



# Water stress assessment

October 2024

## 1. Introduction

1.1 Water stress is a critical factor in understanding the sustainability of industrial operations, as it reflects the availability of freshwater resources relative to demand. Accsys Technologies recognises the importance of assessing water stress at its operational sites to ensure sustainable practices.

1.2 Water stress, as defined by the Intergovernmental Panel on Climate Change (IPCC), occurs when withdrawals are greater than 20% of total renewable resources, water stress often is a limiting factor on development; withdrawals of 40% or more represents high stress. Similarly, water stress may be a problem if a country or region has less than 1,700 m<sup>3</sup> yr<sup>-1</sup> of water per capita.

1.3 This report evaluates the water stress levels at the three production sites: Arnhem (Netherlands), the main site for producing Accoya® wood; Kingsport (USA), which also produces Accoya® as part of our joint venture with Eastman Chemical Company; and Barry (Wales, UK), where Accoya® Color is produced.

## 2. Methodology

2.1 This water stress assessment focused on the three production sites: Arnhem (Westervoortsedijk 73, 6827 AV Arnhem, Netherlands), Kingsport (Building 470, 200 South Wilcox Drive, Kingsport, Tennessee, 37660), and Barry (Atlantic Trading Estate, Ty Coed, Barry CF63 3RF, UK).

2.2 To ensure comprehensive and cross-validated results, two leading water risk mapping tools were used to assess the water stress at each of the three sites:

- WRI Aqueduct Global Water Tool: This tool provides an assessment of physical water risks, including baseline water stress, flood risk, and drought risk. For this assessment, the tool's interactive map was used to evaluate baseline water stress, which measures the ratio of total annual water withdrawals to available renewable surface and groundwater supplies. Baseline water stress serves as an indicator of how competitive water use is in a given area. The tool categorises regions into different risk levels, ranging from "Low" to "Extremely High".
- WWF Water Risk Filter: This tool assesses water risks based on multiple indicators, including physical and regulatory risks. For this assessment, the water risk filter was used to cross-check and validate the findings from the WRI Aqueduct tool. The WWF Water Risk Filter assesses the risk levels based on specific water-related indicators and categorises regions into "Low," "Medium," "High," and "Very High" risk levels.

## 3. Results

3.1 Based on the WRI Aqueduct Global Water Tool, the Arnhem site is categorised as having low water stress with less than 10% of available water resources being withdrawn (Appendix 1). Furthermore, the WWF Risk Filter classifies the Arnhem site as having very low baseline water stress (Appendix 4), indicating minimal pressure on water resources. Accsys also has a final stage manufacturing facility contractor based in Arnhem for which the same risk level applies.

3.2 According to the WRI Aqueduct Global Water Tool, the Kingsport site falls into the low to medium water stress category, with water withdrawals between 10% and 20% (Appendix 2). The WWF Risk Filter Suite further supports this finding, classifying the region as having low baseline water stress (Appendix 5).

3.3 The Barry site is in an area of low water stress (<10%) as mapped by the WRI Aqueduct Global Water Tool (Appendix 3). The WWF Risk Filter Suite identifies the site as having very low baseline water stress (Appendix 6), indicating that there is little to no pressure on water resources in the region. This ensures that the site's water use is sustainable with no significant risk of resource depletion.

3.4 For each site, detailed maps are included in the Appendix, demonstrating the specific water risk categorisations provided by both tools.

3.5 The water stress levels identified at the three production sites show that Accsys Technologies is operating in regions where water resources are not significantly constrained. The consistency between the results from the WRI Aqueduct Global Water Tool and the WWF Risk Filter validates these findings.

## 4. Conclusion

4.1 The analysis of Accsys Technologies' sites in Arnhem, Kingsport, and Barry demonstrates that these locations are not in water-stressed areas. All three sites fall into low-risk categories based on internationally recognised water risk tools. As a result, these sites do not face significant water availability challenges, and their operations are not expected to exacerbate regional water stress.

