

Climate Disclosures Report (TCFD)

This report includes disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). While Accsys is not currently subject to mandatory TCFD reporting requirements, these disclosures are provided on a voluntary basis and to support Accsys' approach to transparency and provide insight into the Company's approach to climate-related risks and opportunities.

Introduction

At Accsys we are continually developing our sustainability and ESG strategy. In recent years, monitoring and managing the climate risks and opportunities that could potentially impact the Company has become a key priority to us. FY24 was our first year in which we publicly disclosed these climate risks and opportunities. We also consider climate change mitigation and adaptation as a principal risk within our enterprise level risk process. More information on our risk governance can be found in our Annual Report.

Accsys has, on a voluntary basis, reported disclosures consistent with the TCFD's 2021 guidelines. Where possible and appropriate, we have also aligned with some of the International Financial Reporting Standards (IFRS S2) requirements. To ensure alignment, this section has been broken down into each of the four pillars of the TCFD (Governance, Strategy, Risk Management, Metrics and Targets).

Governance

a) Describe the Board's oversight of climate-related risks and opportunities

Accsys' Board of Directors is responsible for overseeing Accsys' governance framework and all associated risks, including ESG and climate-related risks and risks identified in our Double Materiality Assessment (see our [Material Topics and Sustainability Plan](#)). This ongoing risk assessment at the Board level is provided through the Audit Committee which has responsibility for oversight of the Company's risks, including climate-related risks.

All enterprise level risks, including climate-related risks and opportunities, are reviewed annually as part of the Audit Committee's risk management process. Day-to-day management of risk is delegated appropriately throughout the organisation.

Climate-related risk monitoring is led by Accsys' Head of ESG, together with other relevant colleagues. See the diagram below for more information on how climate-related risks and opportunities are managed at Accsys.

Climate-related risks and opportunities governance structure



b) Describe management's role in assessing and managing climate-related risks and opportunities

Between September 2023 and April 2024, Accsys carried out a qualitative climate scenario analysis to review and identify key climate-related risks and opportunities. This involved engaging key stakeholders at Accsys, including Board members and senior management in workshops to capture potential current and emerging risks and opportunities across Accsys' own operations, upstream and downstream value chain.

This work was led by Accsys' Head of ESG with support by expert climate consultants from EcoAct and oversight from the Executive Committee. Information related to ESG and climate risk is further disclosed and monitored through the publication of Accsys' annual ESG data table where the Company's Scope 1, 2 and 3 greenhouse gas emissions, as well as other ESG metrics, are reported.

These procedures and governance mechanisms enable the Board and the Executive Committee to closely monitor the Company's sustainability and climate-related performance, as well as ensuring sufficient management focus and resource allocation.

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Through the qualitative climate scenario analysis, Accsys has identified what its climate-related risks and opportunities are and has assessed their potential impacts over near, medium and long-term time horizons.

During FY26, we completed an internal review of our climate scenario analysis conducted in 2024. No new material risks or opportunities were identified and existing findings remain relevant. While updated scenarios are now available, this does not affect the validity of our findings.

Time Horizons

Climate risks were modelled across three time periods:

- **Near term:** the period up to the 2030s, specifically considering climate projection data from 2021 to 2030. This timeframe focuses on the immediate impacts and changes that are expected to occur or begin manifesting within this decade.
- **Medium term:** extends to the 2050s, with the analysis based on climate projection data for the period from 2021 to 2050.
- **Long term:** the period beyond the 2050s, considering climate projection data from 2050 to the end of the century.

The identified risks table highlights what these material risks are over these time horizons and describes the impact of them on Accsys' business, strategy and financials, as well as on Accsys' business model and value chain.

Physical Risks

Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g. cyclones, droughts, floods and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g. sea level rise).

