Sustainability

Sustainability is central to Oxford Instruments, with our purpose, values, strategy and products all aligning around the positive impact we seek to have on our planet and the societies in which we operate

Through our products and services, we are working to accelerate the breakthroughs that create a brighter future for our world. And through our commitment to operating responsibly, in line with our values, we strive to operate with the highest standards and integrity.

We take a holistic approach to sustainability, ensuring that it is embedded throughout the organisation, from our Board-level Sustainability Committee, joined by all Board members, to our workforce around the world. We also seek to embed principles of sustainability in our interactions with all stakeholders, including customers, supply chain partners and our local communities.

We are committed to building on past progress and continuing to challenge ourselves to go further. Our environmental, social and governance (ESG) strategy focuses on driving positive action across the following areas: progress to net zero and environmental impact; sustainable product stewardship; health and safety; investing in our people; culture and engagement, ethical business practices and regulatory financial compliance. We set out our progress throughout this section.

Environment

Our products and services have a key role to play in achieving a more sustainable future. We are committed to minimising our own impact on the environment, reflected in our ambitious net zero targets: 2030 in our own operations, and 2045 across our whole value chain.

For more information / Pages 47 to 51

Social

Our purpose and values-driven social programme seeks to uphold our deeply held sense of responsibility to our employees, the communities we impact, and the generations to come. We strive to create a safe and inclusive culture where colleagues can build rewarding careers, and to be a responsible corporate citizen everywhere we operate.

For more information / Pages 61 to 66

Governance

We are committed to upholding the highest ethical standards in all our interactions with our colleagues, customers, suppliers, and the stakeholders in our wider network. How we run our business is as important as what we do. We seek to operate in an inclusive, responsible and sustainable way, and with integrity at all times.

For more information / Pages 67 and 68

Sustainability continued

The United Nations Sustainable Development Goals provide an ambitious and powerful framework for companies and other organisations to focus their efforts and commitments. We fully support all 17 goals, but have focused our efforts around those goals where we feel most able to have a positive impact.

Our products contribute toward the following goals:

The way we run our business and the actions we take throughout our value chain support the following goals:

Our sustainability ratings

CDP climate change:
B

S&P:
37
(82nd percentile)

ISS:
C-

Sustainalytics ESG Risk Rating:
12.1 Low risk
(13th percentile among technology hardware companies)

MSCI ESG Ratings:
AA

Introduction

We are committed to advancing our positive progress on sustainability each year. This has been a milestone year on our environmental sustainability journey. Having made a new commitment in 2024 to reach net zero in Scopes 1 and 2 by 2030, this year, we addressed Scope 3, setting an interim target of a 25% absolute reduction in emissions by 2030. This was followed by the publication of our net zero transition plan in November 2024, which sets out how we will achieve our goals. We then successfully submitted our targets for validation by the Science Based Targets initiative (SBTi), achieving approval in March 2025. We also submitted to CDP's climate change assessment for the first time since 2016, achieving a B rating in acknowledgment of our commitment and action in this area.

We were pleased to report a strong health and safety (H&S) performance, with no serious accidents in the year. A small increase in minor injury reports largely reflected improved reporting protocols, and we continue to roll out our IOSH-accredited H&S training programme.

A key focus of our social programme this year has been to embed our new purpose and ways of working with colleagues around the world, including incorporating our ways of working into the annual personal development process, and launching a suite of engaging collateral to use at sites around the world. We also carried out our first externally benchmarked global employee engagement survey.

Our Foundations programme pilot, supporting high-potential colleagues in their early career, came to a successful conclusion, and is set to run again in 2025/26. Three cohorts of our long-running Leadership programme also benefited from bespoke training, while five cohorts undertook management essentials training, recognising the importance of effective line management skills. We continue to extend both the number of participants and the range of opportunities offered in our apprenticeship and graduate programmes.

We also secured accreditation from the Living Wage Foundation in the UK, where more than half of our workforce is based, reflecting our commitment to wages that help our employees cope with the cost of living.

Our focus on strong governance underpinned the development and production of our newly extended Code of Conduct in five languages (English, Chinese, French, German and Japanese). We also rolled out an updated and extended compliance training programme, driving employee awareness through training and regular communications. Colleagues completed more than 9,600 compliance training courses during calendar year 2024. For more on our people and governance-centred initiatives, see pages 61 to 68.

Colleagues were invited to make pledges at an International Women's Day event at our High Wycombe site

Sustainability – environment

We are proud of the role our products play in supporting decarbonisation, and we are committed to reaching net zero emissions across our value chain by 2045

Strategy and targets

Work has continued across the Group to reduce our environmental impact. Activities have included the reintroduction of renewable electricity contracts in the UK, and a number of smaller behaviour change actions undertaken by our employee-led Go Green teams. We have also reached the procurement stage for capital investment projects including gas boiler replacements and an additional solar array, which will significantly reduce our Scope 1 and 2 profile.

Earlier this year we were pleased to announce that both our near and long-term science-based targets had been approved by the Science Based Targets initiative (SBTi). Our targets now include both near and long-term targets for scope 1, 2 and 3 emissions. Overall, our SBTi target is to reach net zero across the value chain by 2045. More details on our interim targets can be found on the SBTi website.[1] This long-term commitment will see us delivering net zero five years ahead of the UK Government's commitment.

We have committed to reach net zero (where we add no incremental greenhouse gases to the atmosphere) across our own operations (Scopes 1 and 2) by 2030. For Scope 3 we are committed to reducing our emissions by 25% by 2030. Our 2030 and 2045 targets are against a FY2023/24 baseline.

Overall net zero target

Oxford Instruments plc commits to reach net zero greenhouse gas emissions across the value chain by 2045.

To ensure our SBTi targets were using our most up-to-date and accurate data, in line with best practice, we re-baselined our carbon footprint. This was largely driven by our improved data gathering, as we identified additional emissions which moved our footprint by more than 5% from our previous baseline. Most notable among these was an increase in process emissions from our Severn Beach site.

Plans are already under way to remove the majority of these emissions through increased control measures and abatement systems.

Today, our market-based carbon intensity metric for Scopes 1 and 2 stands at 7.76 tonnes CO_2e per £million revenue. This is a decrease from 12.16 tonnes per £million revenue in FY2023/24[2], primarily as a result of having reinstated REGO-certified renewable electricity at our UK manufacturing sites.

Transition plan to net zero

In November 2024, we published our net zero transition plan, created in line with the recommendations of the Transition Plan Taskforce. This key document sets out how we intend to hit our 2030 and 2045 targets. We have already begun our implementation plan:

- **Heat decarbonisation –** Heating systems are a large contributor to our Scope 1 emissions. Planning has progressed to detailed design stage to update the heating systems in both Belfast and High Wycombe. Both systems will remove the use of natural gas from the sites, saving a combined 196 tonnes CO_2e per year.
- **Process emissions –** Process emissions have become a significant part of our Scope 1 footprint from the processes at our compound semiconductor facility. A significant proportion of these gases can be abated, and work is already under way to design these systems.
- **Scope 3 emissions –** The largest proportion of our emissions comes from our purchased goods and services. Work began this year to engage with our key suppliers, sharing our net zero targets and collecting data around their own carbon footprint and the work they are doing to reduce it. We also ran a programme of 22 workshop sessions with product managers and engineers to help to address emissions arising from customers' use of our products. Sustainability considerations are now fully embedded in our new product introduction process.

