Renishaw plc
Annual Report 2024
Transforming Tomorrow Together

RENISHAW
apply innovation™

ESG review

Our approach to ESG

Introduction from our Chief Executive

We have always been proud of our role in helping our customers create products, materials and therapies that touch billions of lives. It's why we articulate our purpose as 'Transforming Tomorrow Together'.

That purpose has never been more relevant. As a responsible business that believes in acting with integrity, we strive to help create a more sustainable future. That means making our own products in ways that minimise our impact on people and the planet, and helping our customers and suppliers achieve their own sustainability goals.

So, I am delighted that we have reached a significant milestone in our approach to sustainability, launching our first environmental, social and governance (ESG) strategy. Built on our core values and commitment to doing business responsibly, our ESG strategy includes a set of goals and strategic objectives to help us make tangible progress.

These goals provide a roadmap to help our talented people continue to develop the products that will help solve global challenges. This includes reducing waste and increasing energy efficiency, while ensuring that we maintain diverse and inclusive workplaces where people are inspired to work for a responsible business. Importantly, our strategy also aligns with our business strategy and model, which aim to create long-term value for all our stakeholders (see pages 7 to 9 for more information).

And because we need everyone at Renishaw to play their part, I am also pleased to be chairing our new ESG Steering Committee. As well as overseeing progress of our ESG strategy, the Committee will provide the support our people need to help accelerate and enhance our contribution to a more sustainable future.

Will Lee
Chief Executive and Chair of the ESG Steering Committee

Our ESG goals

Environment

Innovate with our customers and suppliers to achieve more with less, working towards Net Zero carbon emissions while minimising all environmental sustainability impacts.

Social

Develop a diverse and inclusive team who are inspired to work for a responsible business.

Governance

Ensure appropriate governance arrangements are in place to provide accountability, transparency, compliance and integrity as a responsible business.

A strategy guided by the UN SDGs

We have aligned our ESG strategy with the three UN SDGs that are most material to our business.

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Introducing our ESG strategy

Developed using the United Nations Sustainable Development Goals (UN SDGs) as a guide, our ESG strategy sets out three environmental, social and governance goals. These are supported by a series of strategic objectives intended to help us address the areas where we can have the biggest impact.

Our goals and objectives go beyond the Net Zero greenhouse gas (GHG) emissions targets that we set in FY2021, since we know that creating a sustainable future requires more than reducing emissions. By raising and broadening our ambitions, we also want to empower our people to make a positive difference to our business, stakeholders and planet.

Using our materiality assessment to inform our strategy

To develop our ESG strategy, we needed to know what our stakeholders care about and identify the topics that are most significant to our business. To do that, we completed a double materiality assessment, with support from external sustainability experts. We also carried out a series of interviews and surveys with internal and external stakeholders, including employees, customers, suppliers and investors.

As well as helping us better understand how our operations affect people and the environment, we used the assessment to review the ESG factors that affect our performance, reputation and longevity as an organisation. As a result of this initial materiality assessment we have focused our ESG strategy on the topics below:

Environment

- Energy use and GHG emissions.
- Low-carbon transition and climate risk.
- Product design and life cycle management.
- Innovation to support customers' sustainability goals.
- Environmentally responsible procurement.

Social

- Talent attraction, development and retention.
- Human rights.
- Diversity, inclusion and equal opportunities.

Governance

- Business conduct and ethics.

Governing our approach to sustainability

Our commitment to doing business responsibly underpins everything we do. That starts at the very top of Renishaw, which is why we have also established a new ESG Steering Committee to support our ESG strategy and strengthen our governance framework (see illustration below). Chaired by our Chief Executive, Will Lee, members include our Independent Non-executive Director Stephen Wilson and representatives from our key product divisions and commercial functions, sustainability teams, HR and Finance.

See our Section 172 statement on pages 64 to 66 for more information on how the Board considered our stakeholders before approving our ESG Steering Committee and strategy.

How we report on ESG matters

This year we have aligned our sustainability reporting with our new ESG strategy, creating an ESG review that replaces the Managing our resources and relationships section of previous reports. We provide details of the strategic objectives that we have set to help achieve our three ESG goals within their relevant sections. Our ESG information is now structured as follows:

- How we engage with our stakeholders – provides details on our key stakeholder groups, and why and how we engage with them. See pages 23 to 25.
- Environment – provides details on how we are addressing GHG emissions in our own operations as well as working with our customers and suppliers to tackle their sustainability challenges. See pages 37 to 41. We report our Climate-related Financial Disclosures on pages 46 to 51.
- Social – here we review the work we're doing to create a more inclusive workplace and develop clear career progression plans. We also provide details of our first global employee survey, our health and safety performance, and work to strengthen our approach to human rights. See pages 42 to 44.
- Governance – provides more information on the steps we're taking to strengthen our approach to key governance topics, including the launch of our new Code of Conduct. The Board's role in overseeing our corporate governance is discussed throughout the Governance report, pages 54 to 69.

Our sustainability governance framework

Environment

Our environment goal

Innovate with our customers and suppliers to achieve more with less, working towards Net Zero carbon emissions while minimising all environmental impacts.

Our strategic objectives are:

Climate

- Reduce GHG emissions associated with product design, service and use.
- Achieve more than 50% reduction in GHG emissions from our operations, purchased energy and supply chain by 2030, as part of progress towards Net Zero.
- Continue to ensure strategic business decisions reflect the climate-related financial risks and impacts for our business.

Customer solutions

- Progressively achieve growth from sales of new and existing products with quantifiable sustainability benefits for our customers over the period 2025-2028.

Responsible procurement

- Reduce sustainability impacts and potential risks from purchased goods and services across Renishaw's global supply chain over the period 2024-2028.

Developing products for a more sustainable future

For more than 50 years, our products and solutions have helped customers solve technological and scientific challenges. Increasingly, our commitment to providing unparalleled levels of precision, productivity and practicality means that many of our products also play an important role in helping our customers achieve their sustainability goals.

To truly play our part in creating a more sustainable future, we need to ensure that we make those products in ways that lower our own impact on the environment. That means addressing the direct Scope 1 and 2 GHG emissions in our operations and working across our value chain to address our indirect Scope 3 emissions. Our new environment goal, and the series of strategic objectives (see above) that support it, are designed to help us do that.

Tackling our greenhouse gas emissions to reach Net Zero

While our ESG strategy is new, our commitment to tackling our emissions is not, and we have had an active emissions reduction programme for almost a decade. In 2021, we formalised that work by committing to reach Net Zero by FY2050 through a series of specific GHG emissions targets, which were later approved by the Science Based Targets initiative (SBTi).

These targets commit the Company to:

Overall Net Zero target – reach Net Zero GHG emissions across our value chain by FY2050.

Near-term targets – reduce absolute Scope 1 and 2 GHG emissions by 90% by FY2028 from a FY2020 base year. We also commit to reduce absolute Scope 3 emissions by 50% by FY2030 from a FY2020 base year.

Long-term targets – maintain a minimum of 90% absolute reduction in Scope 1 and 2 GHG emissions from FY2028 through to FY2050, from a FY2020 base year.

We estimate that our Scope 3 emissions represent 97% of our total GHG emissions and our largest sources come from the energy our products use, the materials, services and equipment needed to make them, and then delivering them to our customers. These emissions account for more than 89% of our total Scope 3 emissions.

