

















# Sustainability

## CEO Introduction

At Accsys, sustainability is a fundamental part of who we are and how we operate. We continue to embed sustainable business practices into every aspect of our operations. Our product offering enables the world to build more sustainably, and our strategic focus is to ensure best-in-class practices and creating positive change around our product, people and processes.

In FY25, we conducted our first double materiality assessment (DMA). This enabled us to identify and prioritise the ESG factors that are most relevant to Accsys and its stakeholders, both in terms of their financial implications, and the impact on the environment. These findings provide us with a comprehensive understanding of where our efforts should be placed. Accsys will use this to develop a refreshed ESG strategy, focusing on key impact areas and holding ourselves accountable against our purpose of Changing Wood to Change the World'.

### ESG Framework

	Environment	Social	Governance
Material Issues	<ul style="list-style-type: none"><li>Sustainable and quality products</li><li>Energy and climate change</li><li>Responsible sourcing</li><li>Innovation and technology</li><li>Ecological footprint</li></ul> 	<ul style="list-style-type: none"><li>Health and safety</li><li>People and wellbeing</li><li>Society and communities</li></ul> 	<ul style="list-style-type: none"><li>Fair and ethical conduct</li><li>Governance management and advocacy</li></ul> 
Strategy	<p>Impactful action and data-led direction</p> <p>Use improved data to refine action plans and set realistic, ambitious and attainable targets</p> <p>Implement and support new programmes and initiatives</p> <p>Manage and reassess material issues and stakeholder priorities to ensure continued relevance</p>		
Strategic focus areas	<ul style="list-style-type: none"><li>Continue to focus on making our product as sustainable as possible, using the most resource-efficient manufacturing processes and being accredited to the standards that our customers value and respect</li><li>Support no net deforestation – with a commitment to 100% certified sustainable wood sources (through FSC® (CO12330), PEFC, or equivalent)</li></ul>	<ul style="list-style-type: none"><li>Prioritise health and safety and create a Zero Incident culture</li><li>Create satisfying jobs with clear career development opportunities to attract and retain the best talent</li><li>Build an inclusive culture where colleagues can bring their whole selves to work</li></ul>	<ul style="list-style-type: none"><li>Hold ourselves to a high standard of corporate governance as well as good practice around environmental and social issues, compliance and quality, as appropriate</li><li>Always conduct our business in a fair and ethical manner</li></ul>
Priorities	<ul style="list-style-type: none"><li>Net Zero targets in place by 2030</li><li>Maintain best-in-class product certifications</li><li>Source all wood from 100% certified sustainable sources (through FSC® (CO12330), PEFC, or equivalent)</li></ul>	<ul style="list-style-type: none"><li>Zero harm to colleagues and contractors</li></ul>	<ul style="list-style-type: none"><li>Embedding and maintaining a culture of governance and compliance</li></ul>
SDG alignment	<div></div>		



Our impressive growth in our S&P CSA score validates Accsys' commitment to strong governance and sustainable practices as we work to drive meaningful, lasting change."

Dr Jelena Arsic van Os  
CEO

## Progress on sustainability strategy

Sustainability remains a core function of our business and, as we expand our operations, we remain firmly committed to ensuring that this growth is achieved in a sustainable way. Since the publication of our last report, commercial operations have begun at the Accoya USA manufacturing facility in Kingsport, Tennessee. This marks a significant step in our global expansion, and we are proud to have maintained a commitment to 100% certified sustainable wood sources (through FSC® (CO12330) PEFC, or equivalent) throughout this journey.

The ability to achieve our strategic ambitions is dependent on having a highly engaged, skilled, and motivated workforce. We are proud that our 2025 employee engagement survey showed 84% of our colleagues feel their work has a strong sense of purpose. In FY25, we continued to invest in our people and expanded our learning and development programmes which provided employees with improved access to training opportunities.

We also launched a Technical Training Academy designed to strengthen specialist technical capabilities and support career advancement across our manufacturing teams.

Health and safety remains a non-negotiable priority for Accsys. In FY25, we began implementing our nine Life Saving Rules across our manufacturing sites, and continued to promote our aim of zero harm to colleagues and contractors.

