CORPORATE GOVERNANCE continued

The QCA Corporate Governance Code 2023 ('QCA Code')

The new QCA Code was introduced in November 2023 and became effective for the Company to report against in the prior financial year. The QCA Code is split into three sections and ten principles and how the Company has complied with it is set out in the table below:

Principles of the QCA Code	How the Company has complied
Deliver growth	
1 Establish a purpose, strategy and business model which promotes long-term value for shareholders.	Accsys has a global opportunity to make an impact through our clear purpose: 'Changing Wood to Change the World'. The Board has collective responsibility for setting the strategic aims and objectives of the Group. Our FOCUS strategy is articulated on pages 22 to 24 and at the 'Investors' section of our website and delivery against it is regularly reviewed both by the Executive Committee and the broader Board. Details of our Business Model can be found on page 18 of this Report and at the 'About' section of our website, www.accsysplc.com.
2 Promote a corporate culture that is based on ethical values and behaviours.	The Company operates an open and inclusive culture and this is reflected in the way that the Board conducts itself and engages with its stakeholders. By way of example, this is seen in the Board's informal engagement with the broader workforce by way of face to face 'Meet the Board' sessions at its sites in Arnhem, Barry, London and Kingsport. More information on our values, behaviours and culture can be found in our new sustainability plan, Accsys Cares which further showcases the Company's ethical values and behaviours which drives its culture, as well as on page 3 of this Report and the 'About' page of our website.
3 Seek to understand and meet shareholder needs and expectations.	In the course of implementing our strategic aims, the Board takes into account expectations of the Company's shareholders by meeting with them on a regular basis. All shareholders are encouraged to attend the Company's AGM and to participate in the Company's bi-annual webcasts which review the Company's preliminary financial results and interim results. Periodic capital markets days and bi-annual investor roadshows, following the release of the Company's end of year preliminary financial statements and interim statements, are also important opportunities for the Company to engage with and understand shareholder needs and expectations, discussing the business, management and strategy of the Company as well as the financial results.
4 Take into account wider stakeholder and social and environmental responsibilities, and their implications for long-term success.	How we engage with our key stakeholder groups and examples of how their views are taken into account is stated in the 'Stakeholder Engagement' section of this Report on pages 54 to 56. Of particular note in FY26 was the launch of the Company's sustainability plan, Accsys Cares, which followed engagement with over 50 internal and external stakeholders and took account of their views. Details of the sustainability plan can be found in the 'Sustainability' section on pages 43 to 52 of this Report, whilst the Company's website has an ESG page which explains why environmental and social issues are central to Accsys' business and how these are taken into account.
5 Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	The Board has responsibility for the Group's internal control and risk management systems. The CFO reports to the Audit Committee on risk on a regular basis, having first carefully considered key risks, their monitoring and mitigation with the Executive Committee. The addition of a new internal audit manager in FY26 further seeks to embed risk management and strengthens internal controls and assurance across the Group. Further detail on risk management is included in the 'Risk Management' section of this Report on pages 36 to 41. The Company's governance around climate-related risks and opportunities is set out in the 'Climate Disclosures Report' on our website.

CORPORATE GOVERNANCE continued

Principles of the QCA Code	How the Company has complied
Maintain a dynamic management framework	
6 Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	The Chair considers the operation of the Board as a whole and the performance of the Directors individually. All appointments to the Board follow careful consideration and recommendation from the Nomination Committee and are on merit, but with due consideration to the need for diversity on the Board, in accordance with our Board Diversity Policy. Such appointments are made to complement the existing balance of skills and experience on the Board. A schedule of regular meetings, both informal and formal, between the Board is designed to assist its good functioning. Further details are set out within this Governance Report and on the Company's website, in the 'About' and 'Investors' sections.
7 Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	The Nomination Committee reviews, at least annually, the experience, skills and capabilities of the Board and where any gaps may lie and how they may be addressed. Directors keep their skillset up to date with a combination of attendance at industry events, regulatory updates by the NOMAD, individual reading and study, and experience gained from other Board roles. Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Further details are set out in this Governance Report and on the Company's website at the 'About' and 'Investors' sections.
8 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	An independent external Board effectiveness review was carried out in the final quarter of FY25, with its recommendations thoroughly reviewed and where appropriate, assigned actions, in the first quarter of FY26. Subsequent review of those recommendations and monitoring of progress against actions has taken place in the fourth quarter of FY26. An internal evaluation of the Board, led by the Chair also began in the fourth quarter of FY26, with feedback subsequently shared and discussed with the Board and any areas of concern or areas for potential improvement addressed. Further details are set out in the Nomination Committee Report on pages 71 to 73.
9 Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.	Whilst the requirement to establish a remuneration policy is new to the QCA Code, under Sections 385, 420, and 439A of the Companies Act 2006 it has been a requirement for companies that have a listing in any EEA country to produce a full Directors' Remuneration Report and to have a Remuneration Policy for which approval must be sought from shareholders. Accordingly, given the Company's cross listing on Euronext Amsterdam since 2007, the Company has legally been required to have a Remuneration Policy in place for a number of years. The policy is put to shareholders for approval every three years and was last approved at the 2024 AGM. It received over 99% of the votes in favour. Please refer to the Remuneration Report on pages 74 to 86 for further details.
Build trust	
10 Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	The Company regularly communicates with shareholders and other stakeholders including bi-annually via webcast presentation after the Company's preliminary financial results and interim results are announced. The Board encourages shareholders to attend the Company's Annual General Meeting, which provides a forum for communication. The Company also publishes regulatory news via RNS and other non-regulatory news is published separately on its website. Information on how the Company is governed is communicated in this Governance Report, with further information included on its website in the 'Investors' section.