Our climate transition plans

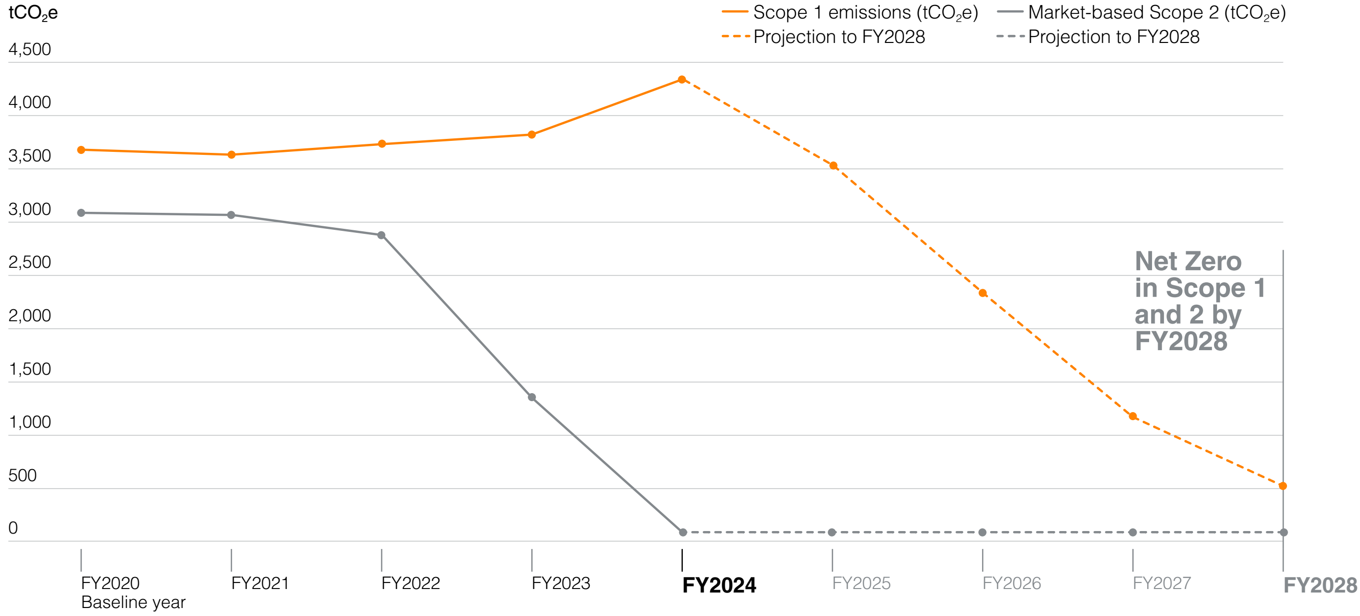
While our new ESG strategy sets out two strategic objectives built around reducing our GHG emissions, our climate transition plans are our roadmap for achieving our science-based Net Zero targets. The plans address the Scope 1 and 2 emissions caused by our business, and the Scope 3 emissions embedded within our value chain (see page 39).

Our Scope 1 and 2 climate transition plan

Scope 1 and 2 make up 3% of our total GHG emissions and represent the emissions associated with running our business. We have made further progress over the past 12 months, reducing these emissions by 14% compared to our previous financial year. The majority of that reduction has been achieved in Scope 2 by ensuring an almost global coverage of renewable electricity contracts or certificates, and our continued investment in renewable self-generation capacity. Our Scope 1 emissions have increased compared to our previous financial year but our transition plan shows how we intend to effectively reduce them to meet our targets.

In the table on the next page we provide a snapshot of this year's main activities, as well as our plans for the future.

Scope 1 and 2 transition plan



Key activities for reducing our Scope 1 and 2 emissions

	Actions in FY2024	What we're aiming to do next
Using lower-carbon sources of energy to run our facilities	— Invested another £8m into projects that support our work to achieve our science-based Scope 1 and 2 emissions reduction target. — Matched 99% of the grid electricity that we use in our buildings with electricity added to the grid from renewable sources.[1] — Opened our new site in Brazil, which is LEED (Leadership in Energy and Environmental Design) Gold certified. The site was built using thermally efficient materials and includes solar panels and electric vehicle charging. — Increased solar power generation capacity at our manufacturing sites in India and Ireland and self-generated 9% of our total electricity use.	— Replacing heating oil at two of our European sites – one in Germany in 2025 and one in Switzerland in 2027 – with lower-carbon alternative systems. — Replacing all natural gas systems with lower-carbon alternatives at our UK and Ireland manufacturing sites by the end of 2027.
Switching to lower-carbon forms of transport	— Ordered 36 ultra-low emission vehicles to replace fossil fuel vehicles in our fleet in 10 locations, including Germany, France, China, India, Mexico and Canada. — Started using lower-carbon bioethanol fuel in all our company vehicles in Brazil, where possible.	— Developing plans to make annual incremental changes to our vehicle fleets by replacing traditional internal combustion engines with ultra-low emission vehicles.

1 Our use of renewable electricity is facilitated in part by obtaining renewable electricity certificates (RECs). These certificates verify that electricity has been contributed to the grid from renewable energy sources, including wind, solar and hydropower.

Key external factors that affect our plan

Successfully achieving these next steps will depend on certain external factors beyond our control. For example, while we are increasing the quantity of renewable electricity that we generate ourselves at our own sites, our plan relies on the continued availability of renewable electricity contracts backed by renewable energy certificates. One way we can minimise this dependency could be to set up a power purchase agreement, which would allow us to directly source electricity from a renewable generator.

Meanwhile, reducing our transport emissions relies on the availability of ultra-low emission vehicles, adequate charging infrastructure and a low-carbon electricity grid. At the moment, it is not viable to use ultra-low emission vehicles in some of the countries where we operate. We are prioritising flexibility in our vehicle fleets in these locations so that we can react to improvements and source lower-carbon vehicles when they become a viable option.