The S&P Corporate Sustainability Assessment (CSA) remains an important tool in benchmarking our ESG performance. We are pleased to report further progress this year, achieving a +11 point increase to a score of 56/100. Moreover, we have maintained our position in the top 20% of our industry sector (Paper and Forest Products) for the third consecutive year.

### Looking ahead

Over the coming year, we plan to review our ESG strategy to ensure it remains aligned with evolving industry standards, stakeholder expectations, and our long-term sustainability objectives.

We take pride in our product eco-labels and certifications, which reflect our commitment to sustainability and high environmental standards. As these standards evolve and become more rigorous, it is important that Accsys maintains responsible and up-to-date business practices that align with these recognised frameworks. We are currently in the process of recertifying Accoya against Cradle to Cradle Certified® Version 4.1 and will continue to work towards this throughout FY26. This recertification underscores our ongoing efforts to meet robust environmental and social criteria, driving positive change in both our products and processes.

## Sustainability continued



### Environment

Accsys is dedicated to actively monitoring and reducing the environmental impact of our operations, while maximising the beneficial impacts of our business and products.

As we expand, we are focused on improving operational efficiency and driving innovation to minimise our environmental footprint, in accordance with our Environmental and Climate Change Policy. This includes our commitment to responsible sourcing and fostering strong partnerships across our supply chain.

Our products meet the highest standards of quality and sustainability, achieving third-party accreditations and certifications whilst meeting our customers' needs. We publish our Environmental Product Declarations (EPDs) on [accoya.com](https://accoya.com)

# 51,244 tCO<sub>2</sub>

sequestered in products sold (FY24: 45,390)\*

**100%** certified sustainable wood sources (through FSC® (CO12330), PEFC, or equivalent) (FY24: 100%)

**100%** suppliers screened using social and environmental criteria (FY24: 100%)

**100%** of new supplier wood mills visited before supply (FY24: 100%) and 84% of wood supply mills visited within three years (FY24: 80%)

\* These figures are unaudited.



The mark of responsible forestry

### FY25 highlights

- By optimising the moisture content of incoming wood, we have improved the efficiency of acetic anhydride use, and further **reduced the amount of acetic acid by-product generated**
- 252m<sup>3</sup>** of Accoya wood off-cuts were reclaimed from manufacturers and re-processed for Tricoya (FY24: 230m<sup>3</sup>)

### Looking forward

- Maintain 100% certified sustainable wood sources in FY26 (through FSC® (CO12330) PEFC, or equivalent)
- Cradle to Cradle® 4.1 certification for Accoya and Accoya Color
- Process optimisation to reduce energy consumption
- Continue to maximise the use of raw materials and reduce the impact of our supply chain through:
  - Expanding the use of lower grade woods for our engineered wood products to maximise the use of forest resources
  - Continuing to explore the use of other suitable wood species, source locations and supply options for more sustainable and lower impact wood sourcing
  - Ongoing evaluation of acetic anhydride supply sourcing, reuse and recycling of acetic acid co-product

## ENVIRONMENT CASE STUDY

# CRADLE TO CRADLE CERTIFIED® – DEMONSTRATING PERFORMANCE AND SUSTAINABILITY GO HAND IN HAND



Villa Holterberg, Belgium.  
Photography: Jeroen Musch

At Accsys, we are proud that our products are high performing, while contributing to a more sustainable built environment. Externally assessed accreditations and certifications allow us to demonstrate our sustainability attributes and ensure that we are progressing and focusing on the right areas.

Cradle to Cradle Certified® (C2C) is an independent globally-recognised standard which recognises safe, circular, and responsibly-made products and materials. It helps companies ensure the impact of their products on people and the planet is a positive one. Companies must reapply for C2C Certified® status every two years.

Accoya has held Gold C2C Certified® status since 2010 and was one of the first building products to achieve this high level of certification.

The successful retention of this status despite new, more stringent, assessment processes, is recognition that sustainability remains a priority for Accsys acknowledging our sustainable wood sourcing strategy, non-toxic product and use of more than 50% renewable electricity. Accsys is currently working towards obtaining Cradle to Cradle Certified® Version 4.1 for Accoya and Accoya Color.