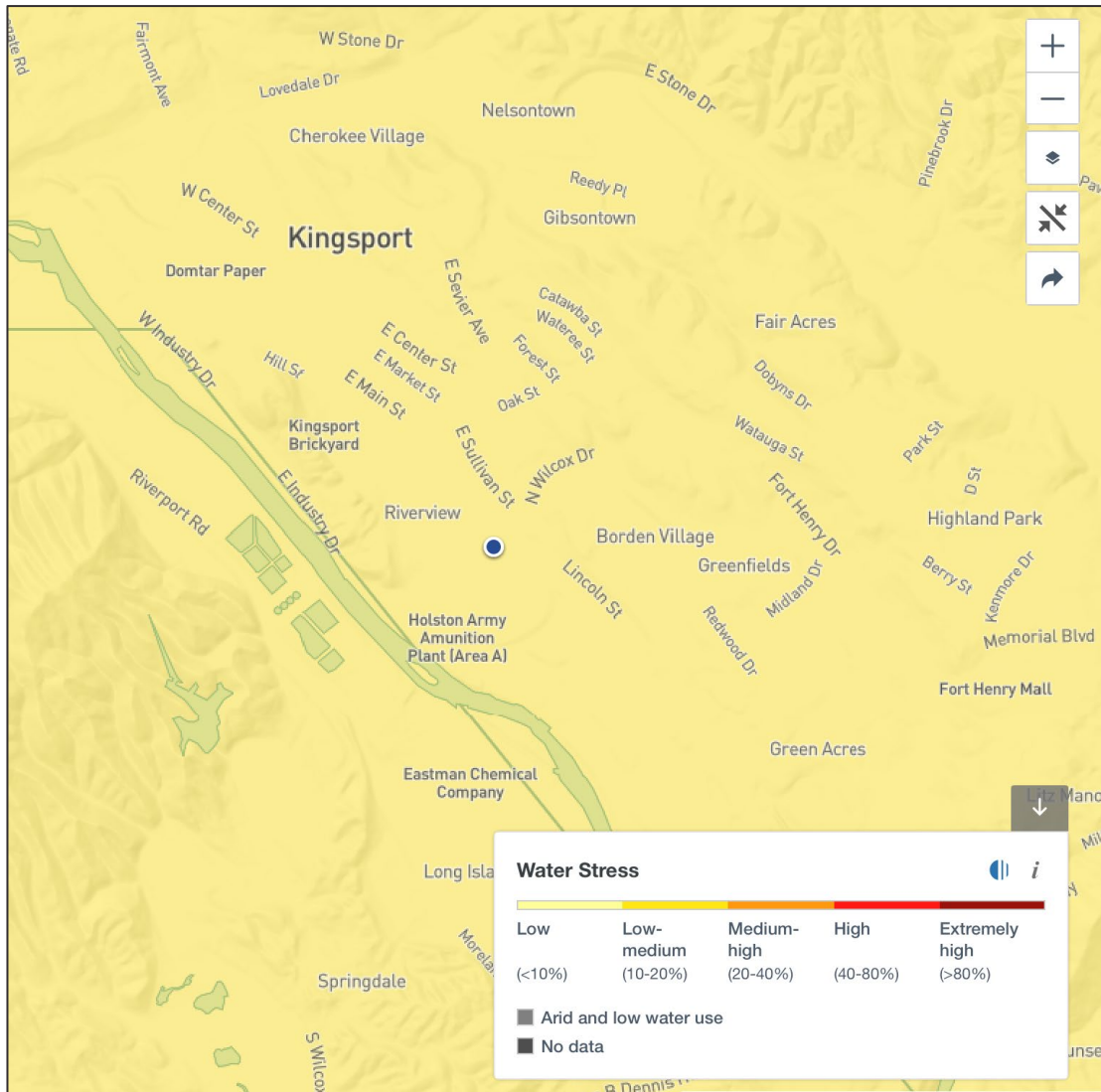
4.2 While the tools provide reliable estimates of baseline water stress, it is important to consider that they do not account for future changes in water availability/ Therefore, continuous monitoring of water risk will be carried out to ensure sustainable operations in the long term.