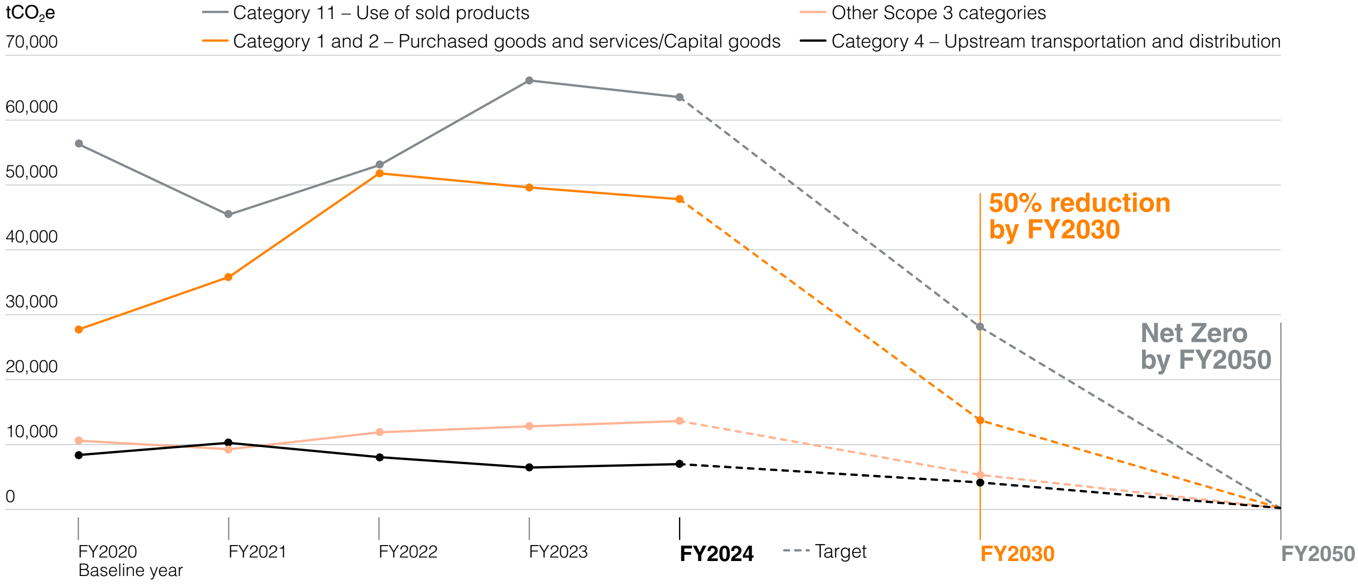
Our Scope 3 climate transition plan

Scope 3 emissions represent a significant proportion of our GHG emissions, and, since they are embedded within our value chain, they are also the trickiest to address.

This year, we changed the financial modelling methodology that we use to calculate emissions from our purchased goods and services back to our baseline year. This is because the previous methodology is no longer available. We have also, for the first time, quantified the emissions from the use of our sold products back to our baseline year. As a result, the source and quantity of our Scope 3 emissions back to our baseline year are different, but more comprehensive, than previously stated.

Our Scope 3 emissions have been increasing since our baseline year, largely driven by the 35% growth in revenue since FY2020, which directly influences our most significant Scope 3 emissions sources. However, we have taken important steps this year to enable reductions in our Scope 3 emissions in those significant areas, as we explain in the key activities table below.

Scope 3 transition plan



Key activities for reducing our Scope 3 emissions

	Actions in FY2024	What we're aiming to do next
Procurement	— Invested in a supplier relationship platform so that we can collect sustainability data from our suppliers and monitor their decarbonisation progress. — Engaged with 22 of our most emissions-intensive suppliers and supported them to establish their emissions sources, collect and calculate emissions data, create an emissions baseline, set emissions targets and develop emissions reduction plans. — Changed our raw aluminium supply from a primary grade to aluminium with a minimum recycled content of 75%.	— Use our new platform to gather specific product carbon footprint data from suppliers and extend our supplier selection criteria for both existing and new suppliers to include climate considerations. — Expand our sustainability engagement to cover suppliers that account for the majority of our spend on goods and services. We intend to support them in reducing GHG emissions, committing to science-based climate targets and delivering their decarbonisation plans.
Product materials	— Calculated the embodied GHG emissions in metals, electronics and other raw materials we use to make our products across our four largest product divisions. We've used this information to identify and prioritise projects that will help us redesign products so that we can make them with lower-carbon materials and processes. — Collaborated with our manufacturing teams to introduce a new way to make our encoder bodies. This reduces our metal wastage by between 33% and 56% depending on the type of encoder body.	— Develop our systems and processes to include more emissions-related information that can support low-carbon decision-making in our design and manufacturing stages. — Use additive manufacturing techniques to further reduce our waste and emissions, and support our customers to make emissions savings by reducing the weight of our products.
Product distribution	— Started investigating our options to calculate emissions consistently across all our logistics carriers around the world to help identify new opportunities to reduce emissions and continue developing our transition plan.	— Innovate our global logistics practices to support more use of lower-carbon modes of transport such as ocean and rail freight.

Key activities for reducing our Scope 3 emissions

	Actions in FY2024	What we're aiming to do next
Product use	— Calculated the energy consumption of all our major product lines and assessed the potential GHG emissions associated with our products across their lifetimes. This is helping us prioritise projects to design products with reduced energy consumption and lower emissions.	— Help our customers reduce their own emissions by providing lower-carbon products and providing clear, meaningful and credible information that demonstrates this positive impact.
Product service, repair and end-of-life	— Enhanced the onboard logging software of our Equator gauges to provide more remote support for our customers and reduce our travel emissions.	— Design our products to maximise their serviceability and repairability and, where not possible, ensure they can be repurposed or recycled. — Develop more localised support for repair, maintenance and analysis of products to reduce travel distances.
Other initiatives	— Completed GHG emissions baselines at our major UK manufacturing sites to identify opportunities to reduce emissions in areas like purchased materials, energy use, machine waste, scrap and factory consumables.	— Introduce carbon pricing and carbon budgets across all our business functions to help prioritise emissions reduction projects and contextualise potential trade-offs with other business needs.
Contributing to an economy-wide transition	— Joined the Confederation of British Industry's Sustainability Committee, which brings together business leaders to find practical solutions to common challenges to deliver decarbonisation and broader environmental goals. — Hosted a roundtable session with one of our largest customers to collaborate and share knowledge in areas like emissions reduction plans, product carbon footprint analysis, setting science-based targets, supply chain engagements, and strategy development.	— Identify other opportunities to support collective action and collaboration in our value chain and beyond, to intensify the action needed to create systematic change where it is needed.

Key external factors that affect our plan

As with our Scope 1 and 2 emissions, there are many external factors that could affect our ability to achieve our aims. For example, the electricity that our products use over their lifetime is a significant part of our Scope 3 emissions, so achieving our Net Zero targets relies on decarbonising the global electricity grid.

We are also dependent on our suppliers and their wider industries sharing our commitment to Net Zero and setting their own targets and climate transition plans. Equally, we will need more accurate customer and supplier emissions data if we are to effectively quantify and report on our progress towards our Scope 3 targets.

Finally, we need structural changes globally and new technological advances to fully decarbonise in areas like employee commuting, business travel and transportation of our products.

Designing sustainable products our customers need

Our products support our customers in increasing their energy efficiency and reducing waste. We see this as a big part of how we can meaningfully contribute to the transition to a low-carbon economy, and is why we have set a customer-focused strategic objective.

To support this, we are aiming to implement a methodology to quantify the sustainability benefits from all aspects of our products, including how they are made, perform, are packaged, and how they can be serviced and repaired throughout their lifetime. We also intend to continue identifying and capitalising on opportunities to provide solutions to sectors that support a low-carbon economy, such as electric vehicle manufacturing. We believe doing this is an essential part of how we will innovate and transform our customers' capabilities with world-leading solutions that maximise efficiency, productivity and practicality.

Developing a climate-resilient approach to procurement

Like many businesses, a large proportion of our Scope 3 emissions and climate-related risks are located within our supply chain. Our new responsible procurement strategic objective is designed to help us support our suppliers to implement their own emissions reduction plans and build their resilience to climate-related risks.

To achieve our Net Zero targets we also need to establish low-carbon supply chains. We plan to help our procurement team strengthen their knowledge and skills so that they can educate and support our suppliers in calculating their emissions and creating their own net zero plans and targets.

We are also developing our understanding of our exposure to climate risks in our supply chain and our aim is to produce a climate-informed procurement strategy with effective risk assessment and mitigation.

