

The QCA Corporate Governance Code Statement of Compliance 2024

The QCA Corporate Governance Code ('The QCA Code') is constructed around ten broad principles. Set out below are the ten principles and a summary explanation of how the Company currently complies with each key principle of the 2018 QCA Code.

In November 2023 the QCA published a revised Corporate Governance Code. Whilst the Company is not yet required to report against these revisions, Accsys believes it is well-positioned to apply the revised key principles throughout its business activities and practices and report on this in 2025.

Principle 1. Establish a strategy and business model which promote long-term value for shareholders


Compliant	How this was applied	Where to find further information in the Accounts
✓	<ul style="list-style-type: none"> The Company's strategy is currently to: <ol style="list-style-type: none"> develop market opportunities to drive revenue growth by increasing the Accoya and Tricoya volume sold and number of distributors by developing market opportunities into core business; grow its global manufacturing production position and production capacity in Europe and the USA and establish new platforms in key markets in support of, and to enable, demand growth; develop research and development of product and process-related technologies and IP programmes to protect and grow its leading market position; and develop its people and organisational capacity to enable Accsys to meet its growth objectives The Board's annual schedule of agenda items ensures that the strategy and Business Model is reviewed at least once every year. The Board has been closely involved in the review, discussion and setting of the revised strategy. The programme of Board effectiveness review considers whether the Board spends enough time on strategy and its business model. Decisions made in Board meetings consider key stakeholder groups and long-term value (including for shareholders). If, and to the extent, issues come to light which challenge the Company's ability to meet its strategy and Board model, the Board proactively addresses these. <p>Our Statement of Compliance explains, in further detail, the Company's key strengths which in turn, promote long-term value for shareholders.</p>	<ul style="list-style-type: none"> Business model and strategy (pages 30 and 32) Company's Corporate Governance QCA Compliance Statement (pages 81 to 86) Strategic Report (pages 14 to 69) Board activity (pages 66 to 67) Stakeholder engagement (pages 64 to 69)

Principle 2. Seek to understand and meet shareholder needs and expectations

Compliant	How this was applied	Where to find further information in the Accounts
✓	<ul style="list-style-type: none"> Communications with shareholders are given high priority to ensure that our strategy, business model and performance are clearly understood. There is regular dialogue with shareholders, including webcast presentations after the Company's preliminary announcement of the year-end results, regular Regulatory News Service announcements and trading updates. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chair of the Board and all Board Committee Chairs, together with all other Directors routinely attend the AGM and are available to answer questions from investors. Investor roadshows are held in the UK and Netherlands offering significant shareholders an opportunity to discuss the business, management and strategy of the Company with the Executive Directors. Representatives of the Company meet regularly with shareholders. For example, during FY24, the Company met with shareholder representatives from multiple unique institutions, engaging in dialogue with over half of its shareholder register. This level of engagement enables the Board to better understand shareholders' expectations and motivations. Regular dialogue is held with the Company's corporate brokers in order to keep informed of shareholders' views. 	<ul style="list-style-type: none"> Corporate Governance QCA Compliance Statement (pages 81 to 86) Stakeholder engagement (pages 64 to 69)

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Principle 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

Compliant	How this was applied	Where to find further information in the Accounts
	<ul style="list-style-type: none"> • The Company's business model identifies that investment in key resources on which the business relies – Accsys' intellectual property, expertise, innovation, research and development, branding, employees and relationships with numerous third parties including business partners, equipment manufacturers, wood suppliers, distributors and customers – underpins all that Accsys does. Investment from the Company's other key stakeholders, its shareholders and finance providers make this possible. • The Board receives regular reports on the engagement, feedback and status of key stakeholders, including investor relations led updates in respect of shareholders and updates on all levels of the workforce from the Chief People Officer. This is complemented by frequent briefings on ESG and customer and supplier issues to members of the Board. These reports and updates enable the Board to consider stakeholders' views during relevant decision making processes. • The Board takes steps to verify feedback. For example, each year, the Board invites personnel to attend 'Meet the Board Lunches' at its offices, providing an informal forum to facilitate and encourage engagement and open dialogue between the Board and the Company's workforce. • Accsys places great importance on community and social responsibility and our Sustainability Report highlights our commitment to acting in a socially responsible way and includes details of the impact that our business and operations have on the wider community. The Company reports to global reporting frameworks GRI and SASB and in November 2023 joined the United Nations Global Compact - the world's largest voluntary corporate sustainability initiative and catalyst for transforming business through principle-driven environmental, social and governance practices. Further details on these can be found in our Sustainability Report on the Company's website. • Accsys is committed to continuing research and development concerning its products and processes. • During FY24, Accsys participated in a number of shareholder ESG surveys. Feedback from these surveys was positive, including scoring the highest rating possible in one survey. 	<ul style="list-style-type: none"> • Stakeholder engagement (pages 64 to 69) • Corporate Governance QCA Compliance Statement (pages 81 to 86) • See www.accsysplc.com/ for the Sustainability Report and Modern Slavery Statement

