

Strategic report

Corporate social responsibility



Ben Taylor
Assistant Chief Executive

This past year we have sought to strengthen our CSR foundations and create a solid platform for the future. We have written our first CSR strategy, and continued to expand our endeavours in our areas of control and influence as part of our CSR activities, showing good progress. We have increased our scope of data capture for waste and greenhouse gas emissions (“GHG”). A record number of apprentices are now in training and we have invested more than ever in staff development. We have shown continued growth within the business, both in the building space we occupy and in the number of employees, however we have still achieved an absolute reduction of waste to landfill and a reduction of GHG emissions per hour produced. We are pleased with the advancements we have made over this reporting period and will continue to strive to be recognised individually and collectively as leaders and contributors in our field and community.

Strategy

In order to continue to evolve our approach to CSR in a structured way, we have developed a documented CSR strategy, approved by our CSR committee and Board. We recognise that the status quo is changing and consequently we are proactively addressing issues such as rising energy costs, constraints on emissions, finite resources, increasing water scarcity, the demand for greater transparency and skills shortages. All these areas affect our business and customers and we are responding with appropriate innovative ideas and programmes seeking to combine our business and societal agendas.

The areas in which we are uniquely placed to ensure this merger of business and societal needs are:

Resources and energy because our core products assist our customers to improve their efficiencies and thus reduce their impacts.

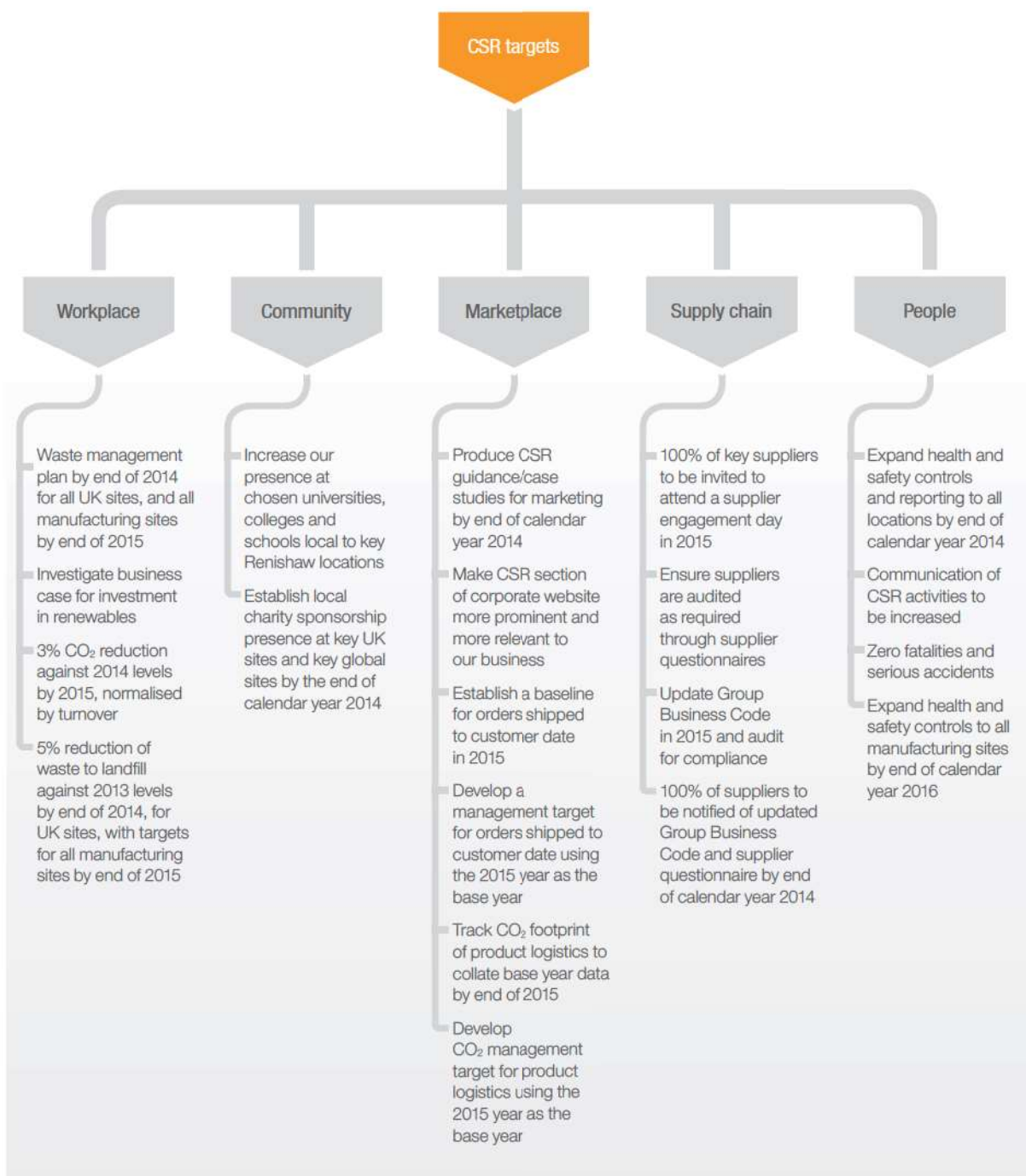
Education because we have built strong relationships with schools and universities, raised our profile in the education sector, and contributed to government policy to ensure we continue to have access to skilled individuals.