The physical risk analysis was based on Accsys' key geographical regions. For physical risks, this included Accsys' main operational sites as well as key locations in the supply chain. Exposure to climate hazards has been evaluated based on information from IPCC climate models driven by Representative Concentration Pathways (RCP) 2.6 and 8.5 scenarios. These scenarios provide insight into potential physical risks under different future pathways. RCP 2.6 represents a low carbon scenario, emphasising sustainability and low challenges to mitigation and adaptation. RCP 2.6 is the scenario that aligns most closely with the goals of the Paris Agreement and is consistent with keeping global temperature rise well below 2°C above pre-industrial levels. RCP 8.5 represents a high carbon scenario, characterised by high challenges to mitigation and low challenges to adaptation.

Transition Risks

Transition risks can include policy constraints on emissions, imposition of carbon tax, water restrictions, land use restrictions or incentives, and market demand and supply shifts have been categorised as market; policy and legal; technology; or reputational risk.

For transition risks, two hypothetical scenarios have been applied to understand the range of transition risks that could be seen depending on if the business as usual or a sustainability pathway are followed, i.e. a low and a high carbon world. A wide number of sources were analysed within each scenario representing a different understanding of how these scenarios might materialise. This is required due to transition risk scenarios being less defined and subject to different considerations and assumptions.

Below are a list of the transition scenarios that have been reviewed:

- The IEA World Energy Outlook 2020 Model includes the following scenarios, covering estimated temperature rises of 1.5°C – 3.3°C with a large focus on the Energy Sector:
 - Stated Policies Scenario (STEPS);
 - Sustainable Development Scenario (SDS);
 - Delayed Recovery Scenario (DRS);
 - Net Zero Emissions by 2050 (NZE2050).
- The IEA Energy Technology Perspectives (2017 and 2020) Models include the following scenarios covering estimated temperature rises of 1.5°C – 3.3°C with a focus on Industry, Buildings, Transport and Energy. The newer edition of the Energy Technology Perspectives use the same scenario narratives as the World Energy Outlook 2020 scenarios but focuses on the roll out of low-carbon technology:
 - Reference Technology Scenario (RTS);
 - 2°C Scenario (2DS);
 - Beyond 2°C Scenario (B2DS);
 - Sustainable Development Scenario (SDS);
 - Stated Policies Scenario (STEPS).

Scenarios

Based on the review of the wide range of scenarios, the low and high carbon scenarios have been defined as:

Low carbon scenario: Decarbonisation efforts are substantially ramped up from the short term all the way to 2050 and beyond, with increasing pressure from employees, stakeholders, governments, businesses and investors to reach global warming of only 1.5°C by 2050. This will take the form of increasing regulation with increasing reporting requirements, higher carbon prices and wider implementation of carbon pricing mechanisms globally, higher expectations from businesses and larger impact on a company's reputation from climate inaction, amongst other things.

High carbon scenario: Decarbonisation efforts remain aligned with current policies only, leading to some efforts in the short term but there will be no climate-related transition in the medium to long-term. In the short term, the world may look somewhat similar to the low carbon scenario however, beyond the short term, there will be no additional pressure from any stakeholder to take action on climate change. In this scenario, Accsys' business would mainly be affected by the physical impacts of climate change that may materialise as a business risk across its value chain.

Likelihood

The likelihood level for each risk focuses on the evidence that the specific driver will materialise in a specific scenario and time horizon. The probability of exposure increasing has then been categorised into five categories, with the percentages representing the likelihood of an event happening in a given year:

- **Remote** (X <1%): Event may occur only in exceptional circumstances
- **Unlikely** (1% < X <10%): Event may occur in exceptional circumstances
- **Possible** (10% < X < 50%): Event could occur at some time

- **Likely** (50% < X < 90%): Event will occur at some time
- **Almost Certain** (X > 90%): Event will probably occur in most circumstances

For each risk considered the level of impact has been categorised by the following assessing impacts across finance, operations, reputation, governance, and customer and colleague impact:

- **Very Low**
- **Low**
- **Medium**
- **High**
- **Very High**

A combination of desk-based research, climate datasets and engagement with stakeholders within the business was carried out to ensure the most representative risk ratings for each climate risk assessed.

