience of the entire organisation. By continuously engaging colleagues at all levels of the business in the development and improvement of our safety procedures and learning programmes, we expand our knowledge, increase visibility and build on our shared commitment to promoting, upholding and further improving a safe working environment for all.

Looking ahead

- Further improving HSE governance, leadership and standardisation across sites with recruitment of dedicated Group Head of HSE
- Increased metric tracking and focus on lead indicators and preventative actions with comparative benchmarking against global industry peers to determine potential areas for improvement
- Continue to embed health and safety culture of continuous improvement through values, training, awareness campaigns and issue-led activities for focus areas
- Continue to improve processes around monitoring, reporting and learning.

As Accsys continues to grow to more sites and geographies, the health and safety of our employees, partners, contractors and other associates and stakeholders remains the top priority.

Our Health and Safety policy is predicated on the idea that all incidents are preventable, and that every one of us is responsible for health and safety. Collective and individual responsibility and action are encouraged and reinforced through our policy, training and procedures.

CASE STUDY

Embedding our safety culture

In recent months we have launched a renewed programme of safety awareness and engagement. A recent incident involving chemical handling highlighted the need for each and every person to have safety prominent in their core mentality. In addition to operational responses and targeted additional measures and training, a series of all-company online meetings, briefings and insights has been established: hosted by senior management and HSE specialists, this reinforces the message and importance with which we value health and safety for the entire organisation.

In addition to our 'Golden Safety Behaviour Rules', our 'Safety starts with ME' programme, our 'Safety Moments' and our ongoing training programmes, this initiative is about the importance of safety at all times, in all places: from processing operations to office settings. There is always the opportunity – and obligation – to stop and think before acting, to challenge any situation with apparent risk, or to identify and act on opportunities for improvement. We have refreshed and reinvigorated our Safety Observation Card programme, giving any and all colleagues an open opportunity to identify and formally record their insights and ideas, allowing us to make continual improvements in conjunction with longer-term projects and strategies. In these ways we protect each other as well as ourselves, in these ways we can 'think safe, act safe, be safe'.

All employees were asked to sign a Personal Safety Commitment Postcard, and these are being displayed throughout our operations as reminders of our responsibilities and the ways in which we can work towards 'zero harm'.

Learning, evolving and improving together

Highlights (FY2020)

- Launched annual 'Accsys People Survey' on engagement and feedback
- Cross-functional projects initiated to review and address Organisational Effectiveness and Performance Management
- Objectives and Key Results ('OKR') system and online management platform launched, aligning personal responsibilities to company strategy and success
- Accsys Values refreshed and relaunched to put people and respect at the heart of our enterprise
- Reinitiation of Employee Share Plan

Performance (FY2020)

81%

employee engagement survey response rate

78%

agree or strongly agree that they feel proud to work at Accsys and are treated with respect

€862

spent on average per FTE on training and development

0

incidents of discrimination

28%

of eligible employees personally invested in Accsys through Employee Share Plan in FY2020

Employee gender by level:

- Overall: 86% male, 14% female
- Managers: 82% male, 18% female
- Non-executive Board members: 66% male, 33% female

We'll ensure the wellbeing of our people through employee engagement, diversity and inclusion, development and talent management, and rewards and recognition.

One of our core values is a commitment to "respect and value all stakeholders, all the time" – and that starts within the organisation, with the people that work for and make up Accsys.

Our growing organisation

We have a geographically and demographically diverse workforce for a growing business, with major operations across three sites in the UK and Netherlands, and an office in the USA. From mechanical operation to sales and marketing, and plant construction to wood supply sourcing, our activities and roles encompass a wide range of skills and personalities.

We continue to operate an equal opportunities and anti-discrimination policy for recruitment, training, appraisal and career development. While we acknowledge that there are broader sociological factors affecting the demographic mix for some of our operational roles, further developing our efforts towards diversity and inclusion is an area in which we see an opportunity to make progress in future.

Our culture

One of our challenges is to develop our shared culture, strategy and values across all of these operations and locations, and the introduction of our new corporate brand, identity and purpose in 2019 was a substantial step forward in harmonising that collective frame of reference.

In the last few months we have also refined and relaunched our values across the business, which aligns with our purpose and strategy and puts people, and the way we treat ourselves and each other, at the very core of our corporate community. We are also looking at more active ways to engage with and support mental

health and employee wellbeing throughout the organisation, especially in the context of the various challenges and changes resulting from the COVID-19 pandemic.

Employee engagement and feedback

We planned and executed our inaugural 'Accsys People Survey' in February 2020, asking for and receiving detailed feedback, opinions, ideas and input on a wide range of subjects affecting each person, their teams, and the wider business.

An 81% response rate indicated the widespread enthusiasm for this, and there were several very encouraging results: customer focus, job fit and clarity, and respect and fairness all received very positive responses, showing strong alignment with our values. Nearly 80% of respondents agreed or strongly agreed that they "feel proud to work at Accsys and are treated with respect", which we believe to be a strong positive indicator – and we will aim to improve on this further.



81%

engagement rate with inaugural Accsys People Survey

90%

believe that Accsys provides high quality products and services

Enabling growth and improving organisational capabilities

Several areas were identified to target efforts for improvement, including performance management, organisational effectiveness, and better collaboration across functions and sites. A set of project teams and workstreams incorporating employees from across the organisation are now engaged with these topics and are looking at both company-wide and more specific opportunities for actions, initiatives and improving our supporting infrastructure and policies in these areas.

We are encouraging a 'think globally, act locally' approach to combine the most effective targeted changes with shared overall development for Accsys. We are planning for a second Accsys People Survey in early 2021 to build further insights on our baseline data, monitor the effectiveness of our actions so far and effectively refine and target future efforts.

Looking ahead

- A regionally tailored approach to targeted organisational developments and improvements
- Refinement of performance and incentive strategy
- Training and development requirements and opportunities review and improvements
- Increased focus on diversity, inclusion and community engagement

The importance of caring for and nurturing our people has never been more apparent than in the last six months. We have increased our total headcount by 45% over the last three years, but we are not just increasing in terms of numbers – we are constantly learning, evolving and improving together too.