As well as our climate transition plans, we provide more detail on what we've achieved so far in our Climate-related Financial Disclosures statement on pages 46 to 51.

Our emissions and energy data

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 introduced changes to require quoted companies to report their annual emissions and an intensity ratio in their Directors' Report. The 2018 Regulations bring in additional disclosure requirements to disclose annual energy use and GHG emissions, and related information.

How we calculate our data

In line with our Group Environmental Data Policy, we calculate our GHG emissions using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

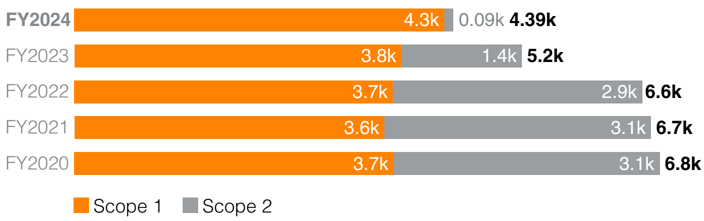
We use the latest IPCC GWP 100-year horizon conversion factors, DESNZ, GHG Protocol, supplier-specific and factors taken from a respective country's National Inventory Report or national government/agency/regulator to calculate our emissions. We base as much data as we can on direct sources, such as meter readings and utility bills. We use estimated figures for June's Scope 1 and 2 emissions each year to ensure timely data capture, then update this data in the next Annual Report.

Data for previous years has been subject to a 'true up' due to improvements in data capture methodologies, official retrospective updates to carbon emissions factors, and the correction of historical data errors.

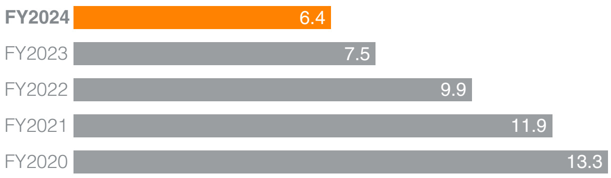
Our 'statutory emissions' mean our Scope 1 and 2 emissions, and we use the market-based methodology to account for our efforts in generating and purchasing low-carbon energy. The location-based method is provided for disclosure only. All our emissions data for FY2023 and FY2024 has been externally assured and received limited assurance – which means our data has been deemed as accurate, materially correct and a fair representation of GHG data and information – against the ISO 14064-1:2019 standard.

Read more about our commitment to Net Zero on our website.

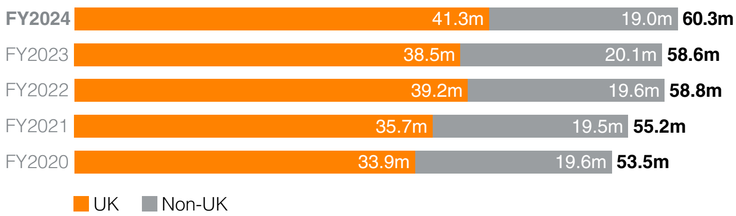
Total statutory emissions tCO_2e



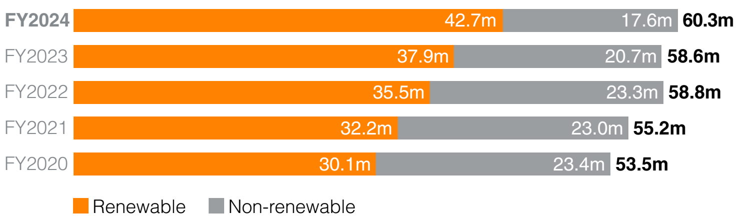
Statutory GHG emissions tCO_2e per £m revenue



Group energy consumption kWh



Energy source kWh



Total measured Scope 2 GHG emissions tCO_2e location-based

Social

Our social goal

Develop a diverse and inclusive team who are inspired to work for a responsible business.

Our strategic objectives are:

- Attract, develop and retain a diverse and highly engaged team of talent.
- Develop and maintain a strong, diverse pipeline of future succession for management and key critical roles.
- Implement a human rights assessment process across our business operations and all potential higher risk Tier 1 suppliers globally by 2028.

Maturing approach to our people strategy

Our people have always been our greatest asset and their talent and commitment to Renishaw is an essential part of our success. To help us continue to achieve our strategic and sustainability goals, we need policies and processes to recognise and reward our people appropriately and the right frameworks to help them build thriving careers at Renishaw. We need to ensure that all of this is underpinned by an inclusive working environment and a commitment to protecting the human rights of everyone who works with and for us.

We've designed our new social goal and strategic objectives to help us do that.

Creating a more inclusive workplace

Creating an environment where we can embrace diversity of thought is one of the best ways to encourage the innovation and creativity we need to realise our ambitions. As a responsible engineering and manufacturing business that operates in a traditionally male-dominated industry and is headquartered in a part of the UK where the population is predominantly white British, fostering greater diversity is also the right thing to do.

We continue to monitor our turnover levels (see page 22), and the proportion of employees just starting their careers is growing and now represents 7% of our total workforce. We are also making progress at Board level, with women now representing 30% of our Board following Professor Dame Karen Holford's appointment in September 2023.

However, we recognise that diversity among our senior leadership does not yet meet today's expectations of a FTSE 250 company. To help change that, we have set a target to have women represent 40% of our Senior Management by December 2027. And, in line with the Parker Review recommendations, we have also set a target to have people from ethnic minorities represent 10% of our UK-based Senior Management by the same date. See our Nomination Committee report on pages 70 to 75 for more information.

Top talent and colleagues from marginalised communities can only thrive if a company has a truly inclusive culture that enables people to be their best selves, so our initial focus is to build on Renishaw's existing strengths to create a deeper sense of inclusion.

Our growing network of employee-led resource groups (ERGs) is an important part of our focus on creating that deeper sense of inclusion, and this year we were pleased to launch a new group to support neurodiverse colleagues. We're also building a network of allies and ran allyship workshops for more than 150 employees in the UK and Ireland to encourage them to support one another. Meanwhile, our Early Careers Network committee, run by apprentices and graduates, created a platform for their early careers colleagues to network and socialise across Renishaw's UK facilities.

We also run a range of cultural and religious awareness days to build a sense of global community, including Deaf Awareness Week, Black History Week and various religious festivals.

Our events are sponsored by members of our Executive Committee, so our senior leaders are helping to set the tone from the top and demonstrate the behaviours we need to create a more inclusive culture.

Our gender diversity statistics*

	Women	%	Men	%	Undisclosed	%
Board[1]	**3**	33	**6**	67	**n/a**	–
Executive Committee[2]	**1**	14	**6**	86	**n/a**	–
Senior managers[3] and subsidiary directors[4]	**13**	17	**64**	83	**n/a**	–
All employees	**1,302**	24.5	**3,933**	75	**21**	0.5

*All figures as at 30 June 2024.
1 Including the Executive Directors.
2 Including the Executive Directors.
3 As defined by the Companies Act 2006.
4 Means statutory directors.

Supporting STEM education in the UK

Our UK education outreach programme, which focuses on encouraging young people to consider science, technology, engineering and mathematics (STEM) careers, is an important part of how we can build a diverse talent pipeline. This year, our programme included visits to local all-girls' and special education needs and disability (SEND) schools, as well as schools located in socio-economically disadvantaged areas. The programme is also a key part of our broader community engagement. For more information, see page 25.