4.3 Accsys Technologies remains committed to responsible water management and will continue to monitor water stress risks at all its operational sites as part of its broader sustainability efforts.

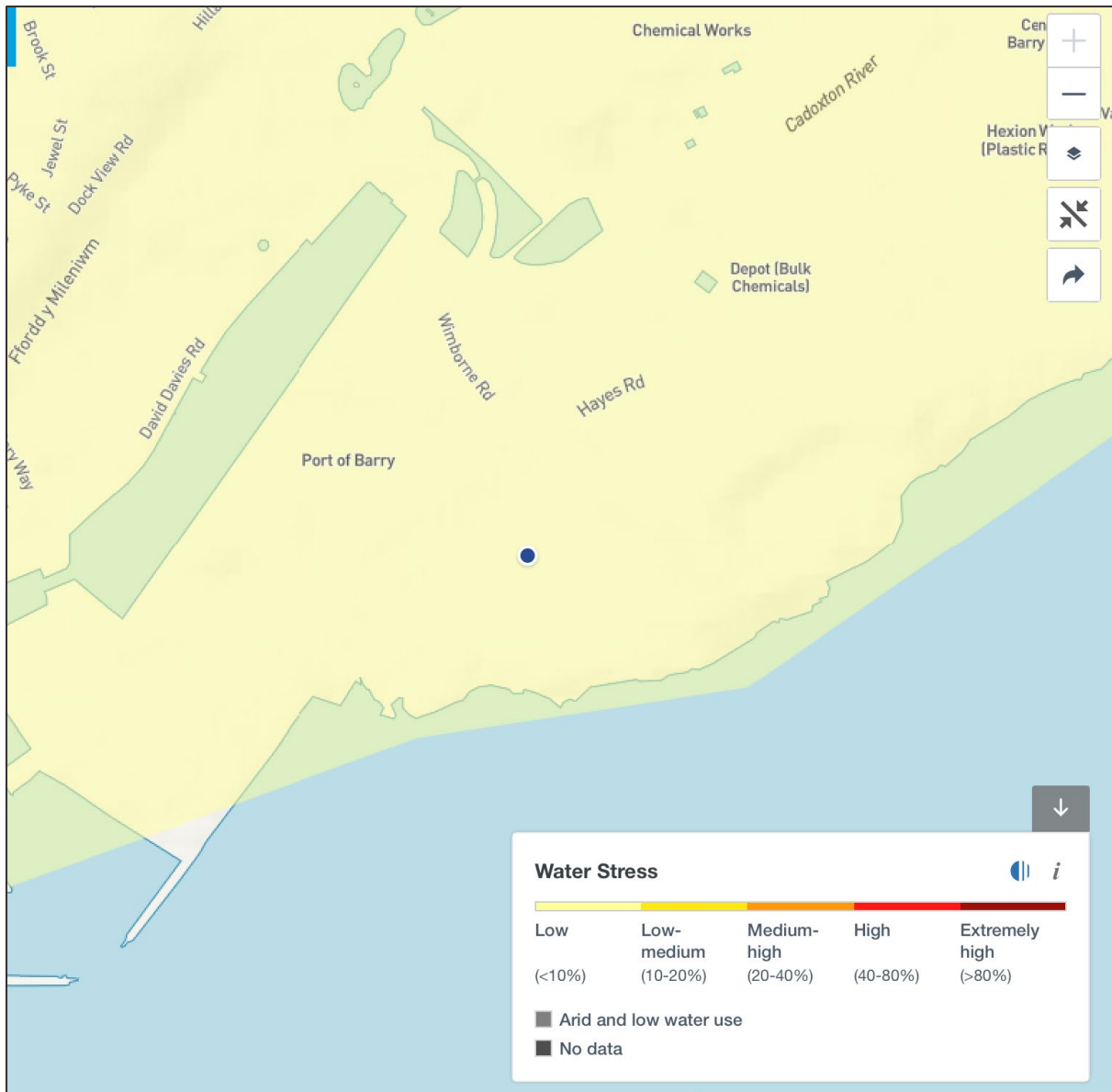
## 5. Appendix



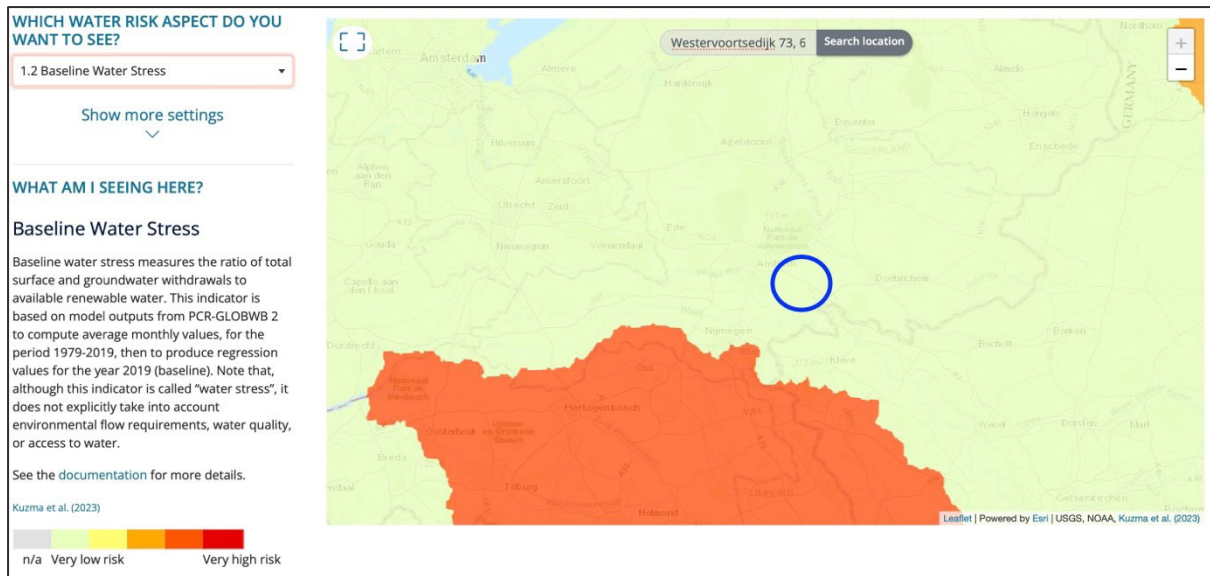