Our strategy is to further formalise and develop our focus on and programmes around employee engagement, talent management, reward and recognition and inclusivity. Some of these aspects are rising in prominence and prioritisation as we establish new operations and others mature, but we have made great progress over the last year in many key areas.

CASE STUDY

Linking personal success with collective strategy and value

One way in which we're already bringing our purpose and strategy into everyone's daily work is the introduction of a new performance management system. Based on objectives and key results ('OKRs'), this illustrates the clear lines and links between each person's role and goals with the business's strategic priorities and purpose.

Frequent feedback opportunities, check-ins and constructive discussions between managers and team members are scheduled and results recorded. This encourages flexible ongoing management of personal goals, cascading from the strategic objectives, while also surfacing potential 'pain points' and 'blockers' to progress in a timely manner.

Our objective is to improve dialogue and communications throughout all levels of the organisation, allowing for the rapid identification of issues, opportunities and solutions that can then be implemented or resolved quickly. We are also reviewing our training, support and development practices and policies, which will also be aided by this new system. Work continues on refreshing our compensation strategy as we seek to further link performance with incentive, and we will continue with our successful Employee Share Plan programme to further link overall company success with personal reward.



Adding value and leading the way

Highlights (FY2020)

- ‘Accoya® Color’ developed for launch, meeting customer desires and market trends with a unique and innovative new decking product
- Rigorous testing and quality control developments

Performance (FY2020)

Continued and growing focus

on market research and future application research

€1.2m

dedicated investment in research and development

Leading the way to build back better

Accsys’ products are at the forefront of the sustainable building materials market, unique in their proposition amongst other types of modified or natural wood, and offering substantial advantages (particularly in sustainability) over plastics, metals and other synthetic alternatives.

Developing our technology is one of our four overall strategic priorities, and vital to our ongoing success. Our proprietary acetylation technology and processes are at the heart of our products’ remarkable qualities, and continued development, refinement, expansion and protection of that is core to the business. Improving product quality, advancing our technology and processes, and maximising the sustainability of our products are all key enablers of further business success and greater positive impacts in the wider world.

Our efforts in innovation go beyond the purely technical however, with two major additional themes: the identification and exploration of new uses and applications for our products, and innovations in our operational methods to improve our levels of business capability and agility.

We’ll innovate and utilise technology with sustainability and quality as our goals, going above and beyond to make a positive impact on a global scale.

Developing an innovation ecosystem

Our focus on optimising our existing product offering and technologies and investing in specific technology solutions has materially enhanced our productivity, quality and operational efficiency.

Working with partners and other organisations is also an important part of our innovation strategy, and we continue to monitor and assess opportunities across a wide range of topics. In engineering, looking at our equipment and technology for example, we are working on a new wood stacker alongside our fourth reactor project, which in itself will offer safety, productivity and efficiency improvements to our operations.

At the other end of the value chain, we frequently work with our direct and indirect customers as well as other organisations in related markets. A recent example is current work with a manufacturer of Cradle to Cradle Certified™ Gold paints and coatings, so that customers will be able to choose and specify a complete, finished product with that level of sustainable accreditation.

Looking ahead several years we have plans to assess, and if appropriate implement, further strategic partnerships and initiatives with a broader range of entities and non-commercial organisations.

Focus on quality, sustainability and meeting or pre-empting customer needs

Developing not just our products but also our processes and technology

CASE STUDY

Colour without compromise

We have also developed a major new product offering that targets an identified high-value and growing market opportunity. ‘Accoya® Color’ offers customers in our targeted launch regions our durable, stable, sustainable real wood decking product with a new look that penetrates throughout the timber from surface to core.

This allows for further cutting, shaping and finishing as desired, enabling greater flexibility and creativity from designers, specifiers and manufacturers. It also makes ownership, maintenance and repairs far easier: scuffs and scratches don’t scar the surface appearance by revealing a contrasting colour from the original material underneath, and the Accoya® wood durability and stability are undiminished.

Accoya® Color is a truly original, value-adding and highly desirable innovation in our markets, and customer response and demand so far has been very positive.

Looking ahead

- Start-up of dedicated Tricoya® Hull plant
- Collaboration with partners to expand the reach and scope of our innovations
- New product, variation, and use case development
- Process and technology improvements



Ethically, environmentally and socially responsible

Highlights (FY2020)

- Values relaunch highlighting respect for all, commitments to safety, sustainability and quality
- All relevant employees provided with education and training on:
 - Bribery Prevention
 - Data Protection
 - Modern Slavery
 - Share Dealing and Market Abuse

Performance (FY2020)

100%

of relevant employees (including Board) communicated on anti-corruption policies

93%

completed training on time

100%

of operations assessed for corruption risks (see more information in Annual Report and Accounts Risk Management section)

€0

spend on political campaigns, lobbying or think tanks

100%

of key materials suppliers (see note on p30) compliant with our Conduct, Anti-Slavery and Anti-Bribery and Corruption policies

0

cases or incidents of corruption and bribery

0

regulatory fines, sanctions or settlements

We’ll uphold our commitment to high ethical standards, ensuring our processes and procedures are strengthened as we continue to grow.

Commitment to the highest standards

Accsys is committed to conducting business sustainably, with integrity and openness, and to being ethically, environmentally and socially responsible. In addition to producing sustainable products, we aim to conduct our business in a way that is fair, ethical, and supports environmental, social and corporate responsibility.

We will continue to uphold our commitment to high standards of ethical conduct, and bolster our processes and procedures as we continue to grow. Along with our established policies and codes referenced on page 16 (Governance, management and advocacy), we also have a continuous programme of mandatory training on key legal and ethical topics.

Beyond minimising any negative social and environmental impact that may flow from our activities, we also expect the same high standards from our business partners. Our key raw materials suppliers must either comply with our Supplier Code of Conduct, demonstrate similar levels of standards (for example through FSC® certification), or to have confirmed their support for the principles of the UN Global Compact, which is committed to 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. We also check with suppliers for compliance with the Accsys Modern Slavery and Human Rights Statement.

The recent relaunch of our values specifically addresses the way we act as a business, and on behalf of the business.