Community because we are a large employer, we are uniquely placed to lend support to local charities and community groups.

Innovation because this is a core business driver at Renishaw and will enable us to sustain our manufacturing in a world where resources are finite.

Our CSR targets

We recognise that to become a company that creates net value in its value chain we have to continue to build on our current solid foundations. We have therefore developed our first set of public targets within a five-pillar approach to CSR which brings transparency to our future activities. These targets will ensure we are able to manage our impacts within our value chain and communities effectively.



Corporate social responsibility **continued**

People

Diversity

Renishaw is an equal opportunities employer, operating a strict non-discrimination policy. We offer an environment that actively promotes innovation and progress within which individual talents can flourish.

Renishaw is also a global business with more than 70 locations in over 32 countries, and therefore diversity is an integral part of how we do business. We acknowledge the benefits it can bring and our senior management group comprises 26 nationalities.

A common challenge in the engineering sector is to achieve a more even balance between the genders and as more women choose to study science and technical subjects it is hoped that the number of female candidates for vacancies will increase. In the last two years we have employed 68 young people for our apprenticeship programme and a further 125 for our graduate programme, through co-operation with numerous education establishments. Of these, 171 are

male and 22 are female. The total number of apprentices in training, as at 30th June 2014, represents 3% of our total workforce.

Proper consideration is given to applications for employment from disabled people who are employed, where suitable, for appropriate vacancies. Opportunities are given to employees who become disabled to continue in their employment or to be trained for other positions.

On 30th June 2014, we employed 3,492 people across the Group, an increase of 257 since last year. Of these, 2,699 (77%) are male and 793 (23%) are female. There are 8 directors on the Board, consisting of seven males and one female. The senior management group is made up of 48 people, of which 45 (94%) are male and 3 (6%) are female. Renishaw regards its senior management group to be the Executive Board, the heads of each product division, sales territories and manufacturing organisation who report directly into the Executive Board and the directors of the subsidiary undertakings of Renishaw.

Staff retention

We work hard to promote an excellent working environment that encourages our employees to develop their careers at Renishaw. Our UK staff turnover rate at 5% is still significantly lower than the UK manufacturing industry national average of 8%.

To ensure we reward our employees' loyalty and hard work we regularly hold pay reviews and benchmark our salaries. We have a group performance-based bonus programme for all qualifying staff members.

We also offer on-site fitness suites, appropriate flexible working (to encourage a good work-life balance), subsidised restaurants at our key UK locations and a crèche at our facility in Pune, India.