## Sustainability continued

# Greenhouse Gas Emissions

GHG emissions and energy use data for period 1 April 2024 to 31 March 2025

		FY25 Total	FY24 Total
Stationary combustion	tCO <sub>2</sub> e	5,826	5,631
Mobile combustion	tCO <sub>2</sub> e	94	84
Refrigerants	tCO <sub>2</sub> e	10.4	20
<b>Subtotal Scope 1</b>	tCO <sub>2</sub> e	<b>5,930</b>	<b>5,735</b>
Scope 2 emissions location-based – Electricity	tCO <sub>2</sub> e	4,031	2,788
Scope 2 emissions market-based – Electricity	tCO <sub>2</sub> e	2,535	947
Scope 2 emissions – Steam*	tCO <sub>2</sub> e	1,078	–
<b>Total Scope 1 and 2 emissions market-based**</b>	tCO <sub>2</sub> e	<b>9,543</b>	<b>6,682</b>
Accoya wood product sold	m <sup>3</sup>	63,864	56,568
Intensity Ratio: Gross Scope 1 and Scope 2 emissions per 1m <sup>3</sup> product sold (market-based)	tCO <sub>2</sub> e/m <sup>3</sup>	0.15	0.12
<b>Energy consumption associated with Scope 1 and 2 emissions</b>	<b>kWh</b>	<b>51,179,728</b>	<b>41,575,000</b>

Scope 1: direct emissions from Company owned or controlled sources; Scope 2: indirect emissions from the generation of purchased energy, such as electricity.

\* From FY25, Scope 2 emissions figures include steam from the Accoya USA site. For FY24 and all previous years, Scope 2 emissions from steam are reported as zero. Our Scope 2 emissions are reported using both the location-based and market-based approaches, to account for the purchase of Renewable Energy Certificates (RECs), a market-based instrument, for our site in Arnhem.

\*\* Our market-based emissions totals account for purchased RECs (Renewable Energy Certificates) in the reporting year.

### Change from last year

Scope 1 emissions increased in FY25 in line with increased European production volumes. This includes the use of natural gas used within the manufacturing processes at Arnhem and Barry.

As anticipated, the opening of Accoya USA, our joint venture manufacturing facility, increased our total Scope 2 emissions. This can be attributed to the initial operational set-up and scaling requirements, as well as the use of purchased steam at Kingsport.

The scale-up of operations at Kingsport has led to an increased emissions intensity ratio. Looking ahead, as production volumes increase at Kingsport, we anticipate improvements due to economies of scale in energy efficiency per cubic metre of product produced.

### Use of Renewable Energy Certificates (RECs)

Accsys purchases Renewable Energy Certificates (RECs), a market-based instrument, to green its electricity consumption and meet targets set for our Cradle to Cradle Certified® status. We currently purchase RECs to green 56% of our electricity manufacturing emissions for the two-year certification period (currently August 2023-August 2025). Since this certification period runs differently to the financial year, our RECs may not directly reflect the financial year's electricity consumption. RECs are accounted for in the Scope 2 market-based emissions. We purchase RECs through our energy provider in Arnhem and have a contract up to FY26.

	FY25	FY24
Renewable Energy Certificates (RECs) Retired (MWh)	7,929	6,935

### Carbon Offsets Retired

In line with Cradle to Cradle Certified® requirements, Accsys retired 3,715 tCO<sub>2</sub>e of carbon offsets in FY25. Offsets are purchased for 53% of non-electric manufacturing emissions and are sourced from projects certified to a C2CPH-recognised offset project certification programme. The credits are Verified Carbon Units (VCUs), certified by VERRA, using the Verified Carbon Standard (VCS) to recognise emissions reductions. Additionally, the credits are certified by VERRA's Climate, Community & Biodiversity Standards (CCB) to highlight their additional co-benefits. When accounting for carbon offsets, our Total FY25 Scope 1 and 2 net market-based emissions are 5,828 tCO<sub>2</sub>e.