‘Respect and value all stakeholders, all the time’ is a condensation of our social and ethical position: by treating people with respect, by valuing their time, perspectives and contributions, we reinforce our commitment to acting fairly, ethically and with integrity. ‘Be committed to safety, quality and sustainability’ further builds on this, marking the underlying priorities of our actions, outputs and impacts.

Ensuring policies are up to date

Each year we review and update, if appropriate, our policies and codes. While regulatory and legal compliance is regarded as the absolute minimum baseline level for these documents, in many cases we aim for and implement higher standards than required. This reflects our purpose and values, our position as a sustainable and responsible business, and our corporate identity overall.

Looking ahead

- Reviews and refreshes of Whistleblowing and Anti-Bribery, Corruption and Tax Evasion policies, Charitable Donations Policy
- Expanded range of training courses, including multi-language support
- Continued focus on corporate sustainability and ethical responsibility
- Increased formalisation, standardisation and visibility of our policies, initiatives and learning support activities

...to change the world

How we make an impact

- 26 Sustainable and quality products
- 30 Responsible sourcing
- 32 Energy and climate change
- 34 Ecological footprint
- 36 Society and communities

By choosing our products instead of man-made alternatives, we and our customers saved:

70,000 tonnes of CO₂e

This is equivalent to approximately **170 million miles** of car driving, **160,000 barrels** of oil consumed, or nearly **9 billion smartphones** charged to full.

📄 see p26 for more information

...to change the world

*Note: equivalencies via www.epa.gov

Photo: Venlo city hall in the Netherlands was designed as a beacon of Cradle to Cradle Certified™ design, incorporating Accoya® wood for the interior and exterior.



What our customers want and the world needs

Highlights (FY2020)

- Used instead of man-made alternatives, our products saved nearly 70,000 tonnes* of CO₂e, equivalent to 171 million miles of car journeys or 160,000 barrels of oil consumed
- Volume sold and sustainable impact increased by 16% year on year to 57,842m³
 - Resulting in 54,603 tonnes CO₂e locked in to our products for decades
- Accoya® wood awarded Cradle to Cradle Certified™ Gold again, with Platinum rating for Material Health

Calculations of CO₂e saved are based on Accoya® wood carbon content and Environmental Product Declaration data; equivalencies via the US EPA calculator at www.epa.gov

Performance (FY2020)

Volume of sales in FY2020:

57,842m³

2025 production capacity target:

200,000m³

CO₂e locked in from products sold in FY2020:

54,602.85 tonnes gross

CO₂e displaced / saved (customer sustainability) vs averaged PVC and Aluminium from sales in FY2020:

69,294.72 tonnes net

of our CO₂e cost of production

* We are currently updating our Life-Cycle Analysis and the data these calculations is based will be updated to reflect the latest standards and methodologies.

We'll ensure our products continue to meet high standards of quality and sustainability by achieving accreditations and certifications – while always meeting our customers' needs.

Our products sequester nearly one tonne of CO₂e per cubic metre of Accoya®. In FY2020 that means we stored nearly 55 million kilograms of CO₂e in useful, high performance building products with decades-long warranties and potential service lives of 70+ years.

If we factor in the energy cost of production and the savings made when Accoya® is substituted for man-made materials, that figure rises to over 69 million kilograms of CO₂e 'saved' through the use of our products last financial year. As we grow, scaling up our production capacity, that impact will similarly increase, and this is at the core of our purpose: changing wood to change the world.

Sustainability is a driving force in our markets, increasing in importance, prominence and influence through organic growth, broader macro-societal pressures and new or updated regulatory requirements. It is one of the major competitive advantages of our products, along with quality and durability, and our strategy has kept us at the forefront of the movement towards more environmentally responsible materials fit for a circular economy.

39% of global energy use is accounted for by building & construction; 11% is embodied in building materials from their processing and production. Research from the Intergovernmental Panel on Climate Change (IPCC) shows that substantial reductions in carbon emissions are required across all areas and sectors to limit global warming. The World Green Building Council believes the world can reach 40% less embodied carbon emissions by 2030, and our products can be a key part of that: every time someone chooses our products instead of plastics, metals, concrete or unsustainably harvested woods it has a beneficial impact.

The sustainability and quality of our products encourages this decision to switch to Accoya® and Tricoya® in the massive markets that already exist for our primary product application categories (e.g. doors, windows, cladding, decking), and there is great potential for further applications and product types and variations in future (see p22 – Innovation). By continuing to grow our production capacity and sales volumes we directly contribute more and more to a sustainable future for the world.



1m³ of Accoya®

- **is grown every 2.3 seconds in New Zealand forests**
- **locks in 944kg CO₂e for at least 50 years**
- **avoids 765kg of CO₂e emissions on average when used in place of man-made materials**
- **resulting in an environmental benefit of -1198kg of CO₂e per cubic metre of Accoya® used, even after accounting for energy used in production**

2.6+ million cubic metres

Estimated annual market potential for Accoya® and Tricoya® products

Increasing our impact

In FY2020 we increased the impact of our products on the wider world again, with a 16% increase in volume supplied to the market. The carbon sequestration of our fast-growing source wood, coupled with the long service life of our acetylated products, means each cubic metre of product represents a direct and real sustainability benefit to the world. This means there is a direct correlation between the volume of material we provide to the market and the total beneficial CO₂e impact.

Production capacity for our products has been a limiting factor on sales over the past few years, and is a primary focus for us: in order to provide more sustainable product to the world, we must be able to make it. We have set a goal of 200,000m³ total annual production capacity within five years, a 233% increase on our current capacity and a 400% increase since FY2017.

CASE STUDY

Restoring beauty and quality to Minnesota State Capitol Building

The majestic State Capitol building in St. Paul, Minnesota, built at the turn of the 20th century, was in a state of deterioration: on the outside, the regal marble exterior design was crumbling, and the 30-year old aluminium windows were broken or failing. As part of the \$272 million refurbishment and improvement project, Accoya® wood was used to restore these windows to their original wooden glory.

Since some of the individual double-hung windows are about 2m wide by 4m tall, the sashes weigh in excess of 115 kilograms (250 pounds). This resulted in the window replacement manufacturer Re-View engineering a system of weights and pulleys to make the massive windows easy to open. Quality, stability and performance of the material was paramount, and many of the installed Accoya® windows were also tested for air and water infiltration by an independent testing agency. It was determined that they were twice as tight as the published ratings for modern replacement windows, and the building has never looked better.