Principle 4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Compliant	How this was applied	Where to find further information in the Accounts
✓	<ul style="list-style-type: none"> The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. The Board is responsible for establishing and maintaining the Company's system of internal risk management, including in relation to its priority surrounding health, safety and the environment, and places importance on maintaining a strong financial control environment. The key internal procedures, which the Directors have established with a view to providing effective internal controls, include clear lines of responsibility within the organisation structure, a comprehensive annual budget that is approved by the Board and the identification of major business risks to enable appropriate action. Furthermore, monthly results are reported against the budget and variances are closely monitored by the Directors. The Audit Committee is responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements prior to their submission for approval by the Board. The Risk Committee comprises the Executive Directors and certain members of the Senior Leadership Team, meets regularly and updates a risk register which outlines the nature of principal risks facing the Company and any mitigating factors required to protect against such risks. The Risk Committee reports to the Audit Committee and provides updates to the Risk Register and thereafter, the Audit Committee reports the same to the Board. The process to mitigate risks within the business can be found on page 40. 	<ul style="list-style-type: none"> Risk and risk management (pages 40 to 45) Corporate Governance QCA Compliance Statement (pages 81 to 86) See www.accsysplc.com/ for the Sustainability Report/Modern Slavery Statement and Audit Committee Terms of Reference Audit Committee Report (pages 87 to 88) Strategic Report (pages 14 to 69)

Principle 5. Maintain the Board as a well-functioning, balanced team led by the Chair

Compliant	How this was applied	Where to find further information in this Report and Accounts or Company website
✓	<ul style="list-style-type: none"> The Board has gone through a period of change during the year reported, and each appointment to the Board underwent a rigorous and transparent nomination process through the Nomination Committee. The Nomination Committee's Terms of Reference require it to ensure that recommendations on Board appointments or composition must only be made having had due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, and cognitive and personal strengths and merits and taking care that appointees have enough time available to devote to the position. As at the date of this Annual Report, the Board is comprised of one Independent Non-Executive Chair, one Independent Non-Executive SID, two other Non-Executive Directors (one of whom is Non-Independent) and one Executive Director. The Board has constituted three standing Committees: the Audit Committee, the Nomination Committee and the Remuneration Committee, with ad hoc committees constituted as required. In addition to regular scheduled Board meetings, there is frequent contact between all the Directors in connection with the Company's business including through the Audit, Nomination and Remuneration Committee meetings which are held as required, but as a minimum twice per annum, save for where the Terms of Reference of a Committee state that a higher frequency of meetings is required. Non-Executive Directors' terms of appointment provide that they will spend as much time as necessary and/or reasonably requested by the Board for the fulfilment of their duties. This is anticipated to be in the order of 20 (or more) days, although this is not definitive. All Executive Directors are engaged on a full-time basis. The Board has a Board effectiveness review programme. The Board receives updates and information on a structured basis through Board and Committee meeting packs, together with ad hoc information and dialogue provided as necessary by the Executive Directors and Company Secretary between meetings. 	<ul style="list-style-type: none"> Board of Directors (pages 72 to 73) Directors' attendance record (page 79) Audit Committee Report (pages 87 to 88) Nomination Committee Report (pages 89 to 92) Remuneration Report (pages 93 to 109) See www.accsysplc.com ('Investors' page) for the Company's Corporate Governance QCA Compliance Statement, Sustainability Report, Modern Slavery Statement, Terms of Reference Audit Committee, Terms of Reference Nomination Committee and Terms of Reference Remuneration Committee

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Principle 6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Compliant	How this was applied	Where to find further information in this Report and Accounts or Company website
✓	<ul style="list-style-type: none"> The Board is satisfied that it has the appropriate balance of financial, public markets and sector skills and experience, as well as an appropriate balance of personal qualities and capabilities. Where appropriate, each Director keeps their skills up-to-date, for example by the completion of the Group's online training programme, attendance at seminars, briefings and through literature. Through the Nomination Committee, the Board ensures that it understands and challenges its own diversity, including gender balance, social and ethnic backgrounds, and cognitive and personal strengths as part of reviewing the Board's composition. In March 2024 the Board carried out a comprehensive review of each Director's experience, skills and capabilities set against the desired experience, skills and capabilities appropriate for the Company. After review, the Board was satisfied that between all the Directors, they collectively have the necessary experience, skills and capabilities appropriate to meet the Company's needs. Expert advisors support the Group's businesses and contribute relevant industry and commercial experience. These advisors are drawn from industry, finance, legal and other advisory groups. Further information on the engagement and role of external advisors can be found in our Statement of Compliance of the QCA Code. All Directors have access to the advice and services of the Company Secretary and in-house legal counsel. In addition, procedures are in place to enable the Directors to obtain other independent professional advice (legal or otherwise) in the furtherance of their duties, if necessary, at the Company's expense. 	<ul style="list-style-type: none"> Board of Directors (pages 72 to 73) Corporate Governance QCA Compliance Statement (pages 81 to 86)