Communication and participation

As a group that operates in a large number of different territories across the globe, we recognise the need for good communication between sites, but also between management and their teams. To facilitate this we hold regular communications meetings where a Board member is present. These provide information about



Directors and senior managers from Renishaw's product lines, global subsidiaries, group corporate services and manufacturing services division.

developments across the Group and give an opportunity for an open discussion with a member of the Board. These are supported by presentations of the annual and half yearly financial results by the Assistant Chief Executive at our larger locations, supplemented by video-conference presentations for smaller remote sites.

We continue to encourage our staff to communicate any suggestions and ideas they may have, either to their direct management teams or the Board directly. We also provide a Suggestion Scheme to which staff can submit ideas. We value these suggestions and all are assessed for suitability for adoption. Awards are given for the best ideas received. There is also an inventors' award scheme for individuals who are named as inventors on patent applications which are granted.

Training and development

We value our highly skilled workforce and recognise that maintaining this is essential to the future of our business; as such we place a large emphasis on ensuring the Company's approved training programme continues. Throughout this financial year we have

invested £300,000 in our apprenticeship scheme, £100,000 on further education and £270,000 on our employee training programme.

We have long held the view that by investing in our future workforce we are able to acquire the necessary talent to grow the business and mitigate the impacts of a general skills shortage, as evidenced by the fact that we started our apprenticeship and sponsored student schemes in 1979 and 1984 respectively. This summer, some 105 (2013 equivalent: 94) students entered Renishaw for paid placements – 60 summer placements, 40 one-year industrial placements and 5 pre-university placements. There are 105 craft and technical apprentices currently in training (2013 equivalent: 82) and 32 new starters confirmed for September 2014. A further 68 new graduates also started with Renishaw this summer (2013 equivalent: 55).

The quality of our apprenticeship and graduate programmes is widely recognised. In June 2014, at the Gloucestershire Apprenticeship Awards, Renishaw was given the award for 'Outstanding Contribution to Apprenticeships in Gloucestershire',

whilst our first-year apprentice Eva Lily Fielding was named "Outstanding Apprentice of the Year" in the Engineering & Manufacturing category, and was also honoured as the 'Gloucestershire Apprentice of the Year' across all categories. At the Gloucestershire Women in Business Awards held in March, our fourth-year apprentice Roxanne Pollard was named as "Apprentice of the Year".

Human rights

Renishaw is a supporter of the Universal Declaration of Human Rights and the core conventions of the International Labour Organization. Through our Group Business Code we state the minimum standards of operation expected of our organisations, subsidiaries and employees. This code sets out our belief that all employees have the right to non-discriminatory treatment and equal opportunities, to work in a safe and secure working environment with a fair wage. We also reject the use of compulsory, forced and child labour. We seek suppliers and business partners who work to the same high standards as us.



Award-winning apprentice

At the Gloucestershire Apprenticeship Awards, our first-year apprentice Eva Lily Fielding was named Outstanding Apprentice of the Year in the Engineering & Manufacturing category, and overall Gloucestershire Apprentice of the Year.

Image courtesy of Gloucestershire Media

Strategic report

Corporate social responsibility **continued**

Community

As one of the largest employers in the west of England, and with an increasing number of sites in the UK and around the world, we recognise the positive contribution that we can make to our local communities through our varied interactions with local residents, businesses, schools and not-for-profit organisations. We continue to communicate a positive story about the role played by science, engineering and manufacturing to enhance the lives of the general populace and the attractive nature of a career within these sectors. Renishaw sees this as vital to overcome negative perceptions about career options in these areas and to ensure a strong pipeline of future talent, not just for our own needs, but also for our wider supply chain and customer base.

During the past year we have hosted tour groups and given talks to a range of organisations including primary and secondary schools, universities and colleges, business clubs and societies. With an increasing profile we are also regularly asked to give interviews by national and local media on a range of topics relating to manufacturing, 3D printing and general business issues.

We continue actively to support the business community regionally, nationally and internationally, through membership of trade associations such as Germany's VDW and the UK's Manufacturing Technologies Association, as well as local chambers of trade and business networking groups. During the year we also became a member of the Confederation of British Industry ("CBI"), which is the UK's leading business lobbying organisation. We impart our knowledge and business

expertise in areas as diverse as AM, IT systems, exporting and human resource management, through participation in business conferences and roundtable discussions, and also make a significant commitment to the sponsorship of award programmes.