CASE STUDY

Sustainability for Thames Estuary ecosystems

Project partners: TEAM2100 and 540 WORLD

Fenders in the Thames Estuary provide a unique micro-environment in the tidal waters, promoting healthy and diverse ecological development. Accoya® wood provided by Accsys is being used by the Environment Agency's TEAM2100 to replace one of the deteriorating hardwood fenders, as proof of concept that these important ecological support structures can be more sustainable.

The lack of toxic or plastic-based additives to Accoya® is vital to its use in these environments, eliminating the risk of potential leaching into the water and environmental or ecological harm.



Growth and expansion

Our strategic plans and operational execution to enable this scale of growth progressed well on several fronts in the year. Construction work on the first-of-its-kind Tricoya® wood chip acetylation plant in Hull, UK continued despite some challenges from COVID-19 impacts, and we look forward to moving into commissioning in early 2021; this facility will increase our total annual manufacturing capacity from c. 60,000m³ to the equivalent of approximately 100,000m³. The completion of the Hull plant will also enable further progress to be made in our work on a proposed Tricoya® plant in Malaysia. The project is supported by the LIFE programme of the European Union (more information at life.tricoya.com).



Work with Eastman Chemical Company to explore and plan an Accoya® plant in the USA continued, with the notable milestone in August 2020 of the establishment of the Accoya USA LLC joint venture company. This marked the start of more detailed engineering and design work for an initial 40,000m³ annual capacity plant, with next steps planned for Q4 FY2021.

We also initiated a further expansion for our Accoya® plant in Arnhem: the addition of a fourth reactor to bring capacity there up by another

20,000m³ to 80,000m³ p.a. total, and a significant upgrade to our wood handling equipment that will offer further efficiency and quality improvements to our processes.

Meeting and growing market demand

Our production growth is being supported by increasing demand generation through sales and marketing activities. This included reinforcing and expanding our global sales presence and 'Approved Manufacturer' training and marketing partnership programme, and strengthening relationships with our distributors and their customers.

We have also made great progress in developing our activities aimed at end-consumers. According to a 2019 Nielsen study, 73% of consumers said they would "definitely or probably change their consumption habits to reduce their impact on the environment". Our recent focus has been on building awareness and improving the accessibility of information, and making it far easier to find and connect with local product suppliers. Our new Accoya® website includes a customer-first 'Where to Buy' section, connecting potential purchasers with the Accsys-trained local businesses that can provide them with finished products made from our wood.

There is room for massive growth of our market share in our primary product applications: ones in which our products have distinct and established competitive advantages, such as windows, doors, cladding and decking. We are well-positioned to match our production volume growth goals with demand for the sustainability, quality, durability and freedom of creativity that our products offer; at the most basic level it is a simple substitution in place of lower quality or less sustainable other materials, and the advantages build from there. Beyond our current main target markets, our research and product development activities have identified further areas where growth is possible as we increase our manufacturing capacity.

60%

An opportunity to change: 60% of the urban development required by 2030 is yet to be built (source: World Economic Forum). Often the choice is between high performance or highly sustainable. Our products are both.

Certified quality and sustainability

Confirming the quality and sustainability of our products is and will continue to be a priority for Accsys, visibly demonstrated through testing, certifications and accreditations across the world. Our achievement of 10 years of Cradle to Cradle Certified™ Gold status for Accoya® is a particular point of pride, as this measures and records sustainability beyond simple greenhouse gas or CO₂e emissions, factoring in material health and reutilisation potential, renewable energy and carbon management, water stewardship, and social fairness.

We continue to target and secure many additional respected accreditations, including KOMO, BREEAM, Declare, Dubokeur, Green Label and more, and we conduct life cycle analyses for our products for a true understanding of their sustainability.



See more at www.accoya.com/sustainability/ecolabels-acquired/

Looking ahead

- Growth target of 200,000m³ production capacity in five years
 - Equating to 240 million kilograms CO₂e saved compared to man-made materials
- Production facility expansion, improvement and construction in Netherlands, UK, USA and Malaysia
- Continued renewal, identification and confirmation of suite of technically valid quality and sustainability accreditations

CASE STUDY

Carbon-neutral house

Architect: Matthew Barnett Howland

An innovative home in Berkshire, United Kingdom, was built completely carbon-neutral, of materials that can all be completely reused or recycled. Constructed with a material made from cork processing by-products and with Accoya® window and door frames, cladding, ground floor beams, eaves roof beams and lintels. Winner of several RIBA awards and the 2019 Stephen Lawrence Prize, which recognises experimental architecture, the house features not only innovative architecture, engineering and use of materials, but is also both a beautiful home and proof of concept for sustainable building and living.

Stephen Lawrence Prize founder Marco Goldschmied said:

"Cork House is a unique fusion of ancient construction methods and cutting-edge technical research to produce a highly innovative, low carbon solution with a wide variety of applications from mass housing to emergency shelters. We are delighted to present Matthew Barnett Howland, Dido Milne and Oliver Wilton with the Stephen Lawrence Prize 2019."

Certified sustainable materials

Highlights (FY2020)

- Successful supply chain management and contingency planning throughout coronavirus pandemic
- Maintained our strict standards of sustainable sourcing
- Worked with forestry partners to promote sustainable, profitable forest management in New Zealand and other countries
- Progressing sourcing of local UK supply of FSC® certified wood chips for Tricoya® production in Hull
- FSC® Recycled certification for our offcut reclamation and recycling/upcycling programme

Performance (FY2020)

100%

of Accoya® and Tricoya® made from certified sustainable (FSC® or PEFC®) wood sources

70%

of all wood supply mills visited within three years

100%

of operations subject to human rights reviews or impact assessments

0

incidents of human rights violations in our supply chain

100%

of key materials suppliers* screened using environmental criteria

100%

of new supplier wood mills visited in advance of commercial supply

* "Key materials suppliers" refers to wood and acetyls suppliers who provide ≥1% of that material. The sum of any others comprises less than 2% of our total supply; typically in the case of testing and analysis prior to a commercial relationship.