### Scope 3 emissions reporting

- Our Scope 3 emissions can be found in the ESG data table on our website: [www.accsysplc.com/changing-the-world/environmental-social-governance](http://www.accsysplc.com/changing-the-world/environmental-social-governance)

### Scope 1, 2 and 3 emissions boundary and methodology

- Emissions have been calculated using the main requirements of the GHG Protocol – Corporate Accounting and Reporting (revised edition).
- We have reported on the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.
- We set our reporting boundaries using the equity share approach. We report on all sites where we have a share in equity in the operations; for FY25 this includes 100% of emissions from our manufacturing facility in Arnhem, the Netherlands, our Accoya Color facility in Barry, UK, our Dallas and London offices, and the emissions associated with the Tricoya site in Hull. In FY25, we have also included 60% of the emissions from our joint venture in Kingsport. Accsys holds a 60% interest in the joint venture and Eastman 40%.
- Selection and data collection were based on primary information sources, including official documents, bills and invoices.
- Emissions have been calculated using the following data and emissions factor sources: IPCC 2006 Guidelines for National Greenhouse Gas Inventories, 2007 IPCC Fourth Assessment Report, IEA Emissions Factors (2023), CEDA (2023), UK Government GHG Conversion Factors for Company Reporting (2023), SimaPro 9.5 and Ecolnvent 3.10.

For our market-based Scope 2 emissions reporting, we also use residual mix factors sourced from the Association of Issuing Bodies (AIB) and Green-e.

- In 2022, we commissioned Environmental Product Declarations (EPD) for our wood products. These EPDs include cradle-to-grave life-cycle assessments (LCAs) and are based on our production data. The results from these EPDs are used to estimate the Scope 3 emissions associated with our products.

### Restatement position

Previous years' emissions would be restated if a recalculation results in a change of more than 5% in the previously stated emissions total. Reasons for recalculating could include the availability of more accurate data, identification and correction of errors or new information becoming available.



## Sustainability continued



### Social

As a manufacturing company, health and safety remains an utmost priority. Ensuring that our employees are safe at work is embedded in our Company culture and, throughout FY25, we began to embed the nine Life Saving Rules which are aimed at health and safety prevention and accountability.

However, over the last year, Accsys has recorded an increase in our Lost Time Incident Rate (LTIR). This trend is concerning and primarily linked to an increase in necessary manual interventions at our Arnhem facility involving our wood stacking operations. We maintain a very strong safety track record in our chemical operations. In response, we are reviewing our mechanical safety practices to identify targeted measures that will reduce risk and ensure a safe working environment for all employees. To further reinforce accountability, health and safety targets are directly integrated into the performance-bonus structure for the Executive Committee. Our long-term ambition is ultimately for zero harm.

Accsys is committed to upholding human rights and fostering inclusive, supportive and fair workplaces. This includes regular benchmarking to ensure that wages are fair, equitable and reflective of employees' skills, abilities and experience, as well as monitoring working hours, and tracking the gender pay gap. In Arnhem, where the majority of employees are based, the Works Council is regularly consulted and allows for greater employee representation and a more collaborative approach in our work environments.

At Accsys, we believe the best results come from employees who are engaged, motivated and have opportunities to develop. In FY25, we launched the online employee learning and development programme whilst our employee share plan enables colleagues to directly benefit from the success of the Company, reinforcing a sense of ownership. We also encourage active involvement and collaboration through the Charity Committee, Ideas Box, and Wellness Program at Arnhem, all of which give employees the opportunity to contribute to Accsys' culture beyond their day-to-day roles.

# 32.8

total hours of training and development per person (FY24: 30.5)

**Zero** fatalities (FY24: zero)

**2.83** Lost Time Incident Rate (LTIR) (FY24: 1.83)\*

**84%** of employees feel their work has a strong sense of purpose

\* Per 200,000 hours worked.

	Total headcount	% Male	% Female
Non-Executive Board Members	4	75	25
Senior managers*	30	77	23
All employees	215	85	15

Note: Table reflects FY25 for Accsys. Headcount is exclusive of joint venture.

\* Senior managers include our Executive Board Members, Executive Committee, and senior managers with the highest levels of strategic influence for the organisation.