Identified Material Risks

Physical risks

Although physical risks are expected to see the biggest increase in frequency and intensity after 2050, it should be noted that physical risks may already be directly impacting Accsys' operations as all have already increased in frequency and intensity globally due to climate changes. Therefore the risks posed by these hazards should not be discounted in the near and medium term.

Risk Description			
Increased intensity and frequency of extreme weather events impacting operational sites and supply chain			
Across Accsys' operational locations in the UK, USA and the Netherlands, the frequency and intensity of all extreme weather events is expected to increase, potentially causing significant damage and disruption at Accsys' operational sites			
Risk category	Climate scenario and most relevant time horizon	Impact on business strategy and financial planning	Adaptation and mitigation actions
Acute	High Carbon	Lost revenue and cost of replacing damaged assets.	Emergency response: Regularly review and update emergency response plans and flood risk resilience. Diversification of suppliers: Continue to explore alternative sources and regions for timber sourcing to ensure varied geographical supply and prioritise energy efficiency.
	Long Term (Beyond 2050)	Extreme weather events could cause significant damage at Accsys' key operational sites leading to significant delays, whilst clean-up operations take place, and/or write-off of existing assets including machinery, buildings and timber stock, resulting in lost revenue due to delays. Furthermore, delays caused by extreme weather events in both Accsys' supply chain and to direct operations all contribute to lost revenue.	
Likelihood rating	Impact rating		
Likely	High		Insurance review: Regularly review insurance coverage to ensure it matches the sites' flood risk profile.

Physical risks continued

Risk Description			
Chronic shifts in climate impacting supply and demand			
Global temperatures are expected to increase due to climate change in the coming years. This will likely impact current areas of forest used to produce timber, potentially affecting both quality and quantity available to Accsys.			
Risk category	Climate scenario and most relevant time horizon	Impact on business strategy and financial planning	Adaptation and mitigation actions
Chronic	High Carbon Long Term (Beyond 2050)	Decreased revenue due to increased operating costs and decreasing availability of timber supply. Current supplier growing locations could no longer be suitable due to changing temperatures. Higher temperatures could also lead to previously inconsequential pests and diseases becoming prevalent in the regions where Accsys' suppliers operate, both reducing the quality and availability of timber. Alongside this, the expected increased demand for timber globally could lead to higher costs and reduced availability of Accsys' key supply.	Diversification of suppliers: Continue to explore alternative sources and regions for timber supply to reduce dependency on a few areas. Research: Continue to invest in researching different tree species that meet Accsys' production needs. Supplier partnerships: Continue to work closely with suppliers to support the implementation of sustainable practices and enhance their adaptive capacity, maintaining 100% certified sustainable wood sources.
Likelihood rating	Impact rating		
Almost Certain	Medium		

Risk Description			
Increase in drought periods and water stress			
Across both Accsys' operational and supplier locations drought periods are expected to become more common and intense, impacting both Accsys' direct operations that require water as well as the quality and quantity of timber supply.			
Risk category	Climate scenario and most relevant time horizon	Impact on business strategy and financial planning	Adaptation and mitigation actions
Chronic	High Carbon Long Term (Beyond 2050)	Decreased revenue due to decreased production capacity and increased indirect cost During drought periods reduced water availability could lead to restrictions being put in place limiting the availability of water for Accsys' production processes and hence reducing production capacity and revenue. Decrease in water supply at key supplier growing locations could cause soils and vegetation to dry out, damaging trees and leading to reduction in availability of good quality timber, thus increasing raw material prices.	Water usage efficiency: Implement water-saving technologies and processes to reduce water consumption where possible. Sustainable water sources: Continue to use non-traditional water sources such as rainwater harvesting or recycled water at all sites. Diversification of suppliers: Continue to explore alternative sources and regions for timber supply to reduce dependency on fewer areas.
Likelihood rating	Impact rating		
Likely	High		