Senior managers, including Group Engineering Director, Geoff McFarland, Assistant Chief Executive, Ben Taylor, and Head of Communications, Chris Pockett, are also regular speakers at conferences and business/community events. In the past year this has included keynote presentations on sustainable manufacturing, innovation, business growth and the Renishaw story.

During the past year we have become a major sponsor of the Manufacturing Excellence ("MX") Awards operated by the UK's Institution of Mechanical Engineers ("IMechE"), and continue to support the sister MX programme in Germany. For both schemes, senior managers are members of the advisory board. In the past year, we have also sponsored and helped judge a range of regional business award programmes, for example, Ben Taylor is a judge for the West of England Business Awards. Recognising the importance of apprenticeships, we supported both the regional Gloucestershire and Bristol Apprentice of the Year awards.

To further our aim of establishing awareness of Renishaw as a significant regional employer, we continue to sponsor a wide range of festivals and organisations in the west of England and South Wales. A key part of our sponsorship is also a desire to achieve benefits for our staff, which will in turn increase their engagement with partner organisations. A good example is a new partnership with the Bristol Music Trust,



German handball team sponsored

Renishaw GmbH sponsors the handball team HBW Balingen-Weilstetten, which this season played in the German Handball-Bundesliga.



Gloucester Rugby young player award

Norma Tang, Company Secretary, presents the Renishaw-sponsored Young Player of the Season award to Elliott Stooke.

Image courtesy of Gloucester Rugby



Trophy for Art Couture Painswick

Renishaw used its AM process to create the main trophy which was presented to the winner by Chris Pockett, Head of Communications.

Image courtesy of Stroud News and Journal

which operates the well-known Colston Hall; a major venue for music and comedy entertainment. In spring 2014 we became a sponsor of The Lantern, a 250-seater space within the Colston Hall which hosts a wide range of music in a quirky environment, and as part of the deal, giving all staff the opportunity to apply for free membership of the Colston Hall.

Another new sponsorship saw Renishaw support Art Couture Painswick, an increasingly popular festival for wearable art, at which we presented the Renishaw Innovation Trophy for the best overall entry at the event. The trophy was a unique collaboration between Renishaw and Lionel T. Dean, a leading designer for the digital manufacturing process, who created a Viennese face mask which we then made in titanium using our AM machine.

We are continuing to strengthen our relationships with local and professional sports clubs in areas where we have significant UK operations, including Gloucester Rugby which plays in the rugby English Premiership and Swansea City football club based in South Wales, which plays in the football English Premier League. At the former, we sponsor Ben Morgan, an England international player, and the Young Player of the Year award, voted for by our Gloucestershire-based staff. Viewers of BBC's Match of the Day programme will also regularly see our advertising hoardings at Swansea City home matches.

During the year we also sponsored the German Handball-Bundesliga team HBW Balingen-Weilstetten, which is based in an area where many of our major customers are also located.

Charity

The Renishaw Charities Committee ("RCC") was formed in the 1980s to distribute funds to support charitable and voluntary organisations and to support the individual charitable efforts of all UK staff through a match-funding scheme. The RCC is made up of staff representatives from the Company's main Gloucestershire sites and has a particular focus to assist organisations that help enrich the lives of children and adults, from toddler groups and sports clubs, through to organisations that support the disabled and the bereaved. A separate fund is also administered by the RCC, which donates monies to aid the victims of global disasters.

During the year, the RCC (www.renishaw.com/charity) made donations to over 180 individual organisations totalling over £97,000. Beneficiaries were diverse in nature including music societies, disability support groups, primary and secondary schools, animal shelters, church restoration funds, counselling and

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Corporate social responsibility **continued**

carers support groups, scout and brownie groups, medical research organisations, community centres, air ambulance groups, sports clubs, skate parks, senior citizen groups and hospice care organisations.