Together with the establishment of our SBTi-verified targets, our plan will help us to drive ambitious and positive change to the business. As shown, work has already begun to tackle issues across all emission scopes to ensure we hit our 2030 and 2045 targets. The steps we will take between now and 2045 include:

- implementing our net zero transition plan;
- ensuring that all of our sales, service and manufacturing operations, wherever possible, are powered by on-site renewables or electricity backed by renewable energy certificates, eg the Renewable Energy Guarantee of Origin (REGO) scheme in the UK. Where this is not achievable, we will look to move from current sites as leases come up for renewal;
- prioritising positive environmental attributes when we are looking for new sales, services or manufacturing facilities;
- looking for opportunities to reduce energy usage at each of our sites. We will continue to use and invest in energy-efficient equipment to help reduce the quantity of energy we purchase;
- early replacement of gas and oil boilers (with the Board setting a target, linked to executive remuneration, to replace boilers at two UK sites in the next three years (see page 133);
- switching fleet vehicles to electric rather than internal combustion engines; and
- continuing to engage with our supply chain to understand their decarbonisation strategy.

1 https://sciencebasedtargets.org/target-dashboard.
2 Figures have been rebaselined in FY2024/25.

Sustainability – environment continued

Streamlined Energy and Carbon Reporting (SECR)

We have outlined our emissions and energy usage across the whole Group, accounting for all Oxford Instrument sites.

Absolute location-based Scope 1 and 2 emissions increased by 5.5% during the year. The main reason for this was an increase in electricity usage, as well as an increase in fuel consumption. These increases relate to the continued ramping up of our Severn Beach compound semiconductor facility, our first full year of data from First Light imaging and the addition of FemtoTools to the portfolio.

Scope 1 emissions have reduced by 1.5% due to a reduction in process emissions. Scope 2 market-based emissions have decreased significantly (75.5%) due to the reinstatement of renewable energy contracts at all our UK sites this year. As discussed in last year's Annual Report, these had ceased in late 2023 due to our previous supplier exiting the market and withdrawing its renewable energy option. UK contracts were therefore retendered as soon as possible, with all UK sites reverting to REGO-certified electricity from April 2024.

In the near term, we will continue to purchase renewable energy certificates to reduce our market-based Scope 2 emissions. In the longer term we will explore further development of on-site generation and power purchase agreements (PPAs) and pursue energy efficiency opportunities.

We report our location-based emissions and energy intensity as tonnes CO_2e/£m revenue and kWh/£m revenue. Emissions intensity has reduced by 0.8% this year, while energy intensity has increased by 10.6%.

GHG emissions (tCO_2e)

	2025			2024		
	UK	**Global (exc. UK)**	**Group total**	**UK**	**Global (exc. UK)**	**Group total**
Scope 1 fugitive emissions (tCO_2e)	**26**	**–**	**26**	1	1	2
Scope 1 process emissions	**2,692**	**–**	**2,692**	2,935	0	2,395
Scope 1 combustion emissions (tCO_2e)	**486**	**104**	**590**	372	51	423
Total Scope 1 (tCO_2e)	**3,204**	**104**	**3,308**	3,308	52	3,360
Scope 2 location-based (tCO_2e)	**2,767**	**761**	**3,528**	2,315	803	3,118
Scope 2 market-based (tCO_2e)	**0**	**578**	**578**	1,715	647	2,362
Total Scope 1 + 2 location-based (tCO_2e)	**5,971**	**865**	**6,836**	5,623	855	6,478
Total Scope 1 + 2 market-based (tCO_2e)	**3,204**	**682**	**3,886**	5,023	699	5,722
Upstream Scope 3 (tCO_2e)	**–**	**–**	**81,144**	–	–	81,023
Downstream Scope 3 (tCO_2e)	**–**	**–**	**25,002**	–	–	31,371
Total Scope 3 (tCO_2e)	**–**	**–**	**106,146**	–	–	112,394
Total Scope 1, 2 & 3 location-based (tCO_2e)	**–**	**–**	**112,982**	–	–	118,872
Total Scope 1, 2 & 3 market-based (tCO_2e)	**–**	**–**	**110,032**	–	–	118,116
Scope 1 + 2 location-based GHG emissions intensity ratio (per Group turnover) £m	**–**	**–**	**13.66**	–	–	13.77

Sustainability – environment continued

	Energy consumption (kWh)					
	2025			2024		
	UK	Global (exc. UK)	Group total	UK	Global (exc. UK)	Group total
Total renewable fuels consumption (kWh)	**0**	**0**	**0**	0	0	0
Liquid fuel (diesel, petrol, fuel oil)	**1,094,564**	**151,926**	**1,246,490**	662,253	12,706	674,959
Gaseous fuel (natural gas)	**1,069,404**	**364,483**	**1,433,887**	1,091,919	261,036	1,352,955
Total non-renewable fuels consumption (kWh)	**2,163,968**	**516,409**	**2,680,377**	1,754,172	273,742	2,027,914
Total fuels consumption (kWh)	**2,163,968**	**516,409**	**2,680,377**	1,754,172	273,742	2,027,914
Consumption of purchased or acquired electricity renewable (kWh)	**13,364,131**	**488,661**	**13,852,792**	6,485,154	395,202	6,880,356
Consumption of purchased or acquired electricity non-renewable (kWh)	**–**	**1,872,295**	**1,872,295**	4,695,603	1,893,110	6,588,713
Consumption of self-generated non-fuel renewable energy (solar) (kWh)	**28,867**	**183,222**	**212,089**	–	255,139	255,139
Total electricity consumption (kWh)	**13,392,998**	**2,544,178**	**15,937,176**	11,180,757	2,543,450	13,724,207
Consumption of purchased or acquired heating, steam and cooling non-renewable (kWh)	**–**	**250,034**	**250,034**	–	252,243	252,243
Consumption of purchased or acquired heating, steam and cooling renewable (kWh)	**–**	**49,673**	**49,673**	–	64,967	64,967
Total renewable energy consumption (kWh)	**13,392,998**	**721,556**	**14,114,554**	6,485,154	715,307	7,200,461
Total non-renewable energy consumption (kWh)	**2,163,968**	**2,638,738**	**4,802,706**	6,449,775	2,419,094	8,868,869
Total energy consumption (kWh)	**15,556,966**	**3,360,294**	**18,917,260**	12,934,929	3,134,402	16,069,330
% renewable electricity from total electricity	**100%**	**26%**	**88%**	58%	16%	50%
Energy intensity ratio (per Group turnover) £m	**–**	**–**	**37,789**	–	–	34,161

1. This section has been prepared for the reporting period of 1 April 2024 to 31 March 2025. We report on all of the material emission sources in line with an operational control approach method, as required in Part 7 under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and under the UK's Streamlined Energy and Carbon Reporting (SECR) requirements.

