





Aerial view of the New Mills site, showing the new 153,000 sq ft Renishaw Innovation Centre building (top left) which was officially opened in July 2015 by HRH The Princess Royal..

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INTRODUCTION

Renishaw is a world-leading metrology company.

With our highly experienced team, we are confidently driving our future growth through innovative and patented products and processes, efficient high-quality manufacturing, and the ability to provide local support in a growing number of geographies and markets. 95% of our sales are outside the UK.

Our continuing investment in new product development, plant and equipment, and facilities (c.£90m in the last year) is the key to our confidence in the Group's long-term strategy and prospects. With around 4,100 skilled and motivated people, we continue to be at the leading edge of technological innovation.

FIND MORE INFORMATION ONLINE



Downloads and webcasts

You can access the annual and half year reports for the last five years from our website. Also available are recordings of previous webcasts.

www.renishaw.com/financials



Investor information

Information of interest to shareholders and others, such as videos explaining our products and business strategy, are provided on our website.

www.renishaw.com/investor

This Annual report has been prepared for the purpose of assisting the Company's shareholders to assess the strategies adopted by the Company and the potential for those strategies to succeed and no-one, including the Company's shareholders, may rely on it for any other purpose. The directors owe their duties only to the Company as a whole and they undertake no duty of care to individual shareholders, other stakeholders or potential investors. This Annual report has been prepared on the basis of the knowledge and information available to the directors at the time. Given the nature of some forward-looking information, which has been given in good faith, the Company's shareholders should treat this information with due caution.



For more information visit:

www.renishaw.com

CORPORATE SOCIAL RESPONSIBILITY



“With the introduction of our CSR strategy last year, we have spent this year consolidating and improving a number of our processes. We have seen increased engagement from our people across a range of CSR-related activities, particularly on waste, charity and community activities, throughout the Group. We are pleased to have achieved a number of our CSR targets.

We are capturing data from more sites than ever to reduce our reliance on industry average data and increase the accuracy of our waste and Greenhouse Gas (“GHG”) footprints. We have shown continued growth within the business, in the building space we occupy, the number of employees and our production levels. However, we have still achieved an absolute reduction of waste to landfill and a reduction of GHG emissions per £m turnover. We are pleased with the advancements made throughout this year, and will continue to strive for further progress.

In this period of growth, a record number of apprentices are now in training and we have invested more than ever in developing our people.”

Ben Taylor
Assistant Chief Executive

Strategy update

By focusing attention on our strategic goals over this last year, we have been able to target areas with the greatest impact. A key focus has been on improving our efficiencies in manufacturing through waste and energy management. In addition, we have reduced the GHG footprint of our business travel this year; this is due to increasing control on the flight bookings process and significant investment in videoconferencing facilities.

Our strategy continues to be appropriate for the Group. In this report, we concentrate on progress on our manufacturing and training targets on page 3, and we will be posting updates on our progress against all our CSR targets on the website.

Progress on selected CSR targets:

Targets

Waste management



5%

reduction of waste to landfill from UK operations

Progress

- We implemented a new waste strategy in February 2014, focused on segregation at source.
- Our Carbon Trust waste certificate covers roughly 90% of our generated waste.
- Less than 4% of our waste is sent to landfill.
- Just over 2,487 tonnes of waste were diverted away from landfill this year.

59%

reduction of waste to landfill from UK operations.

96%

of all waste diverted from landfill.

Energy



Investigate business case for the investment in renewables

- First solar array commissioned this year.
- Second solar array planned with a further generating capacity in excess of 220,000 kWh.
- The replacement of lighting systems with lower energy options have a potential annual saving of 656,000 kWh.

123,056

kWh renewable energy generated to the end of June 2015.

Solar array with an annual generating capacity

in excess of 280,000 kWh has been installed.

GHG emissions

3%

reduction in GHG tCO₂e per million pounds turnover compared to 2014

- 38% reduction in GHG emissions from gas consumption.
- 28% reduction in GHG emissions from business travel.
- Over £2m invested in energy reduction activities.

13%

reduction in GHG tCO₂e per million pounds turnover compared to 2014.

People



5%

of our UK employees as apprentices, graduates or sponsored students on structured programmes

- 4,112 people employed globally, an increase of 620 since last year.
- First graduates from our apprenticeship programme in Germany.
- Over 200 people across the Group on formal apprenticeships and graduate programmes.