We'll keep sourcing timber responsibly, working with our suppliers to ensure our needs are met and forging new partnerships to ensure the secure supply of sustainable materials.

Ensuring responsible sourcing

We are committed to the sustainability and responsibility of our raw material supply: this is most evident in our wood sourcing. We retain FSC® and PEFC® chain of custody certification for our products, only making them with wood from certified sustainable forests and forestry operations.

We expect and require our suppliers to demonstrate high standards in their operations with regards to safety, health and environment. Key suppliers are required to demonstrate their ethical and legal behaviour, sustainability, robust health and safety procedures and business continuity planning through their own operations and supply chains (read more on p23 – Fair and ethical conduct). Accsys works with its key suppliers to drive continuous improvement, with regular communication, reviews and feedback to enhance stability and value generation from the relationship.

Valuable and value-generating relationships

Developing long-term relationships is key to Accsys: together with our employees, customers and other stakeholders, suppliers are a vital component of our business and we strive to work together and collaborate for mutual benefit.

We expect and require our suppliers to demonstrate high standards in their operations with regards to safety, health and environment. Key suppliers are required to demonstrate their ethical and legal behaviour, sustainability, robust health and safety procedures and business continuity planning through their own operations and supply chains. Accsys works with its key

suppliers to drive continuous improvement, with regular communication, reviews and feedback to enhance stability and value generation from the relationship.

Sustainable supply of key materials

When considering our purchasing strategy, decisions are taken based on overall best value (including consideration of total lifetime cost of ownership), and environmental and social costs, risks, opportunities and benefits.

Our main material for Accoya® (and currently Tricoya®) production is very fast-growing Radiata Pine from New Zealand: the climate there is conducive to very rapid growth rates, meaning a higher rate of carbon sequestration from the atmosphere, and makes the wood particularly well-suited to the acetylation process. The progressive state of the forestry industry in the country also offers good supply of the pruned 'clear wood' our customers particularly value, and minimises risks of environmental harm, non-compliance with responsible forest management principles or corruption.

Although sourcing from New Zealand does mean a long total distance travelled for our timber, the efficiency offered by bulk sea IMO 2000 compliant freight is substantial: other options produce between 500% and 9800% as much CO₂e per tonne per km transported. The extended service life of our products further reduces the overall impact of transport on lifetime costs. For a quite extreme example, Accoya® wood made from New Zealand Radiata Pine shipped to our plant in the Netherlands, then being shipped back again for use in Brisbane,

- Accoya® wood and Tricoya® wood chips are both FSC® certified products
- Our timber is sourced from certified sustainable, fast-growing forests in low risk regions
- Full compliance with EU Timber Regulation

Australia actually has a lower CO₂e cost per volume per year of product life than Blackbutt or Spotted Gum sourced 'locally' in Canberra and driven to Brisbane by truck.

The combination of this with the high quality, low risk and well-managed forestry in New Zealand, and the accelerated growth rate and carbon sequestration of Radiata Pine grown there, continue to make this our main and preferred source – but we continue to monitor, assess, and on occasion use other sustainable wood sources in order to achieve and provide the best possible balance of quality, sustainability and customer satisfaction as we plan for further global growth.

Ensuring sustainable growth for the future

As we advance our strategic growth plans with the addition of new plants, the potential for and benefits of expanding our wood supply sources grow too. With production at the Tricoya® wood chip acetylation plant in Hull on the horizon, we performed a full review of supply options for the feedstock wood chips. We are in the process of securing and signing a supply agreement for UK-sourced, FSC® certified raw feedstock. Testing and evaluation are ongoing for potential local sources of raw timber materials for the planned Accoya® plant in the USA and Tricoya® plant in Malaysia, as well as the exploration of other wood species and timber variations for existing and new products. As the business, our resources and influence grow, we see the potential for developing opportunities and more involved engagement with sustainable forestry organisations, advocacy groups and industry associations.

The other main raw material component for our products is acetic anhydride. Our Tricoya® plant location in Hull, UK and the proposed Accoya® plant in the USA are both co-located with our partners' acetic anhydride production operations to minimise transportation and maximise efficiencies.

The majority of our acetic anhydride supply is refined at these locations, with acetic acid reprocessing contributing the rest. This method is quite energy-intensive by comparison, but does allow for a 'closed-loop' system: our acetylation process produces acetic acid as a valuable by-product with multiple uses, including being converted back into acetic anhydride with very little waste – but requiring significantly higher energy input than refining. We continue to assess the relative merits of different acetic anhydride sourcing and production methods to achieve the appropriate balance both now and for future operations.

Looking ahead

- Continued focus on responsible and sustainable sourcing of raw materials
- Exploration of other wood species, source locations and supply options
- Further work on acetic anhydride supply's production methodology, sourcing, and closed-loop reuse and recycling of our acetic acid by-product

Mitigation, adaptation and life-cycle impact

Highlights (FY2020)

- Reduced CO₂e intensity by 6% year on year (net emissions from all operations* per cubic metre of Accoya® produced)
- Process and equipment efficiency improvements
- Initiated new Life Cycle Analysis ('LCA') for Tricoya® and Accoya® products for updated cradle-to-grave impact assessment

Performance (FY2020)

Total energy intensity (Scope 1 and Scope 2*):

88kg CO₂e

per cubic metre of Accoya® produced (including Renewable Energy Credits ('RECs')/ carbon offsetting)

55kg CO₂e

per €1000 revenue (including RECs/carbon offsetting)

54,602,848 kg CO₂e

sequestered in our products

- 944kg CO₂e stored per cubic metre of Accoya®
- 600kg CO₂e trapped per €1000 revenue

Total gross emissions for Arnhem production facility and London office:

- 8,385.75 tCO₂e

Emissions offset or retired:

- 3,373.04 tCO₂e
 - 1,844.52 tCO₂e through voluntary offsetting
 - 1,528.52 tCO₂e saved through RECs

* More data and full notes on GHG emissions in our Annual Report and Financial Statements 2020 (<https://www.accsysplc.com/investors/reports-results/>)

We are committed to monitoring, managing and reducing the overall negative impacts of our operations, while maximising the beneficial impacts of our business and products on the world. Operationally, our key focus is on climate mitigation and adaptation so we are able to deliver on our purpose effectively.