Transition risks

Risk Description			
Technological Risks			
New technological solutions will need to be leveraged by companies to aid the journey toward net zero. Significant capital cost, and research and development, is required in order to successfully incorporate new technology into current operations which could ultimately prove to be unsuccessful.			
Risk category	Climate scenario and most relevant time horizon	Impact on business strategy and financial planning	Adaptation and mitigation actions
Technology	Low Carbon Near and Medium Term (2026-2050)	High Investment Costs and Stranded Assets. Technological developments in the industry may present substantial capital and operating risks for Accsys as newer technologies may replace existing ones and Accsys may have to invest in acquiring them for several reasons (including lower carbon emissions, energy prices and efficiencies). Not investing in them may leave Accsys with higher operating costs whereas investing in them would lead to high capital costs and would leave existing assets stranded as they would have to be retired before their full economic lifecycle.	Efficiency investments: Utilise findings from EED energy audit at Arnhem to identify and prioritise investments in energy-efficient technologies that reduce overall consumption and emissions. Partnerships and collaborations: Engage with technology providers, research institutions, and industry consortiums to stay at the forefront of technological advancements.
Likelihood rating	Impact rating		
Likely	High		

Risk Description			
Carbon and Energy Pricing Risks			
Global commitments have been made to transition to low carbon energy. High demand for low carbon energy could create supply issues leading to volatility in the market. Alongside this many countries are introducing Carbon Pricing mechanisms across sectors, driving up costs of materials and products with high associated carbon. Further costs are likely to be incurred via Carbon Border Adjustment Mechanisms (CBAM) which aims to account for the carbon cost of producing imported goods.			
Risk category	Climate scenario and most relevant time horizon	Impact on business strategy and financial planning	Adaptation and mitigation actions
Market/Policy and Legal	Low Carbon Near and Medium Term (2026-2050)	Increased Operating Costs. Technological developments in the increase in the scope and pricing of carbon emissions may leave Accsys with increased operating costs across its entire value chain. Similarly, fossil fuel energy prices may rise leaving Accsys with a higher energy bill, unless it transitions to more resilient and reliable (in terms of supply and price) energy sources.	Energy efficiency improvements: Explore ISO 50001 certification to ensure energy efficient processes are in place. Explore feasibility of on-site renewables. Carbon pricing strategies: Monitor developments in carbon pricing and if appropriate develop strategies to manage impact. Supply chain review: Implement regular reviews of Accsys' acetic anhydride supply chain to ensure suppliers understand Accsys' ESG strategy and how they can contribute.
Likelihood rating	Impact rating		
Almost Certain	High		

Opportunities

Through the climate scenario analysis, several climate-related opportunities have been identified. These were assessed by evaluating their likelihood and impact, providing Accsys with an understanding of their potential materiality across different time horizons and scenarios.

Accsys' commitment to producing sustainable products using innovative technologies aligns with increasing market demand for low carbon and circular building materials. In North America alone, our estimated addressable market is 8.6m m3 and we have less than 1% current market share (as of end of FY26). As the industry shifts towards 'Net Zero' building practices, Accsys' products, which are already recognised as low-impact alternatives and that hold industry leading accreditations such as Cradle to Cradle Certified® Gold, stand to see increased demand. The drive towards sustainable construction and consumer preferences for more sustainable materials are megatrends driving demand for Accsys' products.

As a pioneer in wood modification, Accsys already has a strong foothold in the market and has established supplier relationships. By securing a stable and reliable supply of low-carbon raw material early this gives Accsys a competitive advantage over competitors who may face challenges in sourcing these materials in the future when demand, regulation or physical conditions mean these resources are more sought after or scarce.

Accsys' strong reputation for providing sustainable building solutions supports it in attracting and retaining talent that is passionate about sustainability. As society takes strides in the transition to a net zero future, employees increasingly expect the companies they work for to take serious climate action. Given the abundance of research demonstrating that the younger generation has an increased expectation for companies to be held to account on climate action, as this younger generation becomes the core workforce, Accsys has an opportunity to take a competitive lead against peers through attracting and retaining talent through its product proposition and climate action. This could lead to increased revenues through innovation and a decrease in hiring costs.