Appendix 1: Baseline Water Stress Assessment for Arnhem using the WRI Aqueduct Global Water Tool.



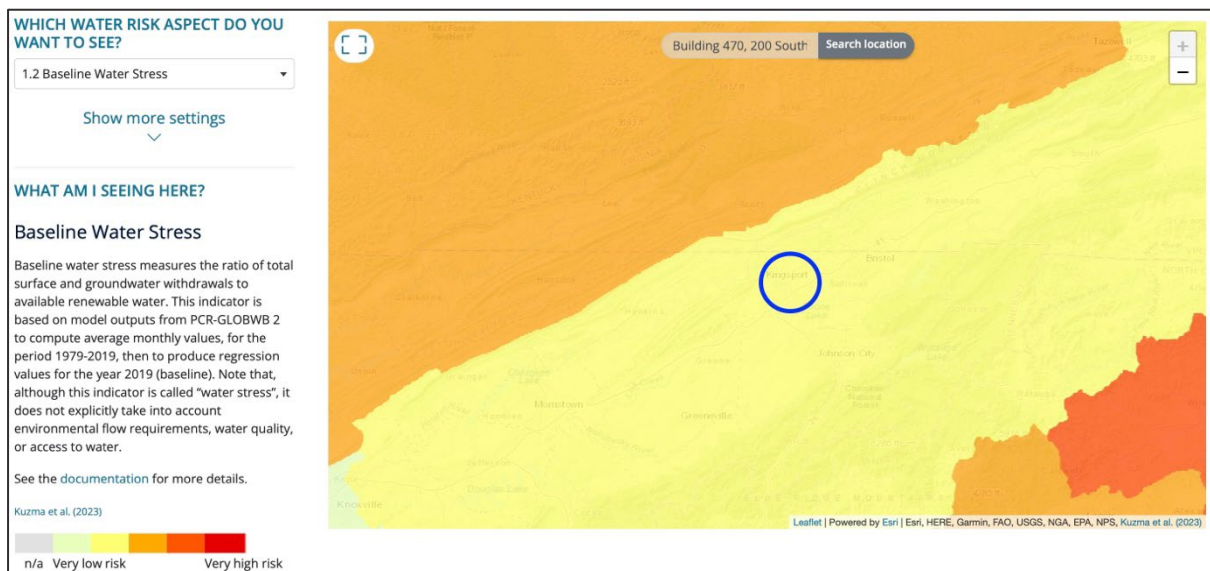
Appendix 2: Baseline Water Stress Assessment for Kingsport using the WRI Aqueduct Global Water Tool.