Net zero and beyond

The positive CO₂e sequestration and trapping impact of our products continues to massively outweigh our operational energy costs and emissions, and that will continue to be our overall goal. Our Cradle to Cradle Certified™ Gold level includes a Gold rating for Renewable Energy and Carbon Management, and we have aligned our energy use and carbon strategy to meet the requirements for that level.

The use of our products helps mitigate climate change through carbon sequestration and substitution in place of shorter-lived, more resource-depleting or carbon-intensive alternative materials. In anticipation of future climate change, we do not foresee issues with material sourcing or product viability – in fact the demand for more sustainable, resilient and versatile building materials, like our products, is likely to grow.

Mitigation and positive contribution

We have made improvements to the efficiency of our processes through the year, allowing for higher volumes of wood to be acetylated in each batch: reducing the energy and acetic anhydride used per cubic metre of Accoya® produced. We have further efficiency improvements and initiatives under assessment and as we work on our fourth reactor and new wood stacker at our Arnhem plant.

There will always be energy costs associated with our process, and for the materials required for our products (through production and/ or transport), however we do use renewable energy sources, on-site energy generation, carbon offsetting and other initiatives to limit the negative impacts. Coupled with the environmental benefits of our products, we are pleased to be able to contribute a significant net benefit from our business operations and outputs. Worth noting is that acetic acid, the major by-product of our acetylation process, is of such quality that we either resupply it into the market (displacing energy and emissions costs of dedicated acetic acid production) or have it reprocessed into acetic anhydride for further acetylation.

Developing focused resources and strategy

As part of the ESG review and strategy development preceding this report, we did identify a considerable opportunity to improve our data monitoring, management and reporting methods. We are improving our global operational oversight and capabilities with new resources and roles, and the formation of an ESG Committee (see p16 – Governance).

While we have made efforts to limit and reduce our energy demands and emissions impacts as we grow, we know that in order to make more targeted improvements we need more detailed, standardised and accurate data. That is our main focus for the year ahead, and with that information we can make more specific plans for impactful improvements.

- Total climate impact: -49,000tonnes CO₂e in FY2020:**
 - Total sequestered CO₂e in our products: 54,602.85 tonnes
 - Total net GHG emissions (including Renewable Energy Credits and carbon offsets): 5,002.46 tonnes
 - TRADA (Timber Research and Development Association) lifespan assessment for Accoya® window frames: 70 years
- At least 50% of electricity for production is renewably source or offset**



Looking ahead

- Improvements to data capture and monitoring to identify and act on opportunities, and more informed mid- and long-term strategic planning
- Establishment of ESG oversight committee and addition of dedicated resource
- Careful management of operational climate impacts during business growth and expansion
- Economies of scale and process efficiency improvements planned for production facilities
- Continued accreditation with the Cradle to Cradle Certified™ Products Program



Circular economy mindset

Highlights (FY2020)

- Accoya® offcut programme developed and attained FSC® Recycled status
- All solid material waste at our manufacturing operation is used in recycling, upcycling or on-site energy generation

Performance (FY2020)

65,672 m ³
Waste water discharged for treatment
0
Zero waste to landfill
1,364 tonnes
Total waste for recycling
28 tonnes
Total hazardous waste for specialist treatment

Growth, productivity and sustainability

One of our four strategic priorities is Practising Manufacturing Excellence; this includes improved efficiency, circularity and the optimisation of our consumption and management of resources. We aim to minimise waste in our processes and have a ‘circular mindset’: our commitment to embracing and promoting the circular economy philosophy is evidenced by our 10 years of Cradle to Cradle Certified™ Gold level accreditation for Accoya®.

Sustainability means more to us than just carbon dioxide or greenhouse gas emissions: it includes the impacts and influences we have on the ecology and environment around us and in the wider world. As we grow, expanding our current operations and establishing new sites and facilities, we will continue to adhere to these principles, our values and our purpose, though we do recognise that

We'll work to minimise the ecological impact from our operations, particularly focusing on reducing water and waste, and adopting a circular economy approach to materials use instead of ‘take-make-waste’.



there exists the risk of external factors affecting what is possible to achieve. Beyond energy use, the two main factors here are the use, reuse or disposal of water and raw materials.

The vast majority of our water use is for cooling, and safely discharged into the local river system. Process wastewater is sent to a water cleaning facility on the same industrial park site in Arnhem before being returned to the IJssel river, minimising the water wasted from our process or removed from the local water table and avoiding any harmful chemical discharges into the environment.

In our operations, wood that does not make it into saleable product is reused, recycled, upcycled into Tricoya®, or used as fuel for waste-to-energy generation (displacing fossil fuels). Potentially hazardous waste, including for example excess acetyls or chemicals used for testing, is disposed of responsibly with specialist waste treatment companies. While all our wood is ultimately bio-degradeable, we are pleased to have started our Accoya® reclamation scheme to include offcuts in this circular process, and are already working to expand the scope of this in future.

Looking ahead

- Improved and expanded data gathering and management
- Formalisation and standardisation of environmental management policies, and assessment of potential sustainable and circular initiatives and activities including:
 - ISO 14001 and 50001 certification
 - closed-loop recycling of acetic acid
 - further development of Accoya® reclamation programme

- Zero waste to landfill from our manufacturing operations
- End-of-life wood reuse, upcycling and energy generation programmes
- Cradle to Cradle™ Gold level for Water Stewardship and Material Reutilisation

CASE STUDY

Accoya® offcut reclamation programme

Accoya® wood can be recycled or reused like any unprocessed or unmodified wood, however it does have another exciting potential use: upcycling into Tricoya® wood chips. Already acetylated, it can be processed for use in creating Tricoya® panel products – but there is of course a need for rigorous quality control and inspection to ensure the purity of supply for this feedstock.

We developed and, in FY2020, initiated a plan to reclaim the Accoya® offcuts from some of our trusted manufacturing partners to reprocess into Tricoya® chips. Although this programme is still in its early stages, our goal is to develop it further over time and open it up to more and more of our customers – and their customers too. This not only keeps the carbon locked into our materials for longer, but also enhances value, reduces waste, and embeds a sustainable and circular economy philosophy.