8%

of our UK workforce (5% globally) are on structured apprenticeship or graduate programmes.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

People

Diversity

Renishaw enjoys the advantages of being a global company. With 26 nationalities represented in our senior management group, we benefit from their understandings of different cultures and acknowledge the advantages that these varied experiences bring to the business. We work hard to promote a workplace that encourages open communication and innovative thinking; as we encourage this, we are able to ensure our people feel valued and can achieve their career goals.

Like many engineering companies, Renishaw has a majority of male employees, but we are working hard to encourage females into an engineering career through our educational outreach programmes (see the Education section on pages 8–10 for more information). Over the last two years, we have employed 80 apprentices and 138 graduates, and of these, 193 (89%) are male and 25 (11%) are female. We have 114 people on apprentice programmes, which, combined with graduates, represents 5% of all employees.

On 30th June 2015, we employed 4,112 people across the Group, an increase of 620 since last year. Of these, 3,142 (76%) are male and 970 (24%) are

female. There are nine directors on the Board, consisting of seven males and two females. The senior management group is made up of 52 people, of which 49 (94%) are male and 3 (6%) are female. Renishaw regards its senior management group to be the Executive Board, the heads of each product line, sales territory and manufacturing organisation who report directly into the Executive Board and the directors of Renishaw's subsidiary undertakings.

Employee retention

We have continued to promote career development within Renishaw and to provide an excellent working environment. Our UK employee turnover rate is 5.7% (2014: 5.0%), which continues to be significantly lower than the UK manufacturing industry national average of 10%.

To ensure we reward our employees' loyalty and hard work, we regularly hold pay reviews and benchmark our salaries against those within the engineering sector. We have a group performance-based bonus programme based on group profitability for all qualifying employees.

We offer on-site fitness suites, appropriate flexible working (to encourage a good work-life balance), discount schemes with a number of local businesses, a sports and social club, 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 territories across the globe, we recognise the need for clear and open communication across the business between sites, functions and levels of management. Our flat structure encourages employees to voice their ideas or concerns to management and we have had many excellent ideas as a result of this open dialogue. To facilitate the dissemination of top-down information and to keep the employees abreast of developments within the business, regular communication meetings are held where a board member is present. These also give an opportunity for an open discussion between employees and a member of the Board. Communications are supported by presentations of the annual and half-year financial results given by the Assistant Chief Executive at our larger locations, supplemented by videoconference presentations for smaller remote sites.



Our first graduate and apprentices from our apprenticeship programme in Germany.

We continue to encourage our people to communicate any suggestions and ideas they may have, to either their management teams or the Board directly. A suggestion scheme enables employees to submit ideas. We value these suggestions and their suitability for adoption are assessed, with awards given for the best ideas received. In addition, there is an inventors' award scheme for individuals who are named as inventors on granted patents.

Training and development

We value our highly skilled people and recognise that retaining them is essential to the future of our business; as such, we place a large emphasis on ensuring our training programmes continue.

We have long held the view that investing in people enables us to acquire the necessary talent to grow the business and mitigate the impacts of a general skills shortage. This is evidenced by our apprenticeship and sponsored student schemes that we started in 1979 and 1984 respectively. This summer, some 105 (2014: 105) students entered Renishaw for paid placements – 60 summer placements, 40 one-year industrial placements and 5 pre-university placements. There are 114 craft and technical apprentices currently in training (2014: 105) with 3 in our German subsidiary for the first time, and 44 new starters confirmed

for September 2015. A further 70 new graduates also start with Renishaw this summer (2014: 68).

The quality of our apprenticeship and graduate programmes is widely recognised through external award schemes. We also award our own Apprentice of the Year prizes.

We are a founding member of the 5% Club, a UK industry-led campaign to increase the recruitment of apprentices and graduates, the members of which commit to ensuring that 5% of their UK workforce are apprentices, graduates or sponsored students on structured programmes within the next five years. We are happy to report that against a backdrop of a significant increase in our people of 620 over the past twelve months, we have maintained 8% of our UK employees (5% of our global employees) on structured apprenticeship or graduate programmes, helping to ensure the future of our highly skilled people across the Group.