Principle 7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Compliant	How this was applied	Where to find further information in this Report and Accounts or Company website
✓	<ul style="list-style-type: none"> The Board undertakes an annual review process whereby each Director completes a 'Board and Director Review and Evaluation questionnaire', ensuring that the Board regularly undertakes a formal and rigorous evaluation of its own performance and that of its Committees and individual Directors. During FY24, the Board continued to make progress against recommendations made in the 2023 Internal Board Evaluation. For further information on progress against the recommendations made in the 2023 Internal Board Evaluation, please see page 92 of the Nomination Committee Report. Due to material changes in the composition of the Board during FY24, the decision was taken to defer the external Board effectiveness review originally scheduled to take place and instead conduct an internal review for FY24. The results of the internal Board evaluation were shared and discussed with the Board as a whole at a meeting in March 2024. Further detail on areas for development can be found in the Nomination Committee Report on page 92. 	<ul style="list-style-type: none"> Corporate Governance QCA Compliance Statement (pages 81 to 86) Board performance (page 92) Nomination Committee Report (pages 89 to 92)

Principle 8. Promote a corporate culture which is based on ethical values and behaviours

Compliant	How this was applied	Where to find further information in the Accounts
✓	<ul style="list-style-type: none"> Focus on corporate governance and social responsibility lies at the very core of our business through our purpose of 'Changing wood to change the world', and our business model – 'Giving the world a choice to build sustainably and creating value for all our stakeholders'. Accsys has a robust purpose and set of values which guide decision making and operations throughout the business. The strategy and business model of the Company in relation to ethical values is readily promoted and embraced throughout the Group and is evident from the Company's many accreditations. The Board receives updates from the Executives on corporate culture which enables it to monitor and provide input into how the Company's ethical values and behaviours are implemented through the organisation. 	<ul style="list-style-type: none"> Statement of Compliance of the QCA Code (pages 81 to 86) Sustainability Report (pages 46 to 63) Statement of Engagement with Employees (page 69) Stakeholder engagement (pages 64 to 69) Environmental, Social and Governance Statements (available at www.accsysplc.com 'Investors' page) Our Values (www.accsysplc.com/about-us)

Principle 9. Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

Compliant	How this was applied	Where to find further information in this Report and Accounts or Company website
✓	<ul style="list-style-type: none"> The Board meets regularly and is responsible for strategy, performance and approval of major capital projects, determining the Group's risk appetite and setting the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. Board meetings are usually held in London with site visits scheduled to take place annually in at least Arnhem to ensure the Board has a deep understanding of the Group's operations. In addition to scheduled meetings there is frequent discussion between all the Directors in connection with the business of the Company including through meetings of the Audit, Nomination and Remuneration Committees which are held as required, but as a minimum, twice per annum unless the Terms of Reference of a Committee determine that meetings should be held more frequently. Day-to-day operating decisions are made by the Executive Directors with support from the Senior Leadership Team. The Board is responsible for the long-term success of the Company. There is a formal schedule of matters which are reserved for the Board, including matters relating to strategy and management, structure and capital, financial reporting and controls, internal controls, contracts, communications, Board memberships, remuneration, delegation of authority, corporate governance and Group policies. This schedule of 'matters reserved' is reviewed periodically, and is updated as required to reflect the Group's evolution and to update it in line with best corporate governance practice, as applicable for Accsys' business. During the year, the Company initiated a risk assessment of its compliance with corporate policies. The review was facilitated by an external firm and no material concerns were identified. A report of recommendations was provided and the Executive Team are taking a risk-based approach to the prioritisation of the recommendations made. 	<ul style="list-style-type: none"> Corporate Governance QCA Compliance Statement (pages 81 to 86) See www.accsysplc.com for Sustainability Report, Modern Slavery Statement, Terms of Reference Audit Committee, Terms of Reference Nomination Committee and Terms of Reference Remuneration Committee. Section 172(1) Statement (page 67)

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Principle 10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Compliant	How this was applied	Where to find further information in this Report and Accounts or Company website
✓	<ul style="list-style-type: none"> The Company regularly communicates with shareholders and other stakeholders including through presentations after the Company's preliminary announcement of the year-end results and six-monthly results and bi-annual webcasts. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Company issues regular news to its stakeholders via RNS, all of which are displayed on the Company's website. Constitutional and governance information, including relating to shareholder meetings and the outcome of shareholder votes, can also be found on the Company's website (Corporate Governance). As noted above, the Board has constituted three standing Committees: the Audit Committee, Nomination Committee and Remuneration Committee, with ad hoc Committees constituted as required. Details of the work of each of the Committees during the year can be found in the Further Reading links opposite. 	<ul style="list-style-type: none"> Corporate Governance QCA Compliance Statement (pages 81 to 86) Nomination Committee Report (pages 89 to 92) Audit Committee Report (pages 87 to 88) Remuneration Report (pages 93 to 109) www.accsys.plc.com/news