In July 2020, we confirmed and attained FSC® Recycled classification for our reclaimed offcuts, and they currently make up part of our Tricoya® wood chip supply.





Changing wood to change the world

Highlights (FY2020)

- Financial and material support for Wood Awards 2020 shortlisted Handlebar Café community charity project
- Working with local manufacturers, developed several new Accoya® projects near our production plant in Arnhem, the Netherlands.

Performance (FY2020)

€32,035

Donations (including products supplied)

179

Average monthly number of employees for FY2020

20

new employees added in FY2020

We'll create a positive environmental and social impact through a variety of activities aligned with our purpose of "Changing wood to change the world".

Our goal is to be a good corporate citizen, in both our local areas of operation and in the global society in which we operate. We are a responsible employer for local and sometimes more remote staff, and we try to support sustainable, healthy and socially-responsible activities with local, national and international partners and projects.

We engage with projects and activities that promote and demonstrate the value of a more sustainable approach to life, and especially the built environment. The impact of our products is at the heart of our purpose: "Changing wood to change the world", so we focus on supporting the circular economy bio-cycle agenda, the use of sustainable materials, and promotion of engineering, architecture, building and manufacturing.

In the past, we have supported various projects and initiatives on a relatively ad-hoc and case-by-case basis: for example support for the Handlebar Café charity project, and engaging with potential young STEM candidates with Women into Manufacturing and Engineering in Hull.

While this has been effective and impactful in local, concentrated instances, one key goal we have in this area is to develop a more formal, standardised and accessible set of protocols and policies to support this at a more strategic level. We are assessing programmes that would provide employees with dedicated 'volunteer days' for community or charity support activities, and engaging with our colleagues to choose and nominate several 'Charities of the Year' to focus on (at local and international levels).

€30,000+

donated to charitable and community activities

- Promotion of STEM and sustainable building and engineering programmes
- Driving awareness of embodied carbon costs of materials and circular economy

During this transformational time in Accsys' growth journey, we see the clear opportunity to embed our commitment and increase our positive impact on our local communities and broader society.



Looking ahead

- Establishing an updated and formalised strategy for charitable and community support activities, and engaging colleagues throughout the business
- Continued focus on relevant projects that align with our purpose, activities and impacts
- Assessment and introduction of voluntary and charitable work days for colleagues

CASE STUDY

Supporting sustainable living with charity café project in Winchester, UK

The Handlebar Café is cycle-friendly, socially-sourced, and was designed by the young minds of spudYOUTH, a RIBA award winning charity. Accsys has been supporting the project throughout its development, contributing both funding and sustainable, long-lasting Accoya® wood for its cladding and decking.

A 'model of sustainability' and constructed largely from timber, the design was inspired by the train carriages that once ran along the railway line. Fitting in perfectly to the project's sustainability goals is the use of Accoya® wood for the exterior elements. The Handlebar Café has since been shortlisted for the Wood Awards 2020, which recognises excellence in architecture and product design.

As Accoya® wood is so stable and durable, the trees used to make them will actually be regrown several times over during the lifetime of products made from it – and the carbon footprint for production is very low (or even negative). Accsys is committed to sustainability for the built environment, and is pleased to support this unique project by some potential architects of the future.



Photo: Julia Conway

Changing wood...

What we do as a business



Governance management and advocacy



0
No fines and non-monetary sanctions from non-compliance with environmental laws and/or regulations in FY2020



Health and safety



1.18
Lost Time Incident Rate (LTIR)

3.92
Total Recordable Incident Rate (TRIR)

27
near misses recorded and actioned

610
safety inductions

21
safety meetings

31
risk assessments



People and wellbeing



81%
employee engagement survey response rate

78%
agree or strongly agree that they feel proud to work at Accsys and are treated with respect

€862
spent on average per FTE on training and development

0
incidents of discrimination

28%
of eligible employees personally invested in Accsys through Employee Share Plan in FY2020

Employee gender by level:

- Overall: 86% male, 14% female
- Managers: 82% male, 18% female
- Non-executive Board members: 66% male, 33% female



Fair and ethical conduct



100%
of relevant employees (including Board) communicated on anti-corruption policies

93%
completed training on time

100%
of operations assessed for corruption risks (see more information in Annual Report and Accounts Risk Management section)

€0
spend on political campaigns, lobbying or think tanks

100%
of key materials suppliers (see note on p30) compliant with our Conduct, Anti-Slavery and Anti-Bribery and Corruption policies

0
cases or incidents of corruption and bribery

0
regulatory fines, sanctions or settlements



Innovation and technology



Continued and growing focus
on market research and future application research

€1.2m
dedicated investment in research and development



Sustainable and quality products



Volume of sales in FY2020:
57,842m³

2025 production capacity target:
200,000m³

CO₂e locked in from products sold in FY2020:
54,602.85 tonnes gross

CO₂e displaced / saved (customer sustainability) vs averaged PVC and Aluminium from sales in FY2020:
69,294.72 tonnes net

of our CO₂e cost of production



Responsible sourcing



100%
of Accoya® and Tricoya® made from certified sustainable (FSC® or PEFC®) wood sources

100%
of key materials suppliers* screened using environmental criteria

100%
of key materials suppliers* met with, visited or audited

100%
of new supplier wood mills visited in advance of commercial supply

70%
of all wood supply mills visited within three years

100%
of operations subject to human rights reviews or impact assessments

0
incidents of human rights violations in our supply chain



Energy and climate change



Total energy intensity (Scope 1 and Scope 2*):
88kg CO₂e
per cubic metre of Accoya® produced (including Renewable Energy Credits ('RECs')/carbon offsetting)

55kg CO₂e
per €1000 revenue (including RECs/carbon offsetting)

54,602,848kg CO₂e
sequestered in our products

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- 1,528.52 tCO₂e saved through RECs

Note: More data and full notes on GHG emissions in our Annual Report and Financial Statements 2020 (<https://www.accsysplc.com/investors/reports-results/>)



Ecological footprint



65,672 m³
waste water discharged for treatment

0
zero waste to landfill

1,364 tonnes
total waste for recycling

28 tonnes
total hazardous waste for specialist treatment)



Society and communities



€32,035
donations (including products supplied)

179
average monthly number of employees for FY2020

20
new employees added in FY2020

...to change the world

How we make an impact

* "Key materials suppliers" refers to wood and acetyls suppliers who provide ≥1% of that material. The sum of any others comprises less than 2% of our total supply; typically in the case of testing and analysis prior to a commercial relationship.