These opportunities, alongside the material issues identified through the Double Materiality Assessment, are addressed in our Sustainability Plan, Accsys Cares.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning;

In Accsys' ongoing efforts to enhance its climate resilience and sustainability, it has assessed its organisational resilience from a strategic standpoint. Through this evaluation, Accsys has identified several key material risks, featured in its Identified Material Risks table, which include:

- Increased intensity and frequency of extreme weather events impacting operational sites;
- Chronic shifts in climate impacting supply and demand;
- Increase in drought periods and water stress;
- Technological risks; and
- Carbon and energy pricing risks.

Accsys continues to review its business strategy and is committed to aligning it with global climate resilience efforts. The identified climate-related risks and opportunities are actively integrated into strategic planning, including site development, capital expenditure planning, and long-term investment priorities.

Accsys regularly monitors industry trends and growth opportunities, including the increasing demand for sustainable building materials and emerging climate-related legislation such as EUDR and CBAM. We also remain aware of risks around the reliance on specific geographies and timber species, and continue to invest in research into new species to ensure that we can maintain that 100% of wood is sourced from certified sustainable sources (FSC® (CO12330), PEFC/16-37-2311, or equivalent) whilst continuing to deliver high quality products. Our product offering enables the world to build more sustainably and our strategic focus is to ensure best-in-class practices whilst creating positive change.

Consideration of these external factors is therefore factored into financial planning and decision-making. Our Sustainability Plan, Accsys Cares also outlines our strategic approach to managing climate-related risks and opportunities.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Resilience in a Low-Carbon Scenario

In a low-carbon scenario, Accsys' resilience is underpinned by its strategic focus on innovation and market adaptation. Accsys' products are inherently climate-resilient, offering an alternative to tropical hardwoods and resource intensive man-made materials. They are also durable and long lasting and perform well in changing weather conditions brought on by climate change. Accsys takes pride in the sustainable sourcing of its wood, ensuring that it is renewable over the product life cycle. This minimises Accsys' environmental footprint and helps position its products as preferred choices among architects and customers seeking sustainable building materials. By opting for Accsys' products, stakeholders actively contribute to carbon sequestration efforts and reduce reliance on resource-intensive alternatives. This aligns well with global shifts towards stricter environmental regulations and a growing consumer preference for sustainable products. This proactive approach positions Accsys to capitalise on new market opportunities that arise as industries and consumers seek greener alternatives.

However, even in a low-carbon scenario, Accsys will need to diversify its sourcing strategies to include multiple regions and suppliers in order to mitigate climate risks. The forthcoming introduction of the Carbon Border Adjustment Mechanism (CBAM) is anticipated to have an effect on Accsys' supply chain, potentially increasing costs for Accsys' acetic anhydride sourcing. In response, Accsys is actively engaging with suppliers to stay ahead of regulatory changes and optimise operational cost and carbon efficiency.

Resilience in a High-Carbon Scenario

In a high carbon scenario, the resilience of Accsys' strategy will depend on Accsys' capacity to adapt to chronic shifts in climate conditions that may disrupt both supply and demand. Accsys will need to forecast these shifts and adjust its business model accordingly, for example through investment in supply chain resilience, diversifying sourcing, and infrastructure planning. This could include expanding Accsys' operational footprint and employing advanced predictive analytics to foresee and mitigate potential impacts on the supply chain.

Accsys acknowledges that there is more work to be done on this. Whilst the climate scenario analysis work has currently focused on a qualitative analysis, in the future Accsys will seek to include a quantitative analysis to further determine Accsys' resilience to the effects of varying climate change scenarios.

Risk Management

a) Describe the organisation's processes

for identifying and assessing climate-related risks;

b) Describe the organisation's processes for managing climate-related risks; and

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Through the climate scenario analysis certain Board members and members of the Executive Committee participated in a series of workshops to discuss the analysis of scientific evidence of climate risks and opportunities relevant to Accsys. The methodology of our processes for identifying, assessing and managing climate-related risks can be seen in the Strategy section.