   Our energy consumption and emissions data is reported in accordance with the reporting requirements of the Greenhouse Gas Protocol ('GHG Protocol'), Revised Edition and the Environmental Reporting Guidelines, including the SECR guidance dated March 2019. The GHG Protocol standard covers the accounting and reporting of seven greenhouse gases (GHGs) covered by the Kyoto Protocol.

   We report on Scopes 1 and 2 GHG emissions, as well as select Scope 3 emissions, providing a detailed breakdown of the Group's emissions by type and intensity measurement.

   In our calculations, we have taken into account instances where sites generate their own renewable electricity or purchase electricity backed by contractual instruments, such as Renewable Energy Guarantee Origin (REGO). Consistent with the Greenhouse Gas Protocol, we regularly review our reporting procedures in response to changes in business structure, calculation methodologies, and data accuracy and availability. Consequently, we have restated our Scope 1 and 2 2024 emissions data to reflect updated emissions factors and data availability.

   For Scope 1 emissions, we have utilised emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024 (provided by the Department for Environment, Food and Rural Affairs (DEFRA)). Scope 2 emissions, calculated using the GHG Protocol location-based method, have been determined using country-specific emission factors from the International Energy Agency (IEA) and DEFRA for UK sites. For Scope 2 emissions calculated using the GHG Protocol market-based method, we have used residual mix emission factors from the Association of Issuing Bodies (AIB) 2022 where applicable. In cases where residual mix emission factors were not available, we employed country-specific emission factors from the IEA in accordance with GHG Protocol guidelines.

Sustainability – environment continued

Scope 3 emissions

Our Scope 3 emissions are still our most significant source of emissions, contributing 94% of our total emissions.

We calculated all applicable Scope 3 categories for our carbon footprint, with five categories not applicable to our business. In line with the Greenhouse Gas Protocol, we continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data.

Due to recognised inherent uncertainties in calculating Scope 3, we have adopted a continuous improvement approach. We will continue to review our processes and disclose any restatements in a timely and transparent manner. Below is a description of our most material Scope 3 categories for our 2024/25 footprint.

Purchased goods and services (65.5% of Scope 3) – We use purchase data by spend of raw materials, components and services. We have continued to use a 'spend-based' approach which allocates emissions to an amount spent on specific commodities. While this method contains a certain degree of uncertainty, it provides a view of our hotspots in our supply chain emissions. As more granular data becomes available through engagement with our supply chain, we will refine this methodology and look to incorporate supplier-specific emissions.

Use of sold products (23.3% of Scope 3) – We calculate the lifetime energy use for representative products of our key product ranges, using our annual sales volume, average power use per product and estimated hours in use over life. Emissions factors for our key sales regions are applied to this data.

Upstream transportation and distribution (4.3% of Scope 3) – All inbound, intragroup and outbound logistics paid for by the Group are mapped against the transportation mode, weight and distance travelled to calculate emissions on a well-to-wheel basis.

Category	Description	Status	2025 Scope 3 emissions (tCO_2e)	2024 Scope 3 emissions (tCO_2e)
1	Purchased goods and services	Relevant, calculated	**69,501**	71,046
2	Capital goods	Relevant, calculated	**Inc. in category 1**	Inc. in category 1
3	Fuel- & energy-related activities	Relevant, calculated	**1,181**	545
4	Upstream transportation and distribution	Relevant, calculated	**4,553**	3,150
5	Waste generated in operations	Relevant, calculated	**15**	13
6	Business travel	Relevant, calculated	**4,447**	4,825
7	Employee commuting	Relevant, calculated	**1,447**	1,445
8	Upstream leased assets	Not relevant, not applicable	**–**	–
	Upstream emissions		**81,144**	81,023
9	Downstream transportation and distribution	Relevant, calculated	**310**	326
10	Processing of sold products	Not relevant, not applicable	**–**	–
11	Use of sold products	Relevant, calculated	**24,689**	31,034
12	End-of-life treatment of sold products	Relevant, calculated	**3**	11
13	Downstream leased assets	Not relevant, not applicable	**–**	–
14	Franchises	Not relevant, not applicable	**–**	–
15	Investments	Not relevant, not applicable	**–**	–
	Downstream emissions		**25,002**	31,371
	Total Scope 3		**106,146**	112,394

Sustainability – environment continued

Environmental management and legislation

As a Group, we are committed to strong environmental management and to ensuring compliance with environmental legislation in the countries where we operate. We maintain certification to ISO 14001 at all our UK manufacturing sites.

No environmental fines or penalties have been placed on the Group in the last three years. Some of the primary frameworks which drive our environmental compliance actions are as follows:

- Waste Electronic and Electrical Equipment (WEEE) Directive;
- Restriction on the use of Hazardous Substances (RoHS) regulations;
- Registration, Evaluation, Authorisation of Chemicals (REACH) Directive; and
- European Waste Framework Directive.

Water and waste

Water withdrawal and waste data has been collected across the Group from sites with independent water supplies and direct control of their waste collection services. This includes all the primary UK manufacturing sites, which account for 83% of Group revenue.

Some of our operations are in regions with high or extremely high levels of water stress. However, water is not seen as a material risk as it is not used significantly as part of our production processes. In total the Group recorded 33,835 m^3 of water withdrawal (2023/24: 10,553m^3) and produced 33,835 m^3 of water discharged.

UK sites are sending zero waste to landfill; our waste from these sites is either recycled or used at energy from waste facilities to generate electricity. We are committed to reducing the quantity of hazardous waste we produce.

Total waste – treatment	kg	% split of waste
Recycled	**122,261**	**29%**
Landfill	**11,595**	**3%**
Energy from waste	**290,476**	**69%**
Total	**424,322**	

Hazardous vs non-hazardous	kg	% split of waste
Hazardous	**12,412**	**3%**
Non-hazardous	**411,920**	**97%**
Total	**424,322**	

Water	m^3	Intensity ratio (per Group turnover) £m
Withdrawal	**33,835**	**67.59**
Discharge	**33,835**	**67.59**

Sustainable product development

Oxford Instruments provides academic and commercial organisations worldwide with market-leading scientific technology and expertise across our key market segments: materials analysis, semiconductors, and healthcare & life science. Our Imaging & Analysis division develops, manufactures and services microscopes, scientific cameras, analytical instruments and software. Our Advanced Technology division develops, manufactures and services compound semiconductor fabrication equipment, cryogenic and superconducting magnet technology and X-ray tubes.

Our new product introduction (NPI) process considers sustainable design alongside customer and market demands. This will allow us to continue to produce technologies that enable and facilitate the transition to a low-carbon economy.

Our NPI process considers the sustainability attributes of new products from the feasibility and design stage through to development, launch and scale up. Some of the key sustainable design considerations for reducing product-related emissions include: seeking recycled or low emission raw materials with suitable technical properties, reducing the weight and number of components in our products, and enhancing their overall efficiency during the use phase.

Sustainability – TCFD statement

Task Force on Climate-related Financial Disclosures (TCFD) Statement for the year ended 31 March 2025.

Introduction

In tandem with our net zero commitment, this report addresses our climate governance and describes how we integrate climate risks and opportunities into our risk management, strategic planning, and decision-making, in line with our ambition to achieve net zero emissions across Scopes 1 and 2 by 2030, and across Scopes 1, 2 and 3 by 2045.