Human rights

A strict non-discrimination policy is embedded into our Group Business Code, which states the minimum standards of operation expected within the Group and our representatives. This Code sets out our position that all employees have the right to non-discriminatory treatment and equal opportunities, and to work in a safe and secure working environment with a fair wage. Proper consideration is given to applications for employment from all ethnic backgrounds and from those with disabilities. Opportunities are given to employees who become disabled to continue in their employment or be trained for other positions. We reject the use of compulsory, forced and child labour. We communicate this Code to all potential suppliers and require appointed suppliers to work to the spirit of this Code. The full Code can be found at www.renishaw.com/en/renishaw-group-business-code--14444.



Having joined Renishaw as an apprentice aged 16 and later gaining a first-class engineering honours degree, Lucy Ackland (left) won the national Women's Engineering Society Prize award for her work engaging young children with STEM activities.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Community

With an increasing global footprint, we recognise the positive contribution that can be made to our local communities through varied interactions with local residents, businesses, schools and not-for-profit organisations. This is especially true in the west of England, where we are one of the region's largest employers.

In many of our markets, we 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. We see this as vital to overcome 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. This includes our subsidiaries in Italy and Spain, which are increasingly active with higher education establishments. With an increasing profile, we are also regularly asked to give interviews to international, national and local media, and contribute our knowledge through debates on a range of topics including manufacturing, exports, education, human resource management, innovation and 3D printing.

Senior directors, including Sir David McMurtry, Ben Taylor and Geoff McFarland, are regular speakers at conferences and business/community events. In the past year, this has included keynote presentations on the future of manufacturing, innovation and automation.

We continue to actively support the business community regionally, nationally and internationally, through membership of trade and lobbying associations such as the Confederation of British Industry,

the Dental Laboratories Association, the Association of British Healthcare Industries, the European Society for Precision Engineering & Nanotechnology, Verein Deutscher Werkzeugmaschinenfabriken e.V. (Germany) and UCIMU-SISTEMI PER PRODURRE (Italy). We also support local chambers of trade and business networking groups.

We are also a member of various industry research centres across the globe, some of these include The Manufacturing Technology Centre (UK), the Advanced Manufacturing Research Centre (UK), Canada Makes (Canada), PräziGen (Germany), Light Alliance (Germany) and BazMod (Germany).

We continue to sponsor and help judge a range of regional and national business award programmes that help encourage and recognise business and individual excellence. Ben Taylor is a judge for the West of England Business Awards, whilst Head of Communications, Chris Pockett, helped judge the Manufacturing Excellence Awards organised by the Institution of Mechanical Engineers and the main business awards programmes in Bristol and Gloucestershire.

To further our aim of establishing awareness of Renishaw as a significant regional employer, we continue to sponsor a wide range of festivals, sports clubs and organisations in the west of England and South Wales. During the year we became the first corporate partner of a project which aims to raise funds for "Being Brunel", a new public museum that will celebrate the life and achievements of the great engineer Isambard Kingdom Brunel, which is scheduled to open in 2017.

In South Wales, we have advertising boards at the Liberty Stadium, home to the Ospreys rugby club and Premier League football club, Swansea City. We also sponsor Swansea City footballer Ki Sung-Yeung, who plays internationally for South Korea, an important market for our products.

We continue to sponsor Ben Morgan, the Gloucester and England rugby international, who this year presented our Apprentice of the Year Awards.

In Germany, we continue to sponsor Handball-Bundesliga team HBW Balingen-Weilstetten, which is based in an area where many of our major customers are located.

With significant public interest in 3D printing, we have collaborated with individuals and organisations on a range of projects, including the creation of a titanium public arts installation in Folkestone, Kent, and the manufacture of a prosthetic plastic hand for a young man whose mother approached us, having read about our expertise. As reported in last year's report, we produced an innovative 3D-printed bike frame for Empire Cycles, which has been exhibited across the globe and is now recognised by the Guinness Book of World Records as the first of its kind.



Renishaw-sponsored 'Arabian Lights' was one of 70 giant Shaun the Sheep sculptures that formed part of the Shaun in the City Bristol trail, raising funds for the Bristol Royal Children's Hospital.

Image courtesy of charity no. 1043603. Shaun in the City © & ™ Aardman Animations Ltd 2015.