The Company and the RCC recognise that large numbers of Renishaw employees assist charitable organisations and therefore encourages such activities through match-funding programmes, both for individual and collective fundraising efforts. Employee communications from the Company and the RCC's intranet pages also include details of charities seeking support for fundraising activities or in need of volunteers/trustees, and promotional posters for fundraising events are distributed to company noticeboards.

The RCC fully matches funds raised by staff for UK national initiatives such as Movember, Comic Relief and Wear it Pink. During the year, many employees undertook fundraising for Children in Need, raising just over £3,000 which was matched by the RCC.

During the year, significant donations of £2,000 or greater were made by the RCC to seven organisations. This included a £10,000 donation to the Disaster's Emergency Committee

("DEC") which co-ordinated UK fundraising for victims of the typhoon in the Philippines which occurred on 8th November 2013, affecting over 14 million people. A £2,000 donation was also made towards the creation of a new Youth Centre for Dursley, near to the UK headquarters, within the town's Tabernacle Church.

Education

In order to attract the future engineering talent pool, we need to reach young people, their parents and teachers with messages about 21st century engineering and the career opportunities at all levels. We are starting to see more people applying for graduate and apprenticeship positions (applications for both have quadrupled in the last three years) but we cannot be complacent. The sector employs 5.4 million people across 542,440 engineering companies in the UK, and between 2010 and 2020 these companies are projected to have 2.74 million job openings (Engineering UK report 2013). We work hard to ensure that we have engagement in schools in our major employment areas, as well as building and strengthening relationships with universities, raising our profile locally and nationally, and also lobbying government so that our voice is heard at the highest levels.



Renishaw apprentice meets HRH The Duke of York

Our first-year apprentice, Matthew Hunter, discusses his award-winning phone charging system for bicycles with HRH The Duke of York.



Award-winning primary schools visit Renishaw

Winning teams from local primary schools visited Renishaw to programme the robot 'Nao'.



Graduate induction programme

Graduates and apprentices enjoying team-building exercises in the Forest of Dean during their induction programme.

During the year we were delighted to be named Gloucestershire STEM Company of the Year by STEMNET, a UK educational charity that seeks to encourage participation at school and colleges in the areas of Science, Technology, Engineering and Mathematics ("STEM"). The award recognised our STEM work and initiatives with all the schools in the county. Our ongoing involvement with the Primary School Challenge organised by GFirst, the Gloucestershire Local Enterprise Partnership, was recognised by Julie Collins, our Education Liaison Executive, being named Gloucestershire Skills Ambassador of the Year.

This programme continues to be very successful in introducing 9 to 11 year old children to computer programming and Renishaw engaged with teams in 6 primary schools, supported by graduates or apprentices who mentored the children and positively promoted engineering as a career. The best team from each school won the opportunity to visit Renishaw and programme a humanoid robot called Nao.

We continue to extend initiatives such as our partnership with Greenpower, a national organisation that promotes green energy racing competitions, where again we sponsored the Western regional heat and had a small stand at the national finals at the Goodwood motor circuit in the south of England. Our "Technology Teardowns", where pupils take apart mobile phones, printers and other consumer devices to learn about electronics, have also become very popular. Pupil feedback is excellent, with most commenting it helped them understand what engineering is about and what an engineer does. During the year, we were again a key sponsor and contributor to the Stroud Festival of Manufacturing and Engineering, a week-long festival initiated by Neil Carmichael, the Member of Parliament for Stroud, Gloucestershire, to raise the profile of engineering and career opportunities.

Our focus on schools engagement means that during the year we trained all our new graduate entrants and second-year apprentices to be STEM ambassadors. This enables Renishaw to involve more schools in our outreach programmes, with our young engineers giving talks, helping out at STEM clubs and attending career fairs. We are then able to give the message directly to students about what it is like being an engineer, which research has shown is the most important hurdle to overcome when influencing a young person's career choice.