As a global manufacturer of high-technology products, mitigating, adapting and responding to the impacts of climate change is central to our strategy, both in terms of how we operate our business, and in terms of the key role our products and services play in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. This year, in addition to having our emissions targets SBTi validated and publishing our net zero transition plan, we have reviewed the risks and opportunities that we identified last year, taking into account any changes to impact or likelihood over the past year.

Compliance statement

For clarity around compliance of the following information with the TCFD framework, and requirements arising from UK Listing Rule 6.6.6(8), we consider our disclosure to be consistent with all TCFD recommendations and recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures' (2017) and the additional guidance as set out in the 2021 Annex, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' and with the climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CA 414CB), as shown in the TCFD and CFD cross reference and disclosure consistency summary opposite.

TCFD pillar	Recommended disclosure	Disclosure location	CA 414CB
Governance: Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 53	(a)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 54	(a)
Strategy: 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	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 56 to 59	(d)
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Page 60	(e)
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 60	(f)
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 54 to 55	(b)
	b. Describe the organisation's processes for managing climate-related risks.	Page 55	(b)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 55	(c)
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 60	(h)
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 47 to 52	(h)
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 47 to 51, 60	(g)

Sustainability – TCFD statement continued

Governance

Board level

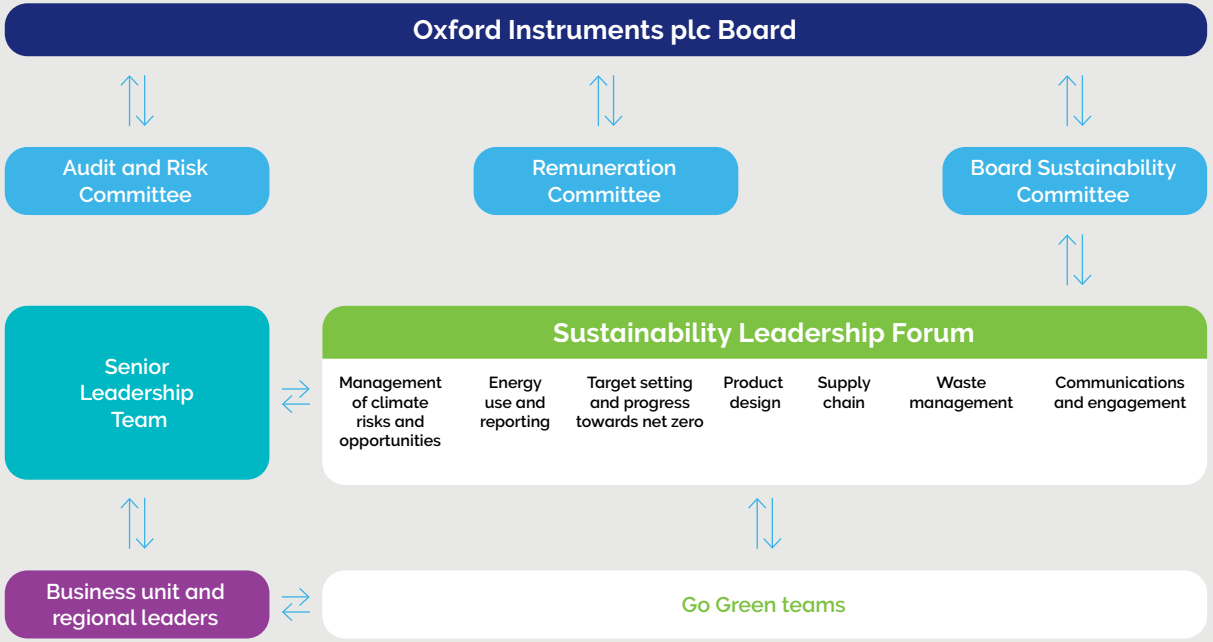
The Board of Directors has ultimate responsibility for the oversight of climate change-related issues and is supported by its Committees (primarily the Sustainability Committee, the Audit and Risk Committee and the Remuneration Committee), the Senior Leadership Team, the Sustainability Leadership Forum (SLF), and the wider leadership team. Climate change-related considerations are embedded throughout our governance structure, and at every level across the organisation, as set out in the graphic and explained in more detail below. The Board engages regularly with a range of external advisers and internal subject matter experts on environmental legislation, decarbonisation and climate risk.

The Group's environmental strategy and the management of climate-related risks and opportunities is set and directed by the CEO and the Senior Leadership Team. Any major capital expenditure, including climate-related initiatives such as solar arrays or energy efficiency upgrades to sites, is approved by the CEO and CFO and, if required, the Board.

The Board, through its Sustainability Committee (comprising all the Non-Executive Directors), provides oversight and governance over environmental strategy, including monitoring progress to SBTi-aligned net zero targets through its review of emissions data, and assessing how these are being managed. The Sustainability Committee meets at least three times a year.

The Audit and Risk Committee provides oversight and governance in relation to climate change-related risks and opportunities, while the Remuneration Committee is responsible for setting and overseeing climate change-related remuneration incentives, together with any other sustainability-related incentives. The current climate-related executive remuneration objectives can be found on pages 132 to 134. The Sustainability Committee in turn provides strategic guidance and oversight to the management-level SLF primarily through the attendance of relevant SLF members at the Committee's meetings.

Climate-related governance framework



Note to graphic: Arrows indicate two-way transfers of information and guidance between forums.

Sustainability – TCFD statement continued

Management level

The SLF is a cross-functional forum, chaired by the Chief HR Officer, with a remit across the full spectrum of sustainability, including matters relating to environment, social and governance. It holds responsibility for environmental issues at a management level, including identifying and assessing climate-related risks and opportunities and the delivery of the Group's environmental strategy. The Group's science-based emissions targets were also reviewed by the SLF before recommending to the Board and CEO. Representatives of the SLF attend Sustainability Committee as required to share strategic updates, and seek the Board's input on them. The SLF meets at least quarterly, and is primarily responsible for detailed development of strategy, and the assessment, management and tactical delivery of the environmental remit.

Its membership includes functional heads and subject matter experts, who lead workstreams on:

- the management of climate risks and opportunities;
- energy use and reporting;
- development of target setting and progress towards net zero;
- product design;
- supply chain;
- waste management and recycling; and
- communications and engagement.

SLF members lead liaison with external consultant CEN-Group on climate, energy and progress to net zero. In addition, members monitor the KPIs outlined in the Metrics and Target section on page 60.

A key part of the SLF's remit, working in collaboration with the Senior Leadership Team, is to foster two-way engagement with business units, regional leadership and Go Green teams to drive and accelerate Oxford Instruments' progress towards net zero and our management of climate risks and opportunities. Our Go Green Initiative has been active in the UK since the early 2000s. Following its extension to become a global network of 12 teams in 2024, it has driven further progress towards our 2030 net zero target for Scopes 1 and 2 through projects targeting reductions in energy, waste, water and travel. Projects have included behaviour change projects along with providing assistance with larger infrastructure programmes.