Donations
Just under

£100,000

donated to local organisations
(www.renishaw.com/charity)

Charity

In the UK, the Renishaw Charities Committee ("RCC") was formed in the 1980s to distribute funds to charitable and voluntary organisations and support the individual fundraising efforts of all UK employees. The RCC is made up of representatives from Renishaw's main Gloucestershire sites and has a particular focus on assisting 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, from which, during the year, a £10,000 donation was made to the Disasters Emergency Committee which co-ordinated UK fundraising for victims of the devastating earthquakes in Nepal.

During the year, the RCC made donations totalling just under £100,000 to a diverse range of over 200 organisations. Beneficiaries included disability support groups, primary and secondary schools, counselling and carers support groups, hospice care organisations, animal sanctuaries, medical research groups, church restoration funds and senior citizen groups.

The RCC fully matches funds raised by employees for UK national initiatives such as Movember, Comic Relief and Wear it Pink, including £2,500 raised for Children in Need.

During the year, significant donations of £2,000 or more were made by the RCC to eight organisations, including support for capital projects at Minchinhampton Rugby Club and Kingswood Football Club.



The GreenTeam, based at the University of Stuttgart, and Renishaw GmbH collaborated to develop and additively manufacture optimised wheel carriers for a Formula Student racing car, reducing the overall weight of the car by 1.5 kg and making it their lightest vehicle to date.



Renishaw's Indian subsidiary gave funds to provide a swimming pool hoist for disabled children.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Renishaw India is also highly supportive of its local community and during the year has given significant grants to three non-governmental organisations based in Pune, supporting exploited women and disabled and disadvantaged children.

One of these organisations is Balkalyan Sanstha, which was established in 1979 to provide entertainment and recreational facilities for disabled children in Maharashtra State. It was given funds by Renishaw to replace 35-year-old playground equipment and provide a hoist that enables children to enjoy the local swimming pool. Funding was also given to Chaitanya Mahila Mandal, which cares for women (and their children) who are victims of sexual exploitation and trafficking – funds helped purchase an ambulance, a toilet block and furniture for a computer training centre.

Education

There is growing consensus regarding the importance of science, technology, engineering and mathematics (“STEM”) education, skills and careers advice. The perceptions of engineering are improving and the numbers studying engineering in the UK are increasing.

Despite these encouraging signs, the rate of change in the growth of supply is far too slow to meet the forecasted demand for engineering skills in the UK.

There are also some significant UK population challenges in the coming years that will affect the pool of students available for progressing into apprenticeships and higher education. The number of 14-year-olds is set to fluctuate significantly, falling by 7.3% between 2012 and 2017 before jumping by 15.9% five years later. The number of 18-year-olds will decrease by 8.9% between 2012 and 2022.

There remains a disappointing negativity towards the engineering sector amongst the influencers of young people, with 17% of STEM teachers believing that a career in engineering is undesirable for their students. Furthermore, only 36% of STEM teachers felt confident giving engineering careers advice (Engineering UK report 2015).

Targeting the influencers of young people with up-to-date, accurate and non-stereotypical information about the range of engineering and STEM-related careers is essential in persuading students to persist with STEM subjects throughout school, university, apprenticeships and employment.

Renishaw has continued to target these influencers over the last year. As part of the week-long Stroud Festival of Manufacturing and Engineering, we hosted and co-organised with other local engineering and manufacturing companies an event entitled “Girl Power”. This was held on a Saturday with girls between the ages of 14 and 18 invited to attend a series of workshops, activities and talks, and importantly, they had to be accompanied by a parent who shadowed their daughters all day. Feedback suggested that parents’ minds can be changed about encouraging their daughters to pursue an interest in engineering. Feedback from the girls was equally encouraging:

“It has really opened up my eyes to what I could be doing when I am older and has really inspired me.”



A group of children from Old Sodbury Primary school looking at Renishaw products in the Renishaw Innovation Centre.



Renishaw apprentices proudly showing off their Greenpower cars. The Greenpower Education Trust promotes sustainable engineering to young people.

“It has helped me learn what sort of person I am and what job would best suit me. There are no limits in engineering.”

Another way of influencing teachers is to increase their skills and awareness with respect to the latest technology. The National Foundation for Educational Research found that the quality of STEM courses for 16-year-olds and over is being undermined by a lack of time that tutors have to develop their skills and knowledge in line with the pace of change in their subject areas.