Highlights from our employee engagement survey

The figures below provide a snapshot of some of the key results from our first ever global employee engagement survey.

74%
of employees told us they are highly engaged

69%
said they were highly likely to stay with Renishaw

83%
believe Renishaw cares about their wellbeing

75%
consider Renishaw an inclusive place to work

Continuing work to develop and reward our people

An inclusive culture that attracts a diverse range of talent has to be supported by the right career development and reward structures to encourage people to build long-term careers with us. In turn, this helps us create strong succession plans to ensure our future success as a business.

These are areas where our employees asked for more clarity in our 2019 UK engagement survey, and since then we have taken significant steps to benchmark and modernise our approach. That includes a simplified performance review process and more transparent job grading system, and the most comprehensive salary review in our history, following global benchmarking reviews of all our roles. We've also identified 'critical' roles that have a high impact on our business resilience and which require skills and knowledge that are either scarce or hard to develop.

To keep improving our approach, this year we introduced four Group-wide core competencies and continued to develop our functional competency frameworks for our job family groups. We have completed this for manufacturing, engineering, product management and quality management. We aim to cover the remaining job family groups in FY2025.

Having these frameworks will enable our managers to review individual performance on an equal basis and help us build diverse leadership teams. The steps we're taking are also intended to help people understand what is expected of them to do their jobs, working in more agile ways with greater accountability.

And to help us continue to strengthen our approach to talent management, we are introducing a 'nine-box' talent management tool that provides a framework to help managers evaluate their team members based on their performance and potential. We will use this information to support individual career routes and development plans.

Effective leadership is critical to employee engagement and our long-term success. This year, our Senior Leadership Team worked with a specialist consultancy to strengthen their leadership and teamwork skills. They also set ambitious internal targets to make change in areas like product innovation and productivity across the whole organisation. We intend to incorporate these targets into our senior leadership incentive plans. Meanwhile, the team is developing a new framework to drive strategy delivery across the Group.

Having successfully completed phase one of our UK benefits review, as set out in last year's Annual Report, we have revised our approach to phase two. In the coming year, to achieve a more equitable approach for our benefits globally, we aim to define a set of global principles. We're also aiming to identify and begin implementing a platform to allow people to see their benefits in one place, and roll out a financial wellbeing campaign in the UK.

A good result in our first global employee engagement survey

While much of our focus has been driven by employee feedback from our 2019 UK engagement survey, it is essential that we continue to hear from employees on a regular basis. We were particularly pleased, therefore, to run our first ever global engagement survey in April 2024. In all, 63% of employees responded in 23 different languages. We received an engagement score of 74% – 1% above the global average recorded by our survey provider. This is a good result, but we'd like to improve and will use this year's score as our baseline to track future progress.

More broadly, we scored well in areas like 'intent to stay', 'trust and respect', and 'wellbeing', but still have room for improvement in areas like 'inclusion', 'reward' and 'career progression'. We've shown since 2019 that we're committed to responding to employee feedback, and in the next year, we will refresh our people strategy based on these results.

Our survey is just one of the ways that we engage with our employees. Our Board member and employee engagement ambassador Catherine Glickman also spends time meeting employees to hear what's on their mind and shares their feedback with her fellow Board members.

This year, Catherine met with a variety of employees, including leaders of our manufacturing division and Early Careers graduates. She also visited some of our product teams and accompanied our Director of Additive Manufacturing, Louise Callanan, to visit the AM team. Catherine reported key themes back to the Board, including the need to keep investing in employee pay, particularly in areas of short talent supply, helping people better understand the job opportunities and career routes available, and encouraging more women into engineering and careers at Renishaw. Catherine will continue to engage with employees during the coming financial year.

For more details on some of our other key employee engagement channels, see How we engage with stakeholders on pages 23 to 25.

Keeping people safe in our operations

We recognise the importance of providing and promoting safe and healthy working practices and we integrate health and safety into our daily activities through a robust management system. We are also committed to identifying potential hazards and making sure we have effective controls to minimise their risk.

We review our high-risk areas every year and low-risk areas every two. Every site, regardless of activity, is assessed against our occupational health and safety policy. We also monitor incident and accident data to identify and address trends.

This year, we recorded 194 accidents (FY2023: 182) against a year-end headcount of 5,256 (FY2023: 5,175), giving us an accident frequency rate of 19.89 per million hours worked (FY2023: 20.68). This remains very low compared to the average for the UK manufacturing sector of 198.8 per million hours worked.

We had two reportable accidents under the UK RIDDOR reporting requirements during the year. This equates to a rate of 0.023 per 100,000 workers and is significantly lower than the UK manufacturing sector, which has an average rate of 480. One accident related to manual handling operations and the other involved contact with machinery. Despite this, we saw a marked fall in our manual handling injuries this year, thanks to our new manual handling refresher training in the UK. There were zero reportable accidents elsewhere globally.

Proactive reporting of near misses remains an important way in which we can address issues before they become accidents and this year our people reported 264 near misses (FY2023: 220).

We also continued to develop our wellbeing strategy, training an additional 32 mental health first aiders to support employees in the UK and overseas, and investing in additional training for managers to help them support their teams.

Strengthening our approach to human rights

We are committed to respecting human rights standards in our supply chain, including identifying and managing the risks we face in areas like modern slavery, child labour and conflict minerals. To date, we have largely focused on modern slavery, communicating our expectations to our suppliers on managing this important risk.

We want to expand our approach, so we have set a new strategic objective to implement a human rights assessment process across our business operations and all potential higher risk Tier 1 suppliers globally by 2028.

We have started putting the foundations in place to meet this objective. This includes introducing a new global supplier relationship management platform to provide a single source of supplier performance data and help us better identify and manage our human rights risks. We will report more on this area of work in future.

For information on some of the other ways that this platform is helping us engage with suppliers, see our climate transition plans in the Environment section on pages 37 to 40 and Governance section on page 45.

Priorities for the coming year

A lot of the work we're doing will take several years to complete, so our focus for the next 12 months is largely unchanged. Having implemented our core competencies this year, they will now be the key drivers we use to model our desired organisational behaviours. Other key areas of focus in the coming year include:

- using the results of our first global employee survey to prioritise the next steps in our people strategy;
- developing our functional competency frameworks to help our people understand potential career pathways;
- incorporating inclusive leadership principles in our leadership and management development programmes;
- helping our managers to strengthen their inclusive leadership skills;
- ongoing work to modernise our benefits programme; and
- improving the checks we have in place – in line with our integrity value – to ensure the safeguarding of human rights for our employees and supply chains. We will complete these improvements in the UK by the end of December 2024, and by the end of December 2025 for the wider Group.

Governance

Our governance goal

To ensure appropriate governance arrangements are in place to provide accountability, transparency, compliance and integrity as a responsible business.

Our strategic objective:

— Ensure compliance with our Code of Conduct and demonstrate responsible business practices.

We need to have the right framework, policies and processes in place to ensure that we work towards our environment and social goals in a responsible and ethical manner. That's why, as part of our ESG strategy, we have set a specific governance goal and supporting strategic objective. And, as we explain on page 36 we have also established a new ESG Steering Committee to develop and oversee the strategy and our progress against its implementation.