Risk management

Our process for identifying and assessing climate-related risks

As a principal risk, climate-related risks and opportunities are identified and assessed in line with Oxford Instruments' processes for wider enterprise risk management. This allows the importance of climate-related risks and opportunities to be compared with other risks and opportunities. All physical and transition risk categories (current and emerging) outlined by the TCFD are considered by Oxford Instruments, regardless of whether they occur within our operations, upstream or downstream of the Group. Our approach to identifying and assessing risks and opportunities is set out in detail in the Risk Management section on pages 69 to 78 of the Annual Report 2025.

Relevant risks and opportunities are identified with help from external consultants, CEN-Group, and involve collaboration with key internal stakeholders such as senior management, legal and regulatory, product management, and health and safety functions. As part of this process, we carry out horizon scanning to identify potential threats, particularly regulatory changes, and any emerging risks and opportunities, which allows for better preparedness to support decision making. We consider climate-related risks and opportunities across the short, medium and long term, with these timeframes defined on page 55.

Generally, transition risks are considered at a macro level by the Group in collaboration with internal stakeholders and senior management, while physical risks are typically more granular and therefore more relevant at a business unit and site level. Any new regulatory requirements are implemented as they arise, and further actions taken as appropriate.

As with all other Group risks, climate risks and opportunities are assessed on a 4x5 matrix, which incorporates an assessment of both Likelihood (Highly Unlikely to Highly Likely) and Impact (Insignificant to Severe[1]). The financial impact of a risk is defined below.

Financial impact[2]

Insignificant	Notable	Significant	Major	Severe
Financial impact of 250k	Financial impact of 250k–£1m	Financial impact of £1m–£2m	Financial impact of £2m–£5m	Financial impact of > £5m

1. Likelihood is a measure of the risk occurrence while impact is a measure of the combination of financial, reputational and compliance impacts.
2. Materiality limits are set in line with the Group's financial statement materiality levels. Last year Group financial materiality was £3.5m based on 5% of profit before tax.

Through this assessment, risks are assigned a Risk Score and classified as either Low, Moderate, High or Significant. Risks that are classified as High or above are reported to the Group for further assessment. This process allows prioritisation of risks and ensures that the significance and scope of climate-related risks are considered in relation to non-climate-related risks.

Sustainability – TCFD statement continued

Climate-related risks scored as High or above are reflected in the Group risk register, which is reported to the Audit and Risk Committee on a quarterly basis. Risks below this threshold are still monitored and considered for future review. The decision to tolerate, transfer or treat a risk is determined by the outcome of the Risk Score; higher scoring risks need to be managed to bring the risk impact back in line with the Group's appropriate risk appetite. Action plans for each risk are outlined in the risk register including mitigating actions and who is responsible for these actions.

Additional information regarding each risk and opportunity has been elaborated upon, including an assessment of their implications, including but not limited to financial and reputational implications, strategic responses, associated costs, and the variability within climate-related scenarios, where feasible. This detailed analysis, coupled with evaluations of impact and likelihood, facilitates the determination of appropriate risk responses, such as mitigation, acceptance, or control. Consequently, resources can be allocated effectively to address the most consequential climate-related impacts, while other risks necessitate additional scrutiny or are deemed acceptable within the Group's customary risk tolerance.

Strategy

Climate-related risks and opportunities

Our approach to managing climate-related risks and leveraging opportunities is incorporated into our business strategy. In 2025, we have reviewed and refined the climate-related risks and opportunities we identified as part of our previous climate scenario analysis in 2024. This has ensured we are aware of any new climate-related risks and opportunities that have become relevant to Oxford Instruments throughout the year, and also that we understand whether the impact or likelihood of any previous risks or opportunities has changed.

Transition risks and opportunities

The TCFD defines transition risks in four categories (Policy and Legal, Market, Technology, and Reputation) and transition opportunities in five categories (Resource Efficiency, Energy Source, Products & Services, Markets and Resilience). These categories were considered as part of the transition risk assessment. Risks and opportunities identified in these categories were ranked, with only the most significant being reported below. Short, medium and long-term time horizons defined below were used as part of this assessment to identify the impact of climate on our business strategy.

The following International Energy Agency climate scenarios have been used to perform scenario analysis on our transition risks and opportunities.

- Net Zero 2050 (NZE): a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. This scenario meets the requirement for a 'below 2°C' scenario and is used as a positive climate pathway. NZE also informs the decarbonisation pathways used by the SBTi.
- Stated Policies Scenario (STEPS): This scenario represents projections based on the current policy landscape and is used as a base case pathway. Global temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability.

Impact time horizon	Year from	Year to	Rationale
Short term	2025	2028	In line with the existing risk management time horizon and specific business plan strategy.
Medium term	2028	2035	Encompasses Oxford Instruments' near-term emission targets, set at 2030.
Long term	2035	2050	Encompasses the Group's net zero by 2045 target, the UK Government's net zero by 2050 target and the useful life of the organisation's assets.

Sustainability – TCFD statement continued

- **Significant risk/opportunity** Report to Group
- **High risk/opportunity** Report to Group
- **Moderate risk/opportunity** Do not report to Group mitigation plan expected to be in place
- **Low risk/opportunity** Do not report to Group

Transition risks and opportunities

Transition risks identified

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Current and emerging environmental regulation and increasing reporting requirements	Increased exposure to environmental regulation – such as regulation on Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS).	Policy and legal	Rise in material prices for switching to compliant products or disruption to production if unable to react in sufficient time. Could also result in component/process obsolescence.	We have product compliance processes in place to manage the regulatory environment. We use existing processes to meet Restriction of Hazardous Substance (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements, which remain appropriate to manage future changes in standards. Further, our new product development process considers environmental regulation.	• Frequency of horizon scanning for new regulation	●	●	●	●	●	●	The pace and magnitude of regulation would increase more substantially under NZE – but no foreseen long-term change in risk exposure between NZE and STEPS, given our mitigation processes.
	The global regulatory landscape for ESG issues is changing rapidly, and uncertainty remains with respect to the adoption of ISSB reporting standards, and the scale and timing of CSRD and CS3D. Failure to keep up with emerging regulation could increase costs of compliance.	Policy and legal	Penalties for non-compliance with regulation. Further, cost of compliance could increase through being late to address regulation.	Oxford Instruments has dedicated internal risk, legal and environmental management resource, as well as investing in external consultancy, to ensure that we are aware of, and remain compliant with, legislation. Further, we implement any new regulatory requirements as they arise. Our certified ISO 14001 systems at our four UK manufacturing sites support our mitigation of climate risk.	• Percentage of sites with ISO 14001 certification	●	●	●	●	●	●	The pace and magnitude of regulation would increase more substantially under NZE – but no foreseen long-term change in risk exposure between NZE and STEPS, given our mitigation processes.
Price inflation in the value chain	Value chain exposure to carbon pricing impacts. Globally, there is an increase in carbon pricing mechanisms – both policy and market instruments – for example Carbon Border Adjustment Mechanism (CBAM) within the UK and the EU. Our suppliers may be exposed to carbon pricing within their own operations.	Policy and legal	Potential of higher supply chain costs through increased raw material prices.	As part of our net zero plan, we are aiming for a 25% reduction in Scope 3 by 2030 and net zero across the value chain by 2045, thereby mitigating the impacts of carbon pricing on our value chain. Our net zero transition plan highlights key levers to reduce supply chain emissions. We are engaging with our key suppliers on their carbon footprint via surveys, requesting information on any carbon reduction targets and programmes that they are undertaking to reduce their carbon footprint.	• Scope 3 – category 1, 4 emissions • Global carbon prices	●	●	Net risk = zero; company plans to be net zero by 2045	●	●	Net risk = zero; company plans to be net zero by 2045	Exposure is likely to be greater under NZE due to the higher cost of carbon and increased global implementation of carbon pricing mechanisms.
	Global supply chains are implementing more expensive production methods and changing raw materials to facilitate decarbonisation, although the extent to which increased costs will be passed on is largely unknown.	Market	Potential of higher supply chain costs.	Oxford Instruments maintains close relationships with key suppliers. Product Development and Strategic Sourcing teams identify and evaluate viable alternatives in materials and processes and work closely with key suppliers to deliver supply chain solutions.	• Percentage of supply chain spend with decarbonisation dialogue • Percentage of suppliers engaged to collect emissions data	●	●	●	●	●	●	Change is more rapid under NZE compared with STEPS. Pricing implications under NZE are also more significant.