A major initiative this year was a pilot programme that we have worked on with the UK organisation DATA (Design and Technology Association). Now that Design and Technology ("D&T") has been retained as a compulsory subject in UK schools up to the age of 14, and the UK national curriculum has been updated to be a better fit for the needs of industry in the 21st century, skills gaps have been identified, as teachers have not been trained in areas such as robotics and programming. As part of the pilot, we have worked with D&T teachers at Marling School, Stroud, on a project to teach them programming in C++, working with a microprocessor and designing a buggy. They were then supported to teach this to their students over a 10-week period. Materials developed, including a teachers' pack, lesson plans and videos will be available on DATA's website from September 2014 allowing all schools in the UK to have access to, and benefit from, this project.

We continue to raise awareness of Renishaw as a major UK employer of young people both locally and nationally. We again attended the national Big Bang Fair held at the NEC in Birmingham, where over 2,500 young people, plus teachers and parents, visited our stand to play a game that incorporated our measurement and computer technology, and also to be educated

about AM. During the event, one of our first-year apprentices, Matthew Hunter, won the Young Engineers' Duke of York award for the "The Most Creative Use of Technology", and met the Duke to explain his innovative phone charging system for bicycles.

Our work to build relationships with schools in South Wales continued, with another two successful education days at our Miskin site, where over 500 students from local schools and universities had guided tours of our machine shop, electronics assembly line and the assembly area for our AM machines. We also supported two schools with their project to compete for a prize at an Engineering Education South Wales event, and were delighted when one of our supported schools, Monmouth School, won an award for the second year running. We also sponsored several schools taking part in the F1 in Schools competition, and one school also had help from a Renishaw engineer to redesign their car's nose cone, which was subsequently manufactured in our rapid manufacturing facility.



Big Bang Fair 2014

A record number of students visited Renishaw's stand at the NEC in April 2014.

Corporate social responsibility **continued**

We are continuing to work with universities to build relationships. During the year we sponsored Formula Student teams at several universities, including the GreenTeam based at the University of Stuttgart, Germany, plus engineering societies, and we also attended a record number of career fairs. A new initiative this year was a collaboration with the University of Loughborough to design four projects that 16 second-year students worked on over a 3-month period. This very successful initiative raised our profile enormously at the university and will be repeated in the next academic year.

We continue to work with industry organisations and engineering peers to advise government on national policy. During the year we were invited to join the Royal Academy of Engineering's Leadership and Diversity Board, which has been set up to help remove barriers and encourage more women and other under-represented groups into engineering. We also had discussions with government ministers responsible for education, to lobby for the inclusion of D&T to be a compulsory subject in the new UK EBacc qualification. We know that studying D&T has a great influence on encouraging young people to choose engineering as a career.

Environment

Improving the operational efficiencies of the Renishaw locations across the world contributes to the sustainable growth of the business. We recognise the need to lower the impacts from our operations to support this sustainable growth, and at this stage we focus on carbon and waste as two areas of significant impact.

We continue to have growth in the business and thereby have increased activities; this is reflected in our overall ("GHG") increase. To assist in the mitigation of this rise we have continued to invest in new technologies that help to reduce our energy consumption. In the past year, we have invested around £250,000 in equipment which will allow us to reduce our GHG emissions by an estimated 1,900 (4.3% of our annual total tonnes carbon dioxide equivalent ("tCO₂e") per annum) over the next 12 months. In addition to using half hourly meters which assist us in tracking energy consumed, we have invested in some portable energy monitoring equipment which allows us to create energy profiles of distinct areas of our sites and ascertain where we can further increase our energy reduction programmes. We are also actively investigating more sustainable energy sources where it is practical and cost-effective to do so.

As we continue to invest in new sites and the expansion and renovation of existing properties, we have included several initiatives to contribute significant energy savings in our new building and renovation works across the Group; for example, we have been able to design out over 500,000 kWhs of annual energy usage in our new building at New Mills.

Renishaw continues to participate in the Carbon Reduction Commitment ("CRC") Energy Efficiency Scheme and the Carbon Disclosure Project ("CDP"). We use the CDP as a benchmarking tool and are working extensively to ensure our efforts in GHG emission management are fully disclosed and are as transparent as is expected of us by our employees, customers and investors.