Launching our new Code of Conduct

As well as our new ESG Steering Committee, we also launched our new Code of Conduct (the Code). It sets out our expectations of anyone who works for and with Renishaw. Translated into 14 languages, it explains what we mean by 'doing business responsibly', and provides guidance on how to make good decisions, report concerns and non-compliant actions, behaviours to watch out for, and our supporting policies. It also includes 'what if' scenarios to bring different ethical issues to life.

We officially launched the Code in October 2023, with an internal communications campaign that included introductory videos from our Chief Executive, Will Lee, and our Group Human Resources Director, Diane Canadine. We also held a series of webinars with senior managers to raise awareness of the Code and encourage them to lead by example.

Making sure all our employees are aware of the Code is a challenge, since many of our sales team travel regularly and our colleagues working in manufacturing facilities don't always have regular access to computers. We have therefore used various communication channels to ensure that all our employees are aware of the principles within the Code and have access to it.

We asked employees to acknowledge that they were aware of the Code by completing a formal acknowledgment of the Code in our Workday HR platform.

While our commitment to doing business responsibly won't change, the world around us is evolving rapidly. So, to ensure our Code remains fit for purpose, we will review the document every three years and update as needed.

Download our Code of Conduct via our website.

Helping people raise concerns

Having set out our expectations, we want to ensure all our stakeholders feel able to speak up if they witness unlawful or unethical behaviour, and that, crucially, they know how to do that. Our new Code, therefore, shares information on how to raise a concern, including details of our Speak Up Policy and whistleblowing channels.

Our confidential Speak Up online portal and global hotline are available to current and former employees, including temporary employees, as well as external stakeholders, including suppliers, distributors, agents, resellers and collaboration partners. This year, we logged 31 cases – an increase of 13 cases from the previous year. We have undertaken significant work to promote the availability of our Speak Up Policy and are encouraged by the improved use of whistleblowing channels. We also continue to strengthen the way we investigate concerns, which this year included new training for people involved in an investigation, and an update of our Speak Up standard operating procedure.

For more information on how we govern our Speak Up Policy and investigate concerns, see page 61 in our Governance report.

Strengthening our approach to ESG governance

The work we've done in the past couple of years to prepare the Code is all part of our maturing approach to managing important sustainability and compliance issues. This supports our commitment to strengthening our global compliance brand 'Responsible Renishaw', launched in FY2022. Our compliance teams continue to meet regularly at the Responsible Renishaw Forum to improve the maturity of our control environment and promote good practice and knowledge sharing.

Our investment in a new global supplier relationship management platform is a good example of our more coordinated approach in action. It provides a standardised approach for onboarding new suppliers and will help our procurement teams map supply chain risk through sustainability and compliance lenses. In future, it will also enable us to track and analyse key supplier data so we can demonstrate progress against our supplier-related ESG strategy objectives.

See our Environment section on pages 37 to 41 and Social section on pages 42 to 44 for more information on these objectives and what we've done this year.

Priorities for the coming year

Over the next year we will continue to communicate our Code to our stakeholders and begin work to develop an internal training programme to ensure employees understand how to use it. We will use our new supplier relationship management platform to continue building on our approach to supplier engagement, and will begin rolling out an update to our 'Know Your Customer' processes and procedures with a new Group policy and procedure. This will strengthen the way we onboard new customers and suppliers, and outline our expectations on key compliance issues, such as anti-bribery and corruption, anti-money laundering and trade compliance.

Climate-related Financial Disclosures statement

We have continued to build upon the significant work we completed last year in identifying, assessing and managing our climate-related risks and opportunities through our climate-related governance, strategy, risk management, and metrics and targets. We have aligned our disclosures with the requirements of UK Listing Rule 9.8.6R(8) and the requirements of the IFRS S2 Climate-related Disclosures. The disclosures listed below meet these regulatory requirements. They include references to our website and other documents that provide further information without making any of the core disclosures listed here less understandable.

Governance

Recommendation

Disclose the organisation's governance around climate-related risks and opportunities.

Recommended disclosure

A) Describe the board's oversight of climate-related risks and opportunities.

Summary	Reference
— Our Board maintains overall responsibility for setting our corporate strategy, which now includes clear links to our ESG strategy. This year, our Board delegated oversight of our ESG strategy to our new ESG Steering Committee. The strategy includes objectives to minimise our exposure to climate-related risks and maximise our climate-related opportunities. — Our ESG Steering Committee is chaired by our Chief Executive, Will Lee, and members are chosen to provide the skills and experience we need to effectively oversee our ESG strategy. Our Independent Non-executive Director Stephen Wilson is also a member and provides an independent perspective. — Our Board has reviewed and approved the transitional climate-related risks and opportunities that we financially quantified and incorporated into our five-year plan along with capital expenditure estimates related to achieving our Scope 1 and 2 Net Zero target.	More detail on the relationship between our corporate strategy and climate issues can be found on pages 7 and 8.

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

Summary	Reference
— Our governance structure ensures that we assess and manage our climate-related risks and opportunities at the appropriate levels. Each of the following committees has been delegated responsibility by our Board for climate-related matters and meets at least four times a year: • Our newly established ESG Steering Committee oversees the delivery of our ESG strategy, which includes reviewing progress against our climate-related goals and targets. It is also responsible for sharing information and expertise with our Audit Committee and Risk Committee to support them with their climate-related responsibilities. • Our Audit Committee reviews the effectiveness of our risk management and our climate-related assurance across the Group. • Our Risk Committee supports the Group in identifying and managing climate-related risks and opportunities. • Our Remuneration Committee aligns our remuneration policies with our strategic objectives. Our strategic objectives, which form 20% of the incentive opportunity for our Executive Directors and Senior Leadership Team, include a specific objective on sustainability.	Our sustainability and climate governance framework is shown on page 36. See our Directors' Remuneration Report on pages 82 to 94 for more information on our Executive Directors' incentive opportunity.

Strategy

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

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

Summary	Reference
— We have continued to use these timeframes: short (FY2024-FY2029), medium (FY2030-FY2049) and long term (FY2050+) to assess our climate-related risks and opportunities. Our short-term period aligns with our five-year plan. Our medium- and long-term time periods align with our ESG strategy, which includes Net Zero emissions targets and our climate transition plans. — Our FY2023 climate modelling identified our manufacturing and major inventory-holding sites that are considered at 'high' risk of physical climate-related risks under varying warming scenarios and timescales. Regardless of warming scenario or timescale, the risk of river flooding was 'high' at four of our sites. Four of our sites in the APAC region are also considered 'highly' exposed to chronic climate risks. — This year, we used the same modelling to improve our understanding of climate-related risks in our supply chain, reviewing 130 of our suppliers. The modelling showed that 32% of those suppliers are considered at 'high' risk for at least one of the climate-related physical risks that we assessed. — In FY2023, we completed transitional climate scenario analysis with all our product divisions using the International Energy Agency 1.5 °C warming pathway. This helped us identify several climate-related technology and legal trends that we believe represent opportunities for our business in the medium to long term: the shift from ICE vehicle production to EVs, growth in the use of additive manufacturing technologies, and increasing carbon taxation. — This year, we worked with representatives from our three sales regions to enhance our processes for identifying climate-related risks and opportunities. We considered the impact that the identified risks and opportunities could have in their specific geographies and sectors. We concluded that the risks and opportunities already identified were representative across their regions and shared insights with our Group functions to help them continue to develop our strategic response. — In FY2023, we completed transitional climate scenario analysis for all our product divisions using the International Energy Agency 1.5 °C warming pathway. This helped us identify several climate-related technology and legal trends that we believe represent opportunities for our business in the medium to long term. These are explained in the table below with further detail on our website.	For more information on the assumptions included in our transitional climate scenario analysis pathway, see www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach. An expanded table covering our climate-related risks and opportunities and our definition of 'high' risk for the physical risks assessed are available on our website at www.renishaw.com/en/climate-related-risks-and-opportunities--48236. Find more information on the processes we use to identify climate-related risks and opportunities in our Risk management report on pages 11 to 18.