Sustainability – TCFD statement continued

- **Significant risk/opportunity** Report to Group
- **High risk/opportunity** Report to Group
- **Moderate risk/opportunity** Do not report to Group mitigation plan expected to be in place
- **Low risk/opportunity** Do not report to Group

Transition risks identified continued

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Increasing stakeholder, regulatory and reporting expectations	Key stakeholders are demanding sustainability performance from Oxford Instruments.	Reputation	Reputational damage that could result in loss of customers and shareholders and reduced access to capital.	Board-level scrutiny and oversight, and an organisation-wide focus on addressing the risks and opportunities arising from climate change, together with a focus on impact reporting, wider communications and stakeholder engagement. Our net zero transition plan and SBTi-approved targets reduce exposure to this risk and set out our clear pathway to net zero.	• Rating agency scores	Low	Moderate	Moderate	Low	Moderate	Moderate	Higher expectations of stakeholders in short to medium term under NZE. Oxford Instruments' emissions targets will even out risk exposure under both scenarios in the medium to long term.

Transition opportunities identified

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario Implications
Investment in R&D for a low-carbon economy	The transition to a low-carbon economy requires significant investment in R&D for more sustainable technologies. Innovation and development in technology areas such as batteries are critical for the transition to a low-carbon economy.	Products and services	Increased revenue	Our products and services play a key role in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. Our enabling technologies, such as materials analysis solutions, and semiconductor equipment, help customers address these challenges.	• Low-carbon market segments growth • Industry investment in low-carbon R&D	Moderate	High	Significant	Low	High	High	Under NZE, there is significant investment in renewables and alternative technologies. Slower change under STEPS.
	In-house R&D and our new product development process has the potential to address the need for products with sustainability credentials, eg energy-efficient products.	Products and services	Increased revenue	Our new product development process takes environmental considerations into account. Developments in our semiconductor equipment are implicitly geared towards energy efficiency, while our materials analysis instrumentation supports battery development and analysis, and the development and optimisation of renewable energy technologies, and more sustainable structural materials.	• Internal R&D investment • Scope 3 category 11, 12 emissions	Moderate	Moderate	Low	Low	Low	Moderate	Under NZE, there is significant investment in renewables and alternative technologies. Slower change under STEPS.
	Proactive collaboration with suppliers to drive low-carbon innovation helps improve the sustainability credentials of our product portfolio.	Products and services	Increased revenue	We have been directly engaging with key suppliers to understand the existing mechanisms they are using to reduce their carbon footprint, and subsequently to embed material and energy efficiencies into the products we purchase.	• Number of suppliers carbon data obtained from Scope 3 – category 1, 11 emissions	Low	Moderate	Moderate	Low	Low	Moderate	Under NZE, more significant investment in renewables and alternative technologies. Slower change under STEPS.

Sustainability – TCFD statement continued

- **Significant risk/opportunity** Report to Group
- **High risk/opportunity** Report to Group
- **Moderate risk/opportunity** Do not report to Group mitigation plan expected to be in place
- **Low risk/opportunity** Do not report to Group

Transition opportunities identified continued

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario Implications
Services that facilitate the reduction of carbon emissions and deliver value for customers	Remote Services Solutions is a developing service across the Group. This service area not only provides an area for growth but also allows for reduction of emissions in our own operations and for our customers.	Products and services	Increased revenue and decreased transport cost and emissions	Almost all our products are already shipped with remote connectivity and we are building business system infrastructure to enable remote service capabilities.	• Revenue from remote services	High risk/opportunity	High risk/opportunity	High risk/opportunity	Moderate risk/opportunity	High risk/opportunity	High risk/opportunity	Slightly increased opportunity under NZE due to additive effect of organisation seeking carbon reduction opportunities.
	Local sourcing and strategic placement of services delivers efficiency to customers and allows Oxford Instruments to reduce logistics travel.	Resource efficiency	Decreased transport cost and emissions	We are engaging in strategic building of capabilities and services to deliver efficiency to customers. Load optimisation in logistics is also part of this strategy. We continue to look for opportunities in this area.	• Scope 3 – category 4, 9 emissions	Low risk/opportunity	Low risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Moderate risk/opportunity	Slightly increased opportunity under NZE due to additive effect of organisation seeking carbon reduction opportunities.
Operational energy and carbon reductions	Obtaining renewable electricity through renewable electricity certificates (RECs) and power purchase agreements (PPAs) reduces reliance on local grid and helps to reduce Scope 2 emissions as an interim measure whilst exploring opportunities to reduce energy usage.	Energy source	Reduced costs and Scope 2 emissions. Renewable electricity can also provide operating cost savings and reduce operational exposure to carbon pricing.	Our current renewable energy programme utilises REGO-certified or REGO-equivalent certifications of renewable electricity. We make use of solar arrays on our Severn Beach and Scotts Valley manufacturing sites, along with our Tokyo office. We are investigating adding additional renewable generation capacity to suitable sites.	• Scope 2 market-based emissions • Percentage of renewable electricity out of total electricity	Low risk/opportunity	High risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity	Greater availability of supply under NZE. STEPS lags slightly, reduced availability of REC.
Resource efficiency	Internally Oxford Instruments can implement resource efficiency programmes to improve waste, water use and energy savings.	Resource efficiency	Reduced costs and emissions	Group-wide, we are continually looking for opportunities to embed resource efficiency into our operations. We are in the process of replacing gas boilers at Belfast and High Wycombe with air source heat pumps, with the aim of these entering operations by FY2026/27. Several other operational efficiency programmes to reduce waste in manufacturing have been implemented in the fiscal year. We also seek to invest in long-term, alternative technologies as they become suitable and economically feasible.	• Scope 1 and Scope 2 (location-based) emissions • Total waste • Total water	Low risk/opportunity	High risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity	Greater exposure under NZE due to more investment in resource efficient products and services.