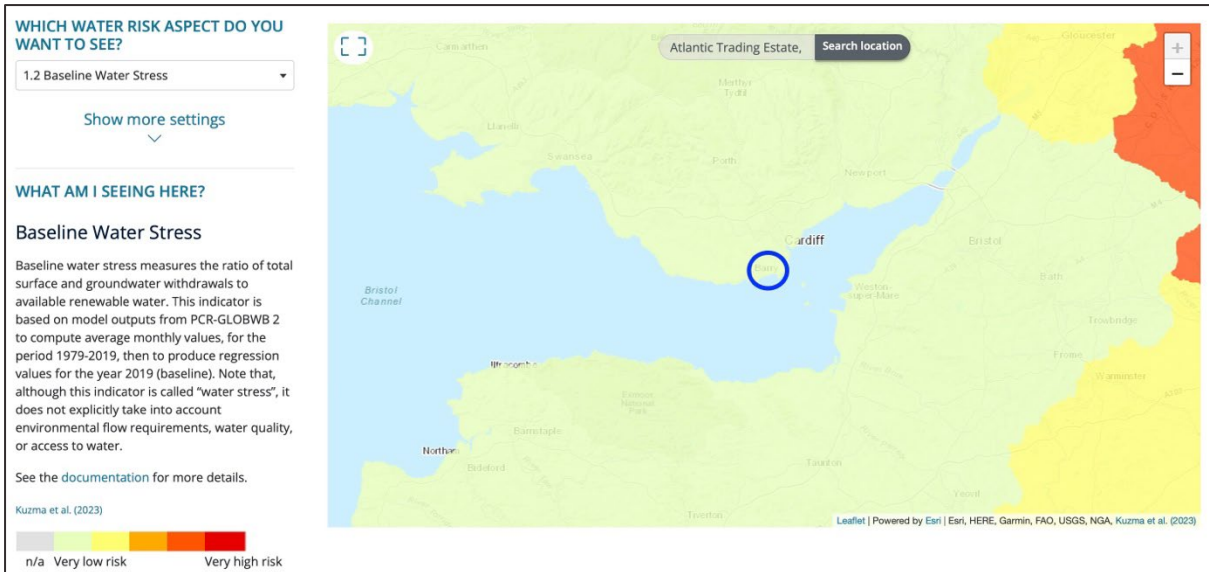
Appendix 3: Baseline Water Stress Assessment for Barry using the WRI Aqueduct Global Water Tool.



Appendix 4: Baseline Water Stress Assessment for Arnhem using the WWF Water Risk Filter.



Appendix 5: Baseline Water Stress Assessment for Kingsport using the WWF Water Risk Filter.



Appendix 6: Baseline Water Stress Assessment for Barry using the WWF Water Risk Filter.