During the year, we carried out a pilot project in conjunction with the Design and Technology Association (“DATA”) to tackle the skills gap of design and technology teachers at Marling School in Stroud. Steve Berry, head of design and technology, Marling School, said, “It was brilliant and inspiring for staff, particularly those with no previous programming experience who did not believe how much they could achieve. Being guided by experts, with up-to-date industry experience, was invaluable.”

The project is now available nationwide for teachers to download from the DATA website, and we have supported two other schools in 2015, enabling their teachers to learn the skills to pass on to their students.

We have continued to offer all our new graduates and second-year apprentices the opportunity to be STEM ambassadors. We now have over 100 ambassadors at Renishaw and each must carry out at least one STEM activity each year, which helps to sustain and grow our multiple initiatives with schools and universities, including talks and lectures, career fairs, after-school clubs and STEM projects.

We continue to develop relationships with key universities that have been identified as having relevant courses for our business needs. This includes the sponsorship of engineering societies and engineering teams that design, build, test and race a small-scale formula style racing car in the global Formula Student competition.

Renishaw has long-standing links with a number of key regional universities that have some of the highest levels of student retention in the UK, and therefore more likely to take up jobs in our catchment areas after graduation. We have a number of employees who act as visiting professors at these and other universities, with projects taking place at a large number. Examples include Bath and Bristol universities where we have a number of research projects, PhD and undergraduate projects, whilst at Cardiff University we sponsor the Trevithick Library, the Renishaw Metrology Laboratory and several PhD and undergraduate students. We have also made significant efforts to re-establish teaching of a manufacturing course, with close collaboration on the development of academic content. There are a number of research projects and a metrology laboratory at Heriot-Watt University, and we have established a relationship with the University of Loughborough, whereby a number of their students apply to Renishaw for summer and industrial placements.



The six winners of the national Renishaw Engineering Experience competition on the BBC Breakfast sofa.



Pupils from the SS Great Britain Future Brunel's programme being shown electrode implantation procedures for deep brain stimulation.



Over **100**
STEM ambassadors

each carrying out at least one
STEM activity per year

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

After an invitation from the Ministry of Education, Culture and Sport in Spain, Renishaw Ibérica returned as a key sponsor of the 35th annual SpainSkills competition in Madrid (part of the WorldSkills global career skills competition). As well as supplying an Equator™ gauging system, Renishaw sent highly experienced employees to provide guidance for the teams.

We continue to work with industry leading organisations and engineering peers to advise the UK government on national policy that will benefit the sector in general. For example, we are members of the Royal Academy of Engineering's Leadership and Diversity Board ("DLG") which has been set-up to help remove barriers and encourage more women and other under-represented groups into engineering.

This year, through the DLG, we made a major contribution, along with a number of other large engineering companies, to develop a guidance document for work experience students. Many small and medium-sized enterprises ("SMEs") are deterred from taking on a student for work experience, yet this is a major contributor to a young person's career choice. There is also emerging evidence that work experience plays a part in supporting admissions to higher education.

The DLG aims to encourage SMEs to offer experience to students from their local schools, and the guidance document was published in summer 2015.

Environment

We recognise that improving the operational efficiencies of our locations across the world contributes to the sustainable growth of our business. We continue to work hard on ensuring the impact of our business activities is as low as practical. Through our assessments, we have seen that the areas of our operations with a significant impact are energy consumption and waste generation. We also recognise that our business travel and product shipments make a significant contribution to our carbon footprint.



First solar array was commissioned on the new RIC building this year, with an annual generating capacity in excess of 280,000 kWh.

We have normalised our carbon emissions by turnover (tCO₂e/£m). Whilst, as a result of the growth in our business, we have had an overall increase of GHG emissions, we have achieved a 13% tCO₂e/£m reduction compared to the previous financial year.

To ensure the impact of our business activities is minimised as far as practical, we continue to maintain our environmental management system ("EMS"), which covers our UK manufacturing and head office sites. Through regular EMS meetings, we co-ordinate activities to minimise our environmental impact.