Sustainability – TCFD statement continued

- **Significant risk/opportunity** Report to Group
- **High risk/opportunity** Report to Group
- **Moderate risk/opportunity** Do not report to Group mitigation plan expected to be in place
- **Low risk/opportunity** Do not report to Group

Physical risks

The frequency of physical climate-related impacts is expected to increase in the future through an increased frequency and severity of extreme weather events. Oxford Instruments has used a location risk tool to assess the Group's sites and key suppliers' current and future risk exposure to climate-related disruptions. Sites have been assessed for both acute and chronic physical risks, including potential risks such as drought stress, tornadoes, storms, sea level rise and flooding events, among other hazards.

Particular attention has been paid to the four UK manufacturing sites (Severn Beach, Tubney Woods, High Wycombe and Belfast) as they contribute roughly 80% of Group revenue. Due to the nature of physical climate-related risks manifesting more over the long term, different time horizons have been used from those used to assess the transition risks and opportunities. These are: 2030 (short term), 2050 (medium term) and 2100 (long term). During the year we had no insurance claims that were climate-related.

The following scenarios have been used for the physical risk assessment:

- RCP 2.6 is an optimistic scenario whereby atmospheric concentrations of greenhouse gases lead to a global temperature rise of less than 2°C by the end of the century relative to the pre-industrial period (1850–1900).
- RCP 8.5 is a pessimistic high emissions scenario, consistent with a future with no policy change to reduce emissions and leading to a global temperature rise of around 4°C by 2100.

						2.6 Scenario			8.5 Scenario			
Opportunity	**Opportunity description**	**Opportunity type**	**Potential impact on the business**	**Response/actions we are taking and how they are managed**	**KPIs**	**2030**	**2050**	**2100**	**2030**	**2050**	**2100**	**Scenario Implications**
Flooding	One manufacturing site is projected to be a Zone 50 (2% chance each year of a flood event) site under all future scenarios from 2030 onwards. A further manufacturing site is located in a Zone 100-year return period for storm surges (1% chance of occurring each year).	Acute	Increased costs and decreased revenue through decreased manufacturing output, delayed production times and damage to site infrastructure, equipment, or inventory.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events. The flood risk exposure at the Zone 50 site has been mitigated by constructing the building on a 1.5m raised platform.	• Number of days operations are disrupted due to flooding events • Revenue loss from site disruption • Insurance premiums	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.
Wildfire	One manufacturing site is currently at a high-risk level and projected to remain high against future scenario projections. A further manufacturing site increases from medium to high risk across all projections including the most optimistic scenario by 2030.	Acute	Increased costs and decreased revenue through disrupting manufacturing output such as road closures, evacuation orders, restricted access, or damage to site infrastructure.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events.	• Number of days operations are disrupted due to fire events • Revenue loss from site disruption • Insurance premiums	●	●	●	●	●	●	Increased exposure under RCP8.5, particularly in the long-term 2100 projections.
Supplier disruption from extreme weather	Increasing extreme weather events can cause supply chain disruptions or site shutdowns. Analysis indicates low physical risk for our key suppliers currently. However, two of our key suppliers are at increasing risk of river flooding and sea level rise across both scenarios in the long term.	Acute	Decreased revenue	Business interruption insurance provides a degree of cover in the event that supply chain issues cause significant disruption to production.	• Number of days our operations are disrupted due to supply chain issues resulting from extreme weather events	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.

Sustainability – TCFD statement continued

Impact on strategy and financial planning

We consider climate change to be a principal risk for Oxford Instruments, but also a source of material opportunity, given our focus on accelerating breakthroughs, and the end markets we serve. Our assessment is based on having evaluated key climate-related risks and opportunities, including understanding the potential impact of each in terms of its time horizon, likelihood and magnitude, and the stakeholders or areas of the business that may be affected.

Although there is not a dedicated climate-related R&D budget, our existing R&D expenditure incorporates climate change. Our products are designed to address our structurally growing markets in advanced materials development and semiconductors, which both have a key role to play in decarbonisation and addressing the impacts of climate change. In terms of the direct impact of our products, considerations are incorporated into the Group's New Product Development process, to ensure the ongoing reduction of the carbon footprint of our products through energy use, packaging and distribution, as well as increased recyclability and upgradability. In addition to R&D considerations, the costs of planned climate initiatives are included within each business unit's annual budget plans of capital expenditure requests. When purchasing new offices and manufacturing sites environmental considerations form part of the procurement process.

Resilience of the organisation's strategy to climate change

The scenarios used in our climate scenario analysis are explained in more detail above. They have been selected to provide contrasting scenarios which allow us an understanding of how resilient the Group is under different situations and temperature pathways. Our identified climate-related risks and opportunities, and action plans to address these, highlight that in aggregate our overall climate risk exposure is moderate. We believe, given our current mitigation plans, that we can incorporate climate risks into our business-as-usual activities and that the Group is financially resilient to climate change. Therefore, we do not currently envisage any additional significant capital expenditure or changes to business strategy as a result of climate change that sits outside of our normal planning. Please see page 152 of our financial statements where the impacts of climate have been considered.

The outputs of the scenario analysis we have carried out can be found on pages 55 to 59. The limitations of this scenario analysis are:

- scenarios often only provide high level global and regional forecasts;
- not all risks are easily subject to scenario analysis;
- scenario analysis requires analysis of specific factors and modelling them with fixed assumptions;
- impacts are to be considered in the context of the current financial performance and prices;
- impacts are modelled to occur in a linear fashion when, in practice, dramatic climate-related impacts may occur suddenly after tipping points are breached;
- the analysis considers each risk and scenario in isolation when, in practice, climate-related risks may occur in parallel as part of a wider set of potential global impacts; and
- carbon pricing is informed by the Global Energy Outlook 2023 report from the International Energy Agency.

Metrics and targets

Climate-related metrics

We disclose our Scope 1, 2 and 3 emissions in line with the Greenhouse Gas (GHG) Protocol A Corporate Accounting and Reporting Standard, with additional guidance from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions. This covers the accounting and reporting of the seven greenhouse gases covered by the Kyoto Protocol. An operational control approach was adopted, with all material emissions sources reported.

We also disclose a wide range of metrics to help us to track our progress across a number of climate-related and sustainability-related areas. This includes electricity consumption, GHG emissions intensity and water and waste usage. The specific metrics used to track our climate-related risks and opportunities are identified on pages 48 to 51. Please see the environment section, pages 47 to 51. for further information, and for this year's SECR reporting, the primary means by which we report our progress and track our impact.

Climate-related targets

As set out in the environment section, we are committed to reaching net zero carbon emissions (where we add no incremental greenhouse gases to the atmosphere) against Scopes 1, 2 and 3 by 2045. These targets are ambitious, getting us to net zero ahead of the UK Government's pledge, and demonstrate our commitment to operating responsibly. Our Scope 1, 2 and 3 emissions targets have been validated by the SBTi, as set out on page 47, while we have also published our net zero transition plan which details our actions to achieve these targets. Our SBTi-validated targets are as follows:

- to reach net zero emissions across Scopes 1 and 2 by FY2030 from a FY2024 base year;
- to reduce absolute Scope 3 GHG emissions 25.00% by FY2030 from a FY2024 base year;
- to reach net zero greenhouse gas emissions across the value chain by FY2045.