About this report

Sustainability has always been a part of Accsys' identity, product proposition and purpose. Each year in our Annual Report and Accounts, and throughout our corporate and product marketing, we have illustrated and reported on sustainability topics in various ways, focusing on the areas in which we and our products have the most impact.

In 2020, we engaged an expert outside consultancy to help us review and refresh our approach to sustainability and Environmental, Social and Governance topics, strategy and reporting. This standalone Sustainability Report is one output of that work, and includes:

- Details about Accsys' approach to sustainability and ESG issues.
- The material issues most relevant to Accsys and its stakeholders, and our process in identifying them.
- Our Sustainability Strategy and framework addressing those issues, embedding and aligning them with our purpose and values.
- Data and performance metrics for the last full financial year: from 1 April 2019 to 31 March 2020. In some cases, where noted, reporting may only cover certain major sites or operations due to unavailability of data or negligible impact from other sites and activities (such as our London or Dallas offices).
- Plans, roadmaps and goals for the future development and actions relevant to each material issue.
- Calculations of CO₂e sequestration and impacts based off independent research papers, established GHG factor data and our products' EPD and environmental impact assessments (www.accoya.com/sustainability/environmental-assessment).
- While effort has been made to ensure all data included in this document is accurate, the report has not been independently verified.
- We will continue to update our figures and calculations as standards and methodologies evolve.

For more information and to keep up to date about Accsys' approach to sustainability and ESG, please see:

- www.accsysplc.com
- [Accsys Annual Reports and Accounts](#)
- www.linkedin.com/company/accsys-technologies
- www.accoya.com/sustainability
- www.tricoya.com/sustainability

Glossary

Bio-cycle The bio-cycle consists of renewable, recyclable and compostable materials from which new materials can grow (also known as the bio-based or biological economy). Bio-cycle materials and products are typically biodegradable, from renewable, sustainable sources, have low/negative CO ₂ footprints, and result in less energy loss or pollution than technological cycle materials.	Declare The Declare Label is a product transparency disclosure that identifies where a product comes from, what it's made of, and where it goes at the end of its life.	KOMO The KOMO quality mark is a quality mark for the building and infrastructure sector.
BREEAM BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990 and is an established method of assessing, rating, and certifying the sustainability of buildings.	DJSI The Dow Jones Sustainability Indices (DJSI) are a family of indices evaluating the sustainability performance of thousands of companies trading publicly.	LIFE programme The LIFE programme is the EU's funding instrument for environmental and climate action.
Built environment Human-made environment that provides the setting for human activity, ranging in scale from buildings to cities and beyond.	DUBOkeur The DUBOkeur® label certifies building products with environmental and health consideration.	MDF Medium-density fibreboard is a man-made wood that is free from natural defects.
Carbon-neutral Carbon neutrality means having a balance between emitting carbon and absorbing carbon from the atmosphere in carbon sinks.	ESG Environmental, Social and Governance.	PEFC The Programme for the Endorsement of Forest Certification (PEFC) is an international, non-profit, non-governmental organisation which promotes sustainable forest management through independent third-party certification.
CDP The CDP (formerly the Carbon Disclosure Project) is an international non-profit organisation that helps companies and cities disclose their environmental impact.	FSC The Forest Stewardship Council (FSC) is an international non-profit organisation established in 1993 that promotes responsible management of the world's forests. The FSC logo on a forest product is an assurance that it is made with, or contains, forest-based materials from FSC-certified forests or reclaimed sources.	RIBA The Royal Institute of British Architects (RIBA) is a professional body for architects.
Circular economy A circular economy is an economic system aimed at eliminating waste and the continual use and reuse of resources, focusing on extending useful life, extracting maximum value and decoupling economic activity from the consumption or depletion of finite resources.	GABC The Global Alliance for Buildings and Construction.	SASB The Sustainability Accounting Standards Board (SASB) is a non-profit organisation which develops sustainability accounting standards.
CO₂e A CO ₂ equivalent (CO ₂ e) is a unit of measurement that is used to standardise the climate effects of various greenhouse gases.	GHG Greenhouse gases (GHG) are gases listed in the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) that contribute to the greenhouse effect.	Scope 1 emissions Direct emissions from reporting company-owned or controlled sources.
Cradle to Cradle Certified™ Cradle to Cradle Certified™ is a globally recognised measure of safer, more sustainable products made for the circular economy. Product designers, manufacturers and brands around the world rely on the Cradle to Cradle Certified™ Product Standard as a transformative pathway for designing and making products with a positive impact on people and planet.	Green Label The Singapore Environment Council (SEC)'s Green Label was set up to promote environmental awareness in South East Asia and reward environmentally friendly products sold within the region with eco-labels that can only be obtained by compliance with the strict eco standards specified by the SEC's scheme.	Scope 2 emissions Indirect emissions from the generation of purchased energy.
Cradle-to-grave impact assessment A technique that is used to evaluate the environmental and economic impacts of a product or a process in its lifetime. This differs from 'cradle-to-gate' assessments which only look at the impacts of production, from resource extraction or sourcing through to leaving the factory.	GRI The Global Reporting Initiative is a not-for-profit organisation that produces one of the world's most prevalent standards for sustainability reporting.	Scope 3 emissions Indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
	HSE 'HSE' stands for Health, Safety and Environmental. In other documents it can also stand for Health and Safety Executive, an independent UK regulatory body.	SDGs The United Nations Sustainable Development Goals (SDGs) are a set of universal goals that meet the urgent environmental, political and economic challenges facing our world.
	IPCC Intergovernmental Panel on Climate Change.	Sequestration (Carbon sequestration) The capture and secure storage of carbon that would otherwise be emitted to, or remain, in the atmosphere.
	ISO International Organization for Standardization.	STEM Science, Technology, Engineering, and Mathematics.
		Task Force for Climate Related Financial Disclosures (TCFD) The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies. Physical and transitional risks associated with climate change are considered.



Changing wood to change the world

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