We continue to maintain our Carbon Trust Standard for our UK operations and have also been awarded the Carbon Trust Standard for waste (UK operations only) within this reporting period. Our Carbon Trust Standard currently covers over 62% of our GHG emissions. This year we have further bolstered this standard and expanded the certification to cover business travel and logistics, as well as operational energy.

We recognise that we are legally obliged to report on our Scope 1 and 2 emissions (as defined by the Greenhouse Gas Protocol), however, through analysis it is evident that our Scope 3 emissions amount to a significant proportion of our carbon footprint. As such we will continue to disclose our Scope 1, 2 and significant Scope 3 emissions and will continue to put efforts into improving data quality, scope of data and working on expanding our Scope 3 data capture to enable a more complete picture of our GHG emissions.

In this reporting period our total GHG emissions for our Scope 1 and 2 emissions (statutory disclosure) were 18,209.37 tCO₂e. Our significant Scope 3 emissions (voluntary disclosure) were 25,761.35 tCO₂e.

To calculate our GHG emissions we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised addition), data gathered for our CRC submission and the UK government's GHG reporting guidance as the basis of our methodology and the source of GHG emissions factors.

Total GHG emissions (tCO ₂ e)	2010	2011	2012	2013 ¹	2014 ³
Scope 1					
Gas consumption	685.00	652.00	1,456.00	1,479.53	1,281.42
Owned transport	1,842.40	1,617.00	1,334.40	1,521.53	2,229.84
Generator diesel	65.60	40.00	85.00	31.91	22.76
Heating oil	38.20	77.00	75.00	56.74	13.18
Fugitive emissions	0.00	0.00	0.00	88.72	382.96
Out of scope (bio fuel blend)	0.00	0.00	33.96	39.74	60.34
Total Scope 1 (tCO₂e)	2,631.20	2,386.00	2,950.40	3,178.44	3,930.16
Scope 2					
Purchased electricity	10,525.40	14,347.00	12,008.17	13,629.09	14,279.20
Total Scope 2 (tCO₂e)	10,525.40	14,347.00	12,008.17	13,629.09	14,279.20
Total statutory GHG emissions² (tCO₂e)	13,156.60	16,733.00	14,958.56	16,807.53	18,209.37
Normalised statutory GHG emissions² by revenue (tCO₂e/£m)	72.4482	57.9498	45.0695	48.4646	51.1643
Scope 3					
Business travel	1,264.70	2,144.00	2,539.80	7,392.76	8,298.57
Product distribution	1,919.80	3,908.00	4,058.00	3,545.49	5,382.00
Raw material purchase	3,533.90	7,465.00	4,622.00	4,020.35	3,771.30
Post and communications	276.30	353.00	398.00	500.13	504.77
Transmissions and distribution	–	–	1,299.82	1,745.09	2,160.45
WTT total	–	–	4,049.64	4,912.26	5,644.26
Out of scope (biofuel blend)	–	–	8.30	8.81	49.97
Total significant Scope 3 (tCO₂e)	6,994.70	13,870.00	16,967.25	22,116.08	25,761.35
Normalised total GHG emissions⁴ by revenue (tCO₂e/£m)	110.97	105.98	96.19	112.24	118.07

¹ 2013 figures have been restated due to improvements in our methodology, updated GHG conversion factors and changing the reporting period to be in line with the financial year.

² Statutory emissions are Scopes 1 and 2 as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

³ To facilitate the timely capture of information, this disclosure uses internally reported data from July to May and the June data is given as an average of the previous three months. This will be restated next year if a significant difference is seen.

⁴ Total GHG emissions include Scopes 1 and 2 (statutory) and Scope 3 (voluntary) emissions.

We recognise the impact from employees commuting to our sites and whilst we have not yet quantified this, we actively promote a car share scheme through an intranet site which can be used to find car share partners. We provide excellent facilities for employees who chose to commute by bike, through lockers, showers and covered bike storage areas.