Climate risks are recognised as a principal risk to Accsys. Although the climate-related risks have been identified through a climate scenario analysis, the way in which they are assessed, prioritised and monitored is integrated into Accsys' overall risk management process. Accsys' Risk Committee conducts regular and structured reviews of risk, which it then reports to, and further reviews and discusses with, the Audit Committee. The Audit Committee then seeks to ensure that risks have been suitably identified and evaluated with appropriate mitigation plans in place. The way Accsys identifies, assesses, manages and monitors risks is explained in more detail in the Annual Report.

In FY25, Accsys worked with CEN Group to conduct a Double Materiality Assessment (DMA) to understand the most material ESG issues to our business and stakeholders. The results of this is outlined in our Sustainability Plan, Accsys Cares and have been integrated within the overall risk management process.

Metrics and Targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Accsys assesses climate-related risks and opportunities using a number of metrics and targets. In FY26, Accsys introduced its Sustainability Plan and emissions targets. Accsys will monitor performance against these targets and report on progress in the Annual Report. Additional environmental metrics, such as water withdrawal, and renewable electricity, are identified in the ESG data table which is a separate standalone document on Accsys' website. Accsys recognises the importance of accurate and comprehensive data to ensure that it can make appropriate strategic and risk management decisions. Accsys also embeds metrics and targets related to climate change into its employee remuneration. For more information, see section c) below.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Scope 1, 2 and 3 greenhouse gas emissions are reported through Accsys' Annual Report and ESG data table, with oversight and review by the Audit Committee. Emissions have been calculated following the GHG Protocol Corporate Accounting and Reporting (revised edition) using the following data-bases: IPCC 2006

Guidelines for National Greenhouse Gas Inventories, 2007 IPCC Fourth Assessment Report; and IEA factors (2022). Accsys also uses the UK Government GHG Conversion Factors for Company Reporting (2022). SECR guidance has been followed.

Publicly reporting Scope 3 emissions (which Accsys started in 2023 but also publicly shared its 2022 emissions) ensures Accsys' emissions disclosures are fully aligned with TCFD recommendations.

The related climate risks associated with emissions include: technological risks which required us to invest in more energy efficient infrastructure or energy production; and chronic shifts in climate impacting supply and demand, which could impact Accsys' raw materials sourcing and logistics leading to the use of potentially higher carbon raw materials or logistics.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Accsys introduced its first emissions reduction targets in FY26. These include a long-term ambition for Net Zero for Scope 1, 2 & 3 by 2050, 100% of electricity from renewable sources (including market-based instruments) by the end of FY27 and a 20% reduction in Scope 1 & 2 emissions intensity per m3 (market-based) at our Arnhem site by the end of FY30 (based on a baseline of FY25). For more information see our sustainability plan, Accsys Cares. Accsys also embeds metrics and targets related to climate change into its employee remuneration. In recent years, the Accsys annual incentivisation plan has included a performance target of achieving a specific year on year increase in the S&P Global Corporate Sustainability Assessment (CSA). Climate risk is a key part of this and Accsys reports various environmental metrics including greenhouse gas emissions.

To maintain its Cradle to Cradle Certified® standard which Accsys holds for Accoya and Accoya Color products, Accsys is committed to 100% electricity from renewables for its manufacturing electricity use by the end of FY27.

In addition to this, Accsys has carbon credit targets, where it seeks to offset 50% of its non-electric manufacturing emissions and 25% of embodied emissions each year. Accsys currently purchases these offsets through certified standards, such as the Verified Carbon Standard (VCS), or equivalent. Accsys is proud to meet both these renewable and offsetting targets and maintain the gold Cradle to Cradle Certified® standard for both Accoya Wood and Accoya Color.

This document was approved by the Board of Directors on 15 June 2026.

Signed for and on behalf of Accsys Technologies PLC by:



Jelena Arsic Van Os

Chief Executive Officer



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Parkinson's UK charity garden at RHS Chelsea Flower Show 2026
London, UK. Architect: Millimetre. Photography: © Stephen Studd