Reduction of carbon emissions

13%

tCO₂e/£m

This year, we have undertaken a number of projects that have been completed or are ongoing. We have commissioned our first solar array that has an annual generating capacity in excess of 280,000 kWh. This array is on the new Renishaw Innovation Centre ("RIC") building located at our New Mills headquarters. During the construction of the RIC, we were able to work with our contractors and set the floor level to optimise the cut and fill so that no subsoil was required to be removed from site. The subsoil was re-used and stabilised using a lime-mix to form a solid base on which to construct, negating the need for 5,000 tonnes of freshly quarried stone. Removing the need to dispose of 4,500 tonnes of subsoil and delivery of stone avoided in excess of 520 lorry journeys. The RIC contains over two acres of carpeting with a recycled content of over 62%, the equivalent of around 24 tonnes of waste diverted from landfill.

Through refurbishment and maintenance programmes, we are gradually using more energy efficient forms of lighting, with installations during the year reducing energy demand by around 815,700 kWh, or 450 tCO₂e per annum.

We have decommissioned an old gas boiler system at our Miskin site and replaced it with a much more efficient air conditioning and localised gas-fired boiler system. This work will reduce the energy demand on the site by around 780,000 kWh or 160 tCO₂e per annum.

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. Our efforts were recognised in the last CDP reporting period as we were ranked 9th in our sector.

We recognise that we are legally obliged to report on 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. We will continue to disclose our Scope 1, 2 and significant Scope 3 emissions and to put efforts into improving data quality, the scope of data and expanding our Scope 3 data capture, to enable a more complete picture of our GHG emissions.

In the year, our total GHG emissions for our Scope 1 and 2 emissions (statutory disclosure) were 22,914.26 tCO₂e. Our significant Scope 3 emissions (voluntary disclosure) were 24,434.17 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. Our GHG emissions are based on data that is taken from bills, invoices, meter readings and expense claims when possible. For our Scope 1 and 2 emissions, less than 1% of the data uses estimates based on average datasets.

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 choose to commute by bike, such as lockers, showers and covered bike storage areas.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Total GHG emissions (tCO ₂ e)	2013	2014 ¹	2015 ³
Scope 1			
Gas consumption	1,479.53	1,438.39	889.19
Owned transport	1,521.53	2,684.40	2,219.33
Generator diesel	31.91	24.74	302.78
Heating oil	56.74	43.57	40.59
Fugitive emissions	88.72	252.67	286.68
On-site generation of electricity (solar array commissioned 2015)	na	na	0
Out of scope (biofuel blend)	39.74	55.35	59.42
Total Scope 1 (tCO₂e)	3,178.43	4,443.77	3,738.57
Scope 2			
Purchased electricity	13,629.09	16,576.71	19,175.69
Total Scope 2 (tCO₂e)	13,629.09	16,576.71	19,175.69
Total statutory GHG emissions² (tCO₂e)	16,807.52	21,020.48	22,914.26
Normalised statutory GHG emissions² by revenue (tCO₂e/£m)	48.45	59.13	46.32
Scope 3			
Business travel	7,392.76	6,916.31	4,737.95
Product distribution	3,545.49	5,292.98	11,570.67
Raw material purchase	4,020.35	799.72	1,199.31
Post and communications	500.13	557.85	655.04
Transmissions and distribution	1,745.09	1,991.70	2,288.45
WTT total	4,912.26	2,775.10	3,982.75
Out of scope (biofuel blend)	8.81	49.97	42.41
Total significant Scope 3 (tCO₂e)	22,116.08	18,333.66	24,434.17
Total GHG emissions (tCO₂e)	38,923.60	39,354.14	47,348.43
Normalised total GHG emissions⁴ by revenue (tCO₂e/£m)	112.21	110.70	95.71

¹ 2014 figures have been restated due to improvements in our methodology, updated GHG conversion factors and replacing the calculation used for the June 2014 data last year – see footnote 3.

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 significant Scope 3 (voluntary) emissions.

Product compliance

We continue to prepare for the extension of the Restriction of the use of Hazardous Substances Regulations ("RoHS"), which will cover the majority of our products in 2017. Our entire existing encoder product range is RoHS compliant, with robust design procedures in place to ensure all future products are compliant. 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, nothing we use are on the SVHC lists. Whilst we do not fall within the remit of the USA's Dodd-Frank Wall Street Reform and Consumer Protection Act, we recognise that 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. Continual investigations in our supply chain are carried out to help ensure conflict minerals are not present; we are working with a number of key suppliers on this project. Any issues we consider to be against the spirit of our Group Business Code are monitored and we work with suppliers where issues are identified.