Key: the percentage of the Group's revenue associated with climate-related trends

Low: < 3% Medium: 3-10% High: >10%

Climate-related trend

Technology – development of Additive Manufacturing (AM)

We believe that AM is becoming a more mainstream option for volume manufacturing. External forecasts predict a 20% growth in the AM market by 2030 and we believe that environmental sustainability will be a key driver for this growth.

Potential velocity under a 1.5 °C pathway

Current state	FY2024-FY2029 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Technology – transaction from manufacturing internal combustion engine (ICE) vehicles to electric vehicles (EVs)

The transition to EVs is creating new processes, assembly plants, supply chains, research and customers, which offers significant opportunities for all our relevant products.

Potential velocity under a 1.5 °C pathway

Current state	FY2024-FY2029 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Policy and legal – increasing carbon taxation

Carbon taxation will affect us globally. In the short-term, we have had to dedicate time to reporting under the European Union's (EU) Carbon Border Adjustment Mechanism (CBAM). While our exposure has been low, CBAM could create risks by increasing costs in our supply chains, which may be passed on to us. However, we believe that carbon taxation could ultimately create more opportunity for us. It may act as a driving force for increased use of metrology to reduce manufacturing process variation and scrap, driven by the high cost and carbon impact of materials.

Potential velocity under a 1.5 °C pathway

Current state	FY2024-FY2029 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Climate-related Financial Disclosures statement continued

Strategy continued

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

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

Summary	Reference
— In FY2023, we identified that 37% of the 'asset value'[1] of our manufacturing and major inventory-holding sites is considered at 'high' risk of flooding and that 8% of 'asset value' has 'high' exposure to various chronic climate risks. — To demonstrate the impact of these risks and how we are managing them in our strategic and financial planning, we reviewed the financial costs to our business of an actual flood that affected our manufacturing site in Woodchester, UK, in 2007. The factory was inundated with 100 mm of flood water and our insurance claim was more than £0.3m for building repairs and stock loss. The site returned to full production within five days and during that time we were able to redirect stock held in our subsidiaries to cover the shortfall in production. — We also assessed the impact of losing our manufacturing site in Pune, India, as a result of wildfire, because it is our site with the greatest asset value that currently faces 'high' exposure to various chronic climate risks. In this scenario, our immediate ability to produce the volume of cables and tool-setting arms we need would be affected. We would mitigate this potential impact through our stock contingency, ramping up sourcing from our other established supply chains and drawing on our experiences during the COVID-19 pandemic to quickly reinstate production in our other manufacturing locations. — We have begun considering climate risk within our procurement strategy, focusing on assessing suppliers that are more at risk of disrupting our supply of goods due to factors such as weak financial health, political uncertainty, or exclusive sourcing status, and that would also have a significant effect on business revenue in the event of supply chain failure. If these suppliers are also rated as 'high' risk for physical climate risks, we will investigate the best mitigation actions with them to ensure continuity of supply. — Our transitional climate-related risk and opportunity analysis informed this year's work to refresh our five-year plan. We have also included capital expenditure estimates related to achieving our Net Zero targets in the plan. — Our assessment of transitional climate risks and opportunities shows that we are well positioned to benefit from a transition to a low-carbon economy. While we have identified risks to our business, our financial analysis indicates these risks are outweighed significantly by the opportunities that we can capitalise on. — We have continued to develop our climate transition plans, which describes our Net Zero targets and our strategy for successfully transitioning to the low-carbon economy. The plans include the dependencies that their success rely on that are outside of our control.	See our climate transition plans on pages 37 to 40. An expanded table covering our climate-related risks and opportunities and our strategic response is available on our website at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

1 'Asset value' includes i) land and buildings (with buildings included at insured reinstatement value), ii) other fixed assets (at net book value), iii) inventory (at Group cost), at 31 March 2023.

Strategy continued

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

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

Summary	Reference
— We have assessed physical climate risks at our manufacturing and major inventory-holding sites as well as 130 of our important suppliers using climate modelling that covered 1.5 °C, 2 °C to 3 °C and 4 °C warming pathways across current day, 2030, 2050 and 2100 time horizons. We included multiple warming pathways to address the inherent uncertainty created by climate modelling over those time horizons. — For our own sites, the climate modelling indicated that the sites at 'high' physical risk remained mostly static when compared to our current risk exposure. Only one further site was considered at 'high' risk for river flooding under the various time horizons, warming pathways and risk factors. — We believe we have the capacity to adjust our business strategy if these physical risks become more extreme and frequent. We have invested in flood defences and early warning systems at our 'high' flood risk UK manufacturing sites and are also duplicating important parts of our manufacturing processes at lower flood risk sites. Two of our 'high' risk sites in APAC have short-term leases (three to five years), which gives us the flexibility to change where we are based if climate change has a significant adverse effect on our business at these locations. For the remaining 'high' risk site that we own in Shanghai, China, we have a significant physical network of sites established in other areas of the country that could serve our markets in the event of a disruption. — For the suppliers assessed, there is little variation in risk exposure across warming scenarios or timescales. Most suppliers identified as being 'high' risk in these instances are already considered to be 'high' risk currently. — We believe we have resilient supplier risk management processes that would minimise the impacts of supply chain disruption caused by climate-related risks. We are incorporating the climate modelling outputs into our supplier risk assessment process, which means that climate risks are considered as part of our overall assessment of supplier risk. For suppliers who are considered 'high' risk in this assessment, we maintain a proportionate level of safety stock and where appropriate establish reliable secondary supplier relationships. Our ability to adapt these controls has been successfully tested in recent years due to the COVID-19 pandemic and helped ensure overall business continuity. — In FY2023, we analysed our transitional risks and opportunities using a 1.5 °C warming pathway to assess potential likelihood and financial/strategic impact. We continued this work in FY2024 to expand our understanding of risks and opportunities, but we continue to believe that each climate-related trend disclosed represents an opportunity for our business, and could be associated with 3-10% of our potential revenue by FY2029. This could increase to more than 10% for each climate-related trend in the medium to long term under a 1.5 °C pathway. — We believe our corporate strategy is robust and considers the potential impacts of these climate-related trends. Our strategy will continue to be informed by the work we are doing to identify, assess and manage our climate-related risks and opportunities.	More information on how we complete our climate scenario analysis is available at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

Climate-related Financial Disclosures statement continued

Risk management

Recommendation

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Recommended disclosure

A) Describe the organisation's processes for identifying and assessing climate-related risks.

