

ACCSYS TECHNOLOGIES PLC

SLAVERY AND HUMAN TRAFFICKING STATEMENT

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 combat 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[®] wood chip acetylation plant, to be located in Hull, England.

Accsys employs a distribution model, with a network that extends to some 60 distributors, suppliers or Accoya[®] agents in most of Europe, Australia, Canada, Chile, India, Israel, Mexico, Morocco, New Zealand, South Africa, parts of the Middle East and South East Asia and the USA.

The Accsys group currently employs approximately 150 personnel across these locations and has a global annual turnover of in excess of £50 million.

OUR BUSINESS

Accsys' operations comprise four principal business units:

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

The principal activities of the Group are the production and sale of Accoya[®] solid wood and Tricoya[®] wood elements, technology and product development as well as the licensing of technology for the production and sale of Accoya[®] and Tricoya[®] 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 process, 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 Consortium will lead to the Group's second commercial acetylation plant, the construction of which is now underway, and marks 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® wood plant in Arnhem, the Netherlands and the construction of the Tricoya® 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 (<https://www.accsysplc.com/wp-content/uploads/sites/2/2017/09/CSR-brochure-final.pdf>) 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® (www.fsc-uk.org/en-uk), which include the key principle of protecting worker rights. Our procedures and practices are assessed annually by the independent certification body, Control Union (www.controlunion.com) 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 Lacey Act, which imposes obligations on us to carry out due diligence into who our timber suppliers are.

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 publicly stated policy on Business and Human Rights (<http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/BPHumanRightspolicy.pdf>) 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.

Accsys itself is founding member of the Social Stock Exchange (SSE, www.socialstockexchange.com), which is a leading platform to showcase publicly listed social and environmental impact businesses. Accsys has fulfilled the admission criteria set by SSE, which includes an anti-slavery and human trafficking stance. Membership of the SSE requires Accsys to file an annual report and our on-ongoing listing on the SSE is subject to annual audit by the SSE following that report.

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 the current financial year (ending 31 March 2018) we intend to implement a Supplier Code of Conduct, setting out Accsys' expectations for all suppliers in relation to labour, human rights, environmental and ethical conduct.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we 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 2017.



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

Date: 21 September 2017