Health and safety

We have a well-established corporate health and safety management system that is in line with the ISO18001 requirements. It is recognised that an injury may develop into something more serious if not cared for correctly. As our people are essential to our business, all injuries from the smallest of paper cuts to the most serious of incidents are recorded, enabling us to manage treatment and investigate all incidents effectively.

The total number of accidents for the period was 230 (2014: 151) against a year-end headcount of 4,112 (2014: 3,492). This equates to an accident ratio of 0.056 accidents per person and is 30% up on the same period the year before. The introduction of an online accident reporting system, which has made the reporting process much easier and raised awareness of the importance of reporting any accident however minor, is the primary reason for the increase.

Reportable accidents

There were four reportable accidents under the UK RIDDOR reporting requirements: one bumped head, one pulled back muscle, one cut to a hand and one torn back muscle resulting in a total lost time of 222 hours, or 28 days.

Occupational health

We have 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 employees is offered in the form of subsidised health monitoring (blood pressure, diabetes, cholesterol and BMI).

Incidents/near-misses

A total of 67 (2014: 68) near-misses were recorded for the period. No significant repeating common causes have been established.

Accident reporting

A new online accident reporting system has been introduced with the ability to raise actions, generate automatic reminders and update statistics in real-time.

UK site compliance auditing

A full audit of all UK sites regarding health and safety compliance has recently taken place and an action list is being generated.

Improvement Notices

The Company was issued with an Improvement Notice relating to our site in Stone on 20th March 2015 by the Health & Safety Executive ("HSE"). This related to a failure to have assessments in place with regard to hand-arm vibration operations following a RIDDOR submission by the Company, for an employee with carpal tunnel syndrome. Actions were taken pursuant to the Improvement Notice and the results were approved and signed off by the HSE on 28th May 2015.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED



A tube of un-compacted metal swarf next to a compacted briquette containing the same quantity of material. The significant reduction in size reduces the number of lorry loads required to move the material to a recycling plant. Producing swarf briquettes also enables us to remove the majority of the oil residue, improving the quality of the material and increasing its value as a recycle.

Waste management

In February 2014, we implemented a new waste strategy, designed to ensure as much waste as feasibly possible is diverted from landfill.

This strategy continued to drive our efforts throughout the year, resulting in a further 2,487 (2014: 1,515) tonnes of waste being diverted from landfill. Around 90% of all waste generated this year originated from our UK sites which are covered by the Carbon Trust Waste Standard. These sites have been recognised by the Carbon Trust for their efforts in moving waste away from landfill as a disposal option, towards recovery, recycling and re-use.

Renishaw has introduced a segregation-at-source programme as part of this strategy, which has been trialled at a number of sites and is being rolled out to others. This enables a direct engagement with employees by placing a responsibility upon them to maximise recycling. Regular feedback through email, notice boards and communication meetings helps reinforce this behaviour.

Last year, we set a target of 5% for the reduction of waste to landfill in our UK operations. We are pleased to report that, through our employees' efforts over the past year, we have achieved this target, with a reduction of waste to landfill of 59% in the UK and 23% globally (2014: 40%). We are now re-using, recycling or recovering around 96% (2014: 92%) of our waste around the world.

We continue to ensure that our waste can be seen as a commodity. As such, there are projects focused around our waste metals and oils, to maximise the recycling and value of the metals and to provide a closed-loop on-site re-use of the oils.

Renishaw recognises that large gains are often made by many small changes in practice, so our technical and sales documentation is distributed electronically whenever possible. In addition, user guides for some of our product groups are only available online. Our commercial documentation, payslips in the UK and invoices are all managed through paperless systems. Internal communications, wherever possible, are only made via emails or through the Renishaw intranet.



Reduction of waste to landfill

59%

in the UK

23%

globally

	2013	Restated 2014 ¹	2015 ²
Waste re-used (tonnes)	0	9.33	12.96
Waste diverted from landfill (tonnes)	1,210.97	1,515.10	2,487.07
Waste sent to landfill (tonnes)	220.40	131.54	101.13
Percentage of waste sent to landfill	15.28%	7.99%	3.91%

¹ Restated to remove the calculations used for the June figures (see note 2) and replace them with actual figures. It also now contains more data from non-UK sites to enable a year-on-year comparison.

² 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.



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