

**Accsys Technologies PLC
("Accsys" Or "The Company")**

Modern Slavery Act Statement

This statement, made pursuant to section 54(1) of the Modern Slavery Act 2015, demonstrates our commitment to tackle modern slavery and sets out the approach taken by Accsys to understand whether slavery, servitude, forced labour and/or human trafficking (together "Modern Slavery") exist in our supply chain. This statement demonstrates the actions undertaken to eliminate Modern Slavery during the financial year ended 31 March 2023.

Introduction

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

As part of our focus on social responsibility, we are committed to improving our practices to combat and prevent Modern Slavery in all areas of our business and supply chain.

Business and Organisational structure

Accsys is a fast-growing business with a purpose of changing wood to change the world. We 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. We transform 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.

Accsys has its head office in London, with its manufacturing, research and development operations in Arnhem, the Netherlands, and in Barry, Wales, as well as sales and marketing offices in each of these locations and in Kingsport, Tennessee, USA. Accsys is building an additional Accoya® production site in Kingsport, with joint venture partner, Eastman Chemical Company. We also have a Tricoya® production site that is pending completion, with an associated team of staff and contractors, located in Hull, UK. We have over 250 employees and sell our products in every continent.

Accsys' operations interact with many functions and industries – chemical technology, wood processing and production of modified wood, the construction and operation of acetylation plants, as well as sales, marketing, support and distribution.

Our supply chains

Our supply chains include the following key elements:

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

In relation to the last of these points, and in respect of the expansion of our Accoya® wood plant in Arnhem, due diligence has been performed on key suppliers, covering amongst other things supplier ethics and conduct, in order to identify and mitigate areas of risk in the supply chain.

Our due diligence

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

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

Besides the responsible sourcing of timber, Accsys has ensured that the main suppliers of acetic anhydride, our other key material in the production of Accoya® and Tricoya®, have made commitments to comply with the Act.

As part of our ongoing due diligence, we request that new suppliers confirm that they adhere to the ten principles of the UN Global Compact. By confirming this, suppliers demonstrate their commitment to principles on human rights and labour, and that they are not aware of any slavery or human trafficking within their business or supply chain.

Our policies and commitments

The global issues caused by Modern Slavery exist across all sectors and industries. We acknowledge that it is our responsibility to mitigate every potential Modern Slavery risk. The business is committed to ensuring that we do all we can to prevent Modern Slavery in our supply chain and to demonstrate that we will not tolerate any Modern Slavery in our supply chain or any other part of the business.

We are committed to supporting and upholding the following measures to safeguard against Modern Slavery:

- Zero tolerance to slavery in any form in our organisation and our supply chains.
- Prevention, detection and reporting of slavery in any form in any part of our organisation or supply chain is the responsibility of all those working for us or on our behalf.
- We are committed to engaging with our stakeholders and suppliers to monitor, mitigate and minimise the risk of slavery in any form in our operations and supply chain.
- Our Supplier Code of Conduct clearly sets expectations and requirements for current and potential suppliers, and their employees, as well as their parent, subsidiary or affiliate entities, and sub-contractors. This includes specific topics such as forced labour, child labour, conditions of work, health and safety, human rights and standards for continuous improvement.
- In the event of any breach of our zero tolerance approach to slavery in any form, we will ensure that we take appropriate action.
- We will periodically review our policies, suppliers and our Supplier Code of Conduct to keep them up to date, appropriate and effective.

We are not aware of any Modern Slavery in our supply chain or any part of our business and are committed to ensuring the same on an ongoing basis.

Accsys is also aware of the impact that its business and operations have on the wider community and places great importance on community and social responsibility, as demonstrated by our official charity partnerships, donations to these charities and our participation in these charities' missions through a number of activities, events and presentations.

In November 2020, we launched the Accsys Sustainability Report which further built on the recognised sustainable credentials of the Accoya® wood and Tricoya® wood chip products and details the work the Company has undertaken to assess the issues most relevant and important to the business, its industry, markets and stakeholders.

In addition, our internal policies, which include those within our employment contracts and employee handbooks, also reflect our commitment to acting ethically and with integrity in all of our business relationships, and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place in relation to our business activities.

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

Supplier and customer adherence to our values

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

- Legal and Compliance
- Health, Safety and Environment
- Human Resources
- Procurement
- Production and Engineering
- Sales
- Marketing and Communications
- Sustainability and ESG
- Business Development and Licensing
- Finance, Auditing and Risk

Our standard form contracts, including with our key business partners, provide for their compliance with law and regulation relating to the sale and purchase of goods. The Act is recognised as a globally leading piece of legislation in this area. As a company operating within the UK, the Netherlands and globally, the Company has sought to update its standard form distribution agreements to expressly provide for anti-slavery and human trafficking and the Company has effected such change where reasonably possible. These changes apply across Accsys operations, not only within the UK.

Our Supplier Code of Conduct, setting out Accsys' expectations for all suppliers in relation to labour, human rights, environmental and ethical conduct was implemented in 2018 (<https://www.accsysplc.com/app/uploads/2019/12/Accsys-Supplier-Code-of-Conduct-2018.pdf>).

Non-adherence to the principles stated within the Code of Conduct is a key determinant as to whether a supplier is deemed eligible to do business with us.

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

Training

We have a Group-wide compliance training programme, which includes content on slavery and human trafficking which must be completed annually. In so doing, awareness and understanding of slavery and human trafficking has been elevated and our ability to detect and prevent these practices has been increased throughout the organisation. 100% of relevant employees completed training on Modern Slavery in FY23.

Risk assessment and management

The Company considers risks of Modern Slavery in all its activities, which includes chemicals and forestry product procurement, and has a notable focus on international transportation service providers. The Company assesses this risk by reference to various data points, including the Global Slavery Index score of the jurisdiction of operation of relevant suppliers. The Company mitigates risk in this way through a combination of factors, including focussing on suppliers based in jurisdictions perceived to present a lower risk of slavery and human trafficking, using certified and independently audited suppliers where possible and using suitable systems, such as Control Union's WoodTrack due diligence system which provides full traceability from forests through each step of the supply chain.

Key performance indicators

We do not have a corporate key performance indicator in relation to combatting Modern Slavery specifically, as any instance would be a breach of law, our supplier standards and/or our company policies.

The year ahead

We are committed to continuing to ensure our business remains free from slavery and human trafficking. In the 2024 financial year, we will continue to implement our anti-slavery and human trafficking policies, procedures and practices, monitor our supply chain and businesses, and liaise with business counterparts to further promote our expectations and efforts against slavery and human trafficking.

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

Accsys' Board of Directors has adopted this statement on behalf of Accsys Technologies PLC on 20 September 2023.

Signed for and on behalf of Accsys Technologies PLC by:

A handwritten signature in blue ink that reads "J. Arsic".

Jelena Arsic van Os
Chief Executive Officer

20 September 2023