### FY25 highlights

- **Launch of an online learning and development system** to facilitate employee training across our sites
- **Introduction of a Technical Training Academy** to build technical competencies amongst employees
- **Continued success of our award programmes** including the FOCUS awards and Ideas Box
- **Celebrating cultural and social events with employees** such as World Mental Health Day, International Women's Day, Earth Day, and World Day for Safety and Health at Work
- **Employee wellness workshops at Arnhem**, allowing employees to learn from external experts on wellbeing topics (see case study on page 53)
- **1,342 days with no LTIs** at our Barry site

### Looking forward

- Focusing efforts on a 'Journey to Zero' health and safety incidents. This includes continuing safety training in Arnhem
- Next phase of embedding the nine Life Saving Rules, working to improve health and safety at Arnhem
- Pursue additional health and safety training programmes to enhance site personnel capabilities
- Extension of **wellness** initiatives to all employees

## SOCIAL CASE STUDY

# ACCSYS CARES



Employee at Arnhem

As part of our ongoing focus on employee wellbeing, Accsys' Arnhem plant in the Netherlands launched its first structured wellness initiative which ran from July to December 2024. The programme was designed to address specific physical and mental health challenges, with a particular focus on the challenges often faced in a manufacturing environment and by shift workers.

Over the five-month period, a series of 14 workshops were held, offering employees the opportunity to engage with a wide range of health-related topics. Sessions included guest speakers and subject-matter experts who led discussions on practical strategies for managing and preventing stress, improving nutrition and increasing movement into daily routines. The workshops also created space for open dialogue, allowing participants to share experiences and ask questions in a supportive environment.

A highlight for the programme was a nutrition-focused workshop held in September, where two registered dietitians visited the Arnhem site to provide guidance on healthy eating. The session focused on practical and accessible approaches to nutrition that could be tailored to individual routines and shift patterns.

The initiative was well received and forms part of a broader effort to create a healthier, more engaged, and more supportive work environment for all employees. Building on the positive response to the initial workshops, plans are in place to continue expanding wellness support for employees across all sites.



## Sustainability continued



### Governance

The Board of Directors holds ultimate responsibility for overseeing the management of Environmental Social Governance (ESG) and climate-related risks and opportunities (for more information see page 56). However, good governance is embedded into the daily work of all employees at Accsys, reflecting our shared business purpose of 'Changing Wood to Change the World'.

We remain firmly committed to conducting our business responsibly and upholding the highest ethical standards as we grow. To support this, we continuously strengthen our processes and procedures, conducting regular reviews to ensure they are properly applied to maintain a positive and accountable corporate culture.

Accsys recently conducted a Double Materiality Assessment (DMA). The insights gained from this assessment will guide the development of our ESG strategy, help to inform decision making and shape our priority focus areas for material issues going forward.

#### FY25 highlights

- Accsys scored 56/100 in the S&P Global Corporate Sustainability Assessment – reflecting an +11 point improvement over last year's score (see case study on page 55) (FY24: 45/100)
- Continued participation in the UN Global Compact
- Review of key policies (e.g. Human Rights, Environment and Climate Change)
- Continued adherence to QCA Corporate Governance Code (see page 79 for more information)
- Monitoring and training in relation to key governance topics, including Anti-Bribery, Market Abuse and Modern Slavery
- Introduction of a Board Diversity Policy

### Zero incidents

of bribery and corruption (FY24: zero incidents)

**Zero fines** and zero non-monetary sanctions from non-compliance with environmental laws and/or regulations (FY24: zero)

**Two** 'meet the Board' events held for Accsys colleagues (FY24: one)

**100%** relevant colleagues (including Board) communicated with and completed training on anti-corruption policies and other key topics (FY24: 100%)

**Zero** regulatory fines, sanctions or settlements (FY24: zero)

**Zero** direct spend on political campaigns, lobbying or think tanks (FY24: zero)

**As a UN Global Compact signatory**, Accsys has committed to implementing the Ten Principles across Human Rights, Labour, Environment and Anti-Corruption issues.

#### Looking forward

- ESG strategy refresh
- Continued monitoring of new reporting frameworks e.g. ISSB standards
- Fifth year of reporting to GRI and SASB



**Fifth year of reporting to GRI and SASB**