Summary	Reference
— We use a combination of 'top-down' and 'bottom-up' processes, which includes our physical and transitional climate scenario analysis to assess our climate-related risks and opportunities across our value chain. — Our Risk Committee has reviewed and challenged the output of these processes to help us estimate the likelihood and potential impact of the risks and opportunities identified. — Our ESG Steering Committee is responsible for assessing our climate-related risks and opportunities and recommending actions to the wider business to help mitigate our risks and capitalise on our opportunities. — We have expanded our climate-related risk assessment processes to cover our supply chain and have engaged with more of our regional colleagues to get a broader assessment of our climate-related risks and opportunities.	We explain how we identify and manage our risks in our Risk management report on pages 11 to 18. More information on how we have identified and assessed our transitional risks and opportunities and physical risks is available on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

B) Describe the organisation's processes for managing climate-related risks.

Summary	Reference
— This year, we improved the way we manage our climate-related risks and opportunities by creating a climate risk register that details our controls and how they link to our principal risks and ESG strategy. — We have identified owners for each of these controls who are accountable for ensuring that the controls are relevant and maintained, and that related actions are completed by the deadlines set out in the climate risk register.	More information on how we manage our climate-related risks and opportunities can be found on page 11 to 13 and on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

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

Summary	Reference
— We have integrated our management of specific elements related to climate risk within the relevant principal risks including innovation strategy, competitor activity, non-compliance with laws and regulations. — We have continued to integrate climate-related risks and opportunities into our risk management framework, with our Risk Committee and Audit Committee reviewing the proposed principal risks and recommending these to the Board for approval.	Read our Risk management report on pages 11 to 18. Find more information on how we are integrating climate change risks and opportunities into other principal risks on page 11.

Metrics and targets

Recommendation

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosure

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

Summary	Reference
— We have disclosed cross-industry TCFD metrics used to manage our climate-related risks and opportunities. These metrics cover: • Scope 1, 2 and 3 GHG emissions (pages 38 to 39); • energy use (page 41); • climate-related executive management remuneration (page 89); • potential revenue associated with climate-related trends (page 47); • assets and suppliers considered at 'high' risk to physical climate-related risks (pages 48); and • capital expenditure towards achieving Net Zero for Scope 1 and 2 emissions (page 38). — While we have not yet introduced a carbon price into our business, we are taking steps towards it. To date, we have established a financial modelling process and obtained more supplier-specific and industry-average data for almost all our purchased goods and services and calculated emissions from the use of sold products.	We explain how we identify and manage our risks in our Risk management report on pages 11 to 18. More information on how we have identified and assessed our transitional risks and opportunities and physical risks is available on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

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

Summary	Reference
— Our emissions this year have been externally assured by the British Standards Institute as accurate, materially correct and a fair representation of GHG data and information. Our emissions were: • Scope 1: 4,347 tCO_2e. • Scope 2 (market-based): 90 tCO_2e. • Scope 2 (location-based): 9,035 tCO_2e. • Scope 3: 131,870 tCO_2e.	A more detailed breakdown of our Scope 3 emissions into the 15 GHG Protocol emission categories and their calculation methodologies and our ISO 14064 external assurance opinion are available on our website www.renishaw.com/en/our-emissions--48235.

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

Summary	Reference
— Our Net Zero targets have been validated by the Science Based Targets initiative (SBTi) as in line with the 2015 Paris Agreement to limit global temperature rise to well-below 2 °C. The targets, all set against our FY2020 baseline, are to: • achieve Net Zero in Scope 1 and 2 GHG emissions, which is an absolute 90% reduction compared to baseline emissions by FY2028; • achieve an absolute 50% reduction in Scope 3 GHG emissions by FY2030; and • achieve Net Zero across all Scopes by 2050, which is an absolute 90% reduction compared to baseline GHG emissions. — We will also invest in credible nature-based or technological carbon removal programmes to address the remaining 10% of our GHG emissions. — The strategic objectives for the FY2024 annual incentive opportunity for our Executive Directors and Senior Leadership Team included: • submitting our Net Zero targets to SBTi; and • publishing goals and creating a five-to-ten-year plan using the SBTi framework, and tracking first year of progress.	Our climate transition plans demonstrate our roadmap for achieving our Net Zero targets on pages 37 to 40. Our Directors' Remuneration Policy and strategic objectives are expanded further on page 89.

Non-financial and sustainability information statement

We are required by sections 414CA and 414CB of the Companies Act 2006 to include in our Annual Report certain non-financial and sustainability information. The table below shows where this information can be found in this Report.

Our business model is set out on page 10 and our non-financial KPIs are disclosed on page 22.

Reporting requirement(s)	Further information	Policies	Related principal risk(s)
Climate-related financial disclosures	— Climate-related Financial Disclosures statement (pages 46 to 51)	— n/a	— Innovation strategy (page 15) — Competitor activity (page 16) — Non-compliance with laws and regulations (page 17) — Supply chain dependencies (page 18)
Environmental matters	— ESG review – Environment (pages 37 to 41) — Section 172 statement (page 65)	— Group Environmental Data Policy — Group Management of Waste Policy — Code of Conduct	— Innovation strategy (page 15) — Competitor activity (page 16) — Non-compliance with laws and regulations (page 17) — Supply chain dependencies (page 18)
Our employees	— How we engage with stakeholders (page 23) — ESG review – Social (pages 42 to 44) — Directors' Corporate Governance Report (page 61) — Section 172 statement (pages 65 to 66) — Other statutory and regulatory disclosures (page 96)	— Equality, Diversity and Inclusion Policy — Speak Up Policy — Group Occupational Health and Safety Policy — Code of Conduct	— People (page 17)
Social matters	— How we engage with stakeholders (pages 23 to 25) — ESG review – Social (pages 42 to 44) — Directors' Corporate Governance Report (pages 60 to 61) — Section 172 statement (pages 65 to 66) — Other statutory and regulatory disclosures (page 97)	— Equality, Diversity and Inclusion Policy — Speak Up Policy — Group Occupational Health and Safety Policy — Code of Conduct	— People (page 17) — Supply chain dependencies (page 18)
Respect for human rights	— How we engage with stakeholders (page 25) — ESG review – Social (page 44) — Directors' Corporate Governance Report (page 61)	— Group Modern Slavery and Human Trafficking Policy — Equality, Diversity and Inclusion Policy — Speak Up Policy — Code of Conduct	— People (page 17) — Non-compliance with laws and regulations (page 17)
Anti-corruption and anti-bribery	— ESG – Governance (page 45) — Directors' Corporate Governance Report (page 61) — Section 172 statement (page 66)	— Group Anti-Bribery and Corruption Policy — Gifts and Hospitality Policy — Code of Conduct	— Non-compliance with laws and regulations (page 17)

Section 172 statement

Our Section 172 statement on pages 64 to 66 describes how the Directors have had regard to stakeholders' interests and other matters when discharging Directors' duties set out in Section 172 of the Companies Act 2006. It includes examples of how stakeholders' interests were considered during principal decisions taken during the year. Details of our engagement with stakeholders are in the How we engage with stakeholders section on pages 23 to 25.

The Strategic Report on pages 2 to 52 was approved by the Board on 11 September 2024 and signed on its behalf by:

Sir David Grant
Interim Non-executive Chairman

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Renishaw plc
New Mills, Wotton-under-Edge,
Gloucestershire GL12 8JR
United Kingdom
T: +44 (0) 1453 524524
F: +44 (0) 1453 524401
E: uk@renishaw.com

For more information visit:
www.renishaw.com

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