Strategic report

Corporate social responsibility **continued****Waste management**

Renishaw continues to expand its waste controls and now collates waste data for analysis from all the sites covered by the Carbon Trust Standard for waste and a number of other sites across the world. We continue to encourage employees to prevent waste going to landfill. To support this, within this reporting period we have streamlined our waste services across the UK and are working with our waste partner to increase recycling further. Over the past three years we have seen a 50% drop in the amounts sent to landfill. This means we are now reusing or recovering around 88% (2013: 85%) of all the waste from our UK, Ireland and other key sites.

We continue to act responsibly on behalf of our customers and distribute our technical and sales documentation electronically whenever possible. We also have user guides for some of our product groups only available online. Our commercial documentation, payslips in the UK and invoices are all managed through paperless systems. Whilst these efforts are only a small part of what we do, they represent our attitude to ensure that we do all that we can to be a responsible organisation. Internal communications, wherever possible, are only made via emails or through the company intranet.

We continue to make progress on our product range to prepare it to be compliant for the Restriction of the use of Hazardous Substances Regulations ("RoHS") extended scope deadline in 2017, whilst achieving several earlier

deadlines for healthcare products. We continue to monitor substances against those identified as "substances of very high concern" ("SVHC") under the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") Directive, and to date have not identified that anything we use is on the SVHC lists. However, we continue to monitor this. We recognise that whilst we do not fall within the remit of the Dodd-Frank Wall Street Reform and Consumer Protection Act, compliance with the conflict minerals assessment and disclosure aspects of such legislation is important to a number of our customers. We also recognise that it is our responsibility to ensure that our supply chain does not support illegal or unfair practices. Therefore, we are actively investigating our supply chain to enable us to eliminate conflict minerals from it and are working with a number of key suppliers on this project. We also monitor for any issues we would consider to be against the spirit of our Group Business Code and work with suppliers where issues are identified.

**Waste management**

Briquetting system installed at Renishaw's Miskin site to reclaim compacted aluminium swarf.

**Carbon Trust Standard – Waste**

Renishaw was one of the first five businesses in the world to achieve this new standard launched in November 2013. It is the world's first international standard for organisational waste reduction. It is an independent standard that certifies organisations which are measuring, managing and reducing their waste output, year-on-year.

	2011	2012	2013	2014
Waste recovered or recycled (tonnes)	947.68	885.57	1,210.97	1,329.12
Waste sent to landfill (tonnes)	365.03	252.41	213.41	182.39
Percentage of waste sent to landfill	28%	22%	15%	12%

Health and safety

Renishaw has a well established corporate health and safety management system that is in line with the ISO18001 requirements. We recognise that any injury may develop into something more serious if not cared for correctly. As our employees are essential to our business, we record all injuries from the smallest of paper cuts to the most serious of incidents, to enable us to manage treatment and investigate all incidents effectively.

The total number of accidents for the period was 151 (2013: 161) against a year end headcount of 3,492 (2013: 3,235). This equates to an accident ratio of 0.043 accidents per person and is 8.1% down on the same period the year before, despite an 8% increase in staffing levels. Training continues to take place in order to continue to reduce the accident rate further.

Reportable accidents

There were two reportable accidents under the UK RIDDOR reporting requirements: one slip and one crush resulting in a total lost time of 271 hours or 36.1 days.

Occupational health

Renishaw has had no work-related ill health or diseases reported.

Health monitoring in the form of lung function testing, hearing testing and eye testing, where appropriate for a job role, has been established for several years and is ongoing.

Health support for staff is offered in the form of subsidised health monitoring (blood pressure, diabetes, cholesterol and BMI).

Incidents/near misses

A total of 68 (2013: 57) near misses were recorded for the period. This is a 19.2% increase on the numbers reported in the last period, driven as a result of stronger emphasis on the importance of reporting of what might seem even trivial incidents. No significant repeating common causes have been established.

Risk assessment

Over the period an automated risk assessment system was introduced using SharePoint®. This allows the recording and tracking of risk assessment actions, including the issue of automatic reminders to those responsible for risk assessments.

The Strategic report was approved by the Board on 23rd July 2014 and signed on its behalf by

Sir David R McMurtry
Chairman and Chief Executive