

## Slavery and Human Trafficking Statement Accsys Technologies Plc

### Introduction

A focus on corporate and social responsibility lies at the very core of our business. Our technologies not only enable us to manufacture wood products that offer 'best in class' durability, dimensional stability and a wide spectrum of other performance and environmental advantages over alternative environmentally threatened or compromised products, but also provide attractive opportunities for our employees, distributors, licensees and other stakeholders. We want to ensure that our business is not only a commercial success, but also run in a responsible fashion as we continue to advance technologies for a better world.

As part of our focus on social responsibility, we are committed to improving our practices to combatting and eliminating slavery and human trafficking.

### Organisation's structure

Accsys Technologies is a chemical technology group, focused on the acetylation of wood. Accsys' parent company, Accsys Technologies PLC, has its head office in London, England, and manufacturing, research and development operations in Arnhem, the Netherlands, as well as sales and marketing offices in each of these locations and in Dallas, USA. In 2017 Accsys Technologies completed agreements with a Consortium in respect of the construction, operation and financing of the world's first dedicated Tricoya<sup>®</sup> wood chip acetylation plant, to be located in Hull, England. Substantial progress with the construction of this Tricoya<sup>®</sup> plant has been made, with completion expected in the 2019 calendar year.

Accsys employs a distribution model, with a network that extends to some 60 distributors, suppliers or Accoya<sup>®</sup> agents serving most major markets worldwide, including in Europe, Asia, Africa, North and South America and Australasia.

The Accsys group currently employs approximately 150 personnel across these locations and has a global annual turnover of in excess of £55 million.

### Our business

Accsys' operations comprise four principal business units:

1. The commercial scale Accoya<sup>®</sup> wood production and sales facility in the Netherlands, including production of developmental volumes of Tricoya<sup>®</sup> wood elements feedstock
2. The building and operating of a Tricoya<sup>®</sup> wood elements production plant in Hull
3. Technology and product development
4. Accoya<sup>®</sup> and Tricoya<sup>®</sup> technology licensing

The principal activities of the Group are the production and sale of Accoya<sup>®</sup> solid wood and Tricoya<sup>®</sup> wood elements, technology and product development as well as the licensing of technology for the production and sale of Accoya<sup>®</sup> and Tricoya<sup>®</sup> via the Company's subsidiaries, Titan Wood Limited, Titan Wood B.V., Titan Wood Technology B.V., Titan Wood

Inc., Tricoya Technologies Limited and Tricoya Ventures UK Limited (collectively the 'Group'). Manufactured through the Company's proprietary acetylation processes, these products exhibit superior dimensional stability and durability compared with alternative natural, treated and modified woods as well as more resource intensive man-made materials.

The Tricoya<sup>®</sup> Consortium will lead to the Group's second commercial acetylation plant. At the same time, the Group has expanded its Accoya<sup>®</sup> production plant in Arnhem by 50% to at least 60,000 cubic metres per annum. Construction of this expansion was completed earlier this year and we are now in the process of ramping-up Accoya<sup>®</sup> production and supply.

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

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

### Our supply chains

Our supply chains include the following key elements:

- The sale and purchase of wood materials
- The purchase of acetic anhydride and sale of acetic acid
- The procurement of transport and logistics services
- The procurement of utilities required to operate our acetylation plant process
- The procurement of acetylation plant equipment, construction, engineering and maintenance services

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

### Our policies on slavery and human trafficking

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

Our internal policies, which include a [Corporate Social Responsibility Policy](#) reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our business.

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

## Processes for mitigating slavery and human trafficking

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

To produce Accoya®, only abundantly available wood species are being used from certified, sustainably managed forests and plantations, primarily [FSC®](#), which include the key principle of protecting worker rights. Our procedures and practices are assessed annually by the independent certification body, [Control Union](#), to ensure that we meet FSC® and other similar chain of custody guidelines and the mills that supply us also complete annual audits. All Accoya® is also compliant with the European Union Timber Regulation (EUTR) as well as the USA's Lacey Act, which imposes obligations on us to carry out due diligence into the practices of our timber suppliers.

Besides the responsible sourcing of timber, Accsys only works with counter-parts with a clear and transparent Corporate Social Responsibility policy. For example, the main supplier of our other key material in the production of Accoya® and Tricoya® - acetic anhydride - is BP. Accsys takes confidence from BP's own [Modern Slavery Act Statement](#) and publicly stated policy on [Human Rights](#) and its implementation of the relevant sections of the United Nations Guiding Principles on Business and Human Rights, together with its respect for the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

## Supplier and customer adherence to our values

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

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

Our standard form contracts with our key business partners provide for their compliance with law and regulation relating to the sale and purchase of goods. The Company reported in 2016 of our intention to update our standard form distribution and licensing agreements to expressly provide for anti-slavery and human trafficking and the Company has effected such change where reasonably possible.

As part of our ongoing due diligence we request, where possible, that new suppliers complete a [declaration](#) which states that they are in compliance with international

conventions regarding human rights, including those relating to slavery or human trafficking, and are not aware of any slavery or human trafficking in their supply channels.

In our previous Slavery and Human Trafficking Statement, dated 21 September 2017, we stated our intent to implement a [Supplier Code of Conduct](#), setting out Accsys' expectations for all suppliers in relation to labour, human rights, environmental and ethical conduct. This [Code of Conduct](#) was implemented early in the 2018 calendar year. Non-adherence to the principles stated within the Code of Conduct influences whether a supplier is deemed eligible to do business with us.

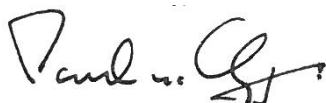
Since our previous Slavery and Human Trafficking Statement, we have also implemented quarterly desk top due diligence reviews of all known shippers used by our global suppliers of raw wood to gain comfort that they do not engage in slavery and human trafficking practices. In the last year, quarterly reviews of the 11 shippers known to be used by our suppliers have not revealed any concerns.

### Our on-going commitment

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

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will continue to discuss these important issues internally and provide training to our staff as appropriate.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2018.



Paul. H.A. Clegg  
Chief Executive Officer  
Accsys Technologies PLC

Date: 18 September 2018