Sustainability – social

We believe that businesses have a valuable contribution to make to society. We are acutely aware of our responsibility to our employees, the communities we impact and the generations to come.

Our social sustainability agenda

Our social sustainability agenda comprises six key subject areas, as follows:

- Culture, values and engagement
- Inclusive workplace
- Health, safety and wellbeing
- Investment in our people
- Next-generation talent
- Community impact

Culture, values and engagement

We strive to create an open, inclusive and values-driven culture, where colleagues feel able to share their views in a two-way dialogue with senior leaders.

CEO Richard Tyson and the leaders of our business units and regional teams based around the world hold regular in-person and virtual briefing meetings where employees are encouraged to, and do, ask a wide range of questions. The Board discusses current workforce issues regularly with management, and meets a broad range of employees, for example at site visits by the Chair and Non-Executive Directors. We also gather our people's views annually through our global engagement survey, monitoring a range of cultural KPIs and taking action on opportunities for improvement at business unit, regional and Group level.

This year, we carried out our first externally benchmarked survey, with leading survey provider Best Companies. We achieved a rating in the 'One to Watch' category, reflecting that Oxford Instruments is a good company to work for. We also rolled out Best Companies' personalised feedback for people managers who received three or more responses to the survey, a valuable tool which will enable managers to hone their management skills.

Our ways of working

- We start with the customer
- We succeed by being focused
- We make and keep our promises
- We work together as one team
- We help and trust each other to succeed

Our values

Inclusive
By seeking out different perspectives and diverse collaboration, we deliver better solutions and lasting success.

Innovative
Through our knowledge, expertise and focused curiosity, we create new possibilities for ourselves and for our customers.

Trusted
We build successful, long-term relationships based on accountability, integrity and respect.

Purposeful
We care, and our passion and commitment drive positive change in the world.

Our recently launched Ways of Working framework, summarised above, provides a strong set of organisational principles to help us deliver our strategy (see pages 29 to 32). We held a residential Leadership Conference in September 2024 for around 70 senior leaders to support the roll-out and delivery of our strategy and embed our ways of working.

These are now fully embedded into our corporate vernacular, decision making and performance frameworks, and we have rolled out a suite of communications collateral including posters, wall art and desktop reminders to keep them front of mind.

Sustainability – social continued

Creating an inclusive workplace

We are committed to creating an inclusive culture. We seek to develop and sustain a supportive and collaborative working environment where difference is recognised, valued and celebrated. However, we also recognise that we operate in 23 countries around the world in which the legislative frameworks and cultural landscapes vary hugely. In each of the countries in which we operate, we aim to be inclusive and progressive in our working practices, but will ensure that we are not in conflict with legislative frameworks.

Our approach to inclusion is overseen by the Board Sustainability Committee.

We are signatories to the Business in the Community Race at Work charter, underlining our commitment to improving equity of opportunity in the workplace. We also engage in externally run schemes offering inclusive internships and career opportunities.

Employees lead a number of impact groups, focused on less-represented demographics in our workforce but open to all. These include a women's group, a neurodiversity group, a group focused on race and ethnicity, and a group centred on LGBTQ+ issues. All four have been enthusiastically adopted by both members and allies of each community.

We are committed to eliminating our gender pay gap. We monitor, measure and take action globally to ensure that men and women are paid fairly. Our external data reporting is focused on UK legislation, which requires companies to report their pay gap annually if they have more than 250 employees, and is published in our Gender and Ethnicity Pay Gap Report, www.oxinst.com/corporate-content/gender-pay-report.

The gap for our Oxford Instruments Nanotechnology Tools entity in the UK, representing 801 employees in 2023, currently stands at 9.0% (mean) and 12.5% (median).

We continue to build on the work we have done so far to establish balanced recruitment shortlists (that is, shortlists including candidates from groups which are underrepresented in our workforce).

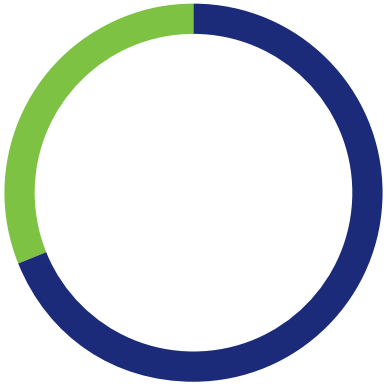
Our inclusive approach to recruitment includes the use of technology to ensure that the language used in job advertisements is free from bias. We operate a hybrid working policy which helps employees to balance work and personal commitments. We also offer support and, where appropriate, special leave, for those with caring needs for dependants.

Following the reconfiguration of our internal employee data portals to include the Office for National Statistics ethnicity categories, 96% of UK employees and 79% of employees globally have provided data on their ethnicity. We reported on our UK ethnicity pay data for the second time this year. This indicates that 12% of our UK workforce identify as being part of an ethnic minority group, and reflects an ethnicity pay gap of 15.2% mean and 2.4% median in favour of employees from white British ethnic backgrounds.

We are committed to using this data to help to ensure that our processes and pay are fair and equitable with respect to race and ethnicity, as well as the characteristics on which we have had full data for several years. As an international company, we recognise the importance of ensuring we have strong ethnically diverse leadership role models and a diverse decision-making team that reflects our customer base and the communities in which we operate.

Sustainability – social continued

New employees in FY2024/25 by gender



Male	71%
Female	29%

At the date of the Annual Report, the team comprises 16 persons, of whom 19% are of Asian or mixed ethnicity. There are 75 direct reports of this team, of whom 21% identify as belonging to an ethnic minority group. In that context, we will be seeking to maintain and improve the ethnic diversity of this cohort.

Our Gender and Ethnicity Pay Gap Report provides more information on all these areas: www.oxinst.com

Gender split

	Male	Female
Global Oxford Instruments	73%	27%
Plc Board	57%	43%
Senior Leadership Team	66%	34%
Managers	72%	28%
Employees	72%	28%

Gender split by region

	Male	Female
UK	76%	24%
EMEA-I	72%	28%
Asia (excluding China)	73%	27%
China	61%	39%
North America	29%	71%

Sustainability – social continued

Health, safety and wellbeing

We are **committed to fostering a healthy, safe and productive work environment** for our entire workforce, and to driving continuous **improvement** in our health and safety (H&S) performance.

The Board is responsible for oversight of our approach to H&S, supported by the Sustainability Committee.

Our six-step strategic framework supports continuous improvement via six key areas of management.

Our H&S management strategy, grounded in continuous risk identification and mitigation, safeguards employees through proactive measures. We employ chemical management software to oversee hazardous substances, provide training across known risk areas, enforce stringent PPE adherence and utilise asset management software for equipment integrity. This approach reduces risk before escalation into incidents or near-miss events, thereby ensuring a secure and compliant workplace.

Recognising that our entire workforce has a role to play in creating a safe working environment, we use, and regularly promote, the Shield incident reporting system, through which we record, manage and monitor accidents and safety observations, and to which all employees have access. The system has supported our improved performance since its introduction in 2019.

This year, to align with industry benchmarks and peer organisations, we have adjusted our reporting period from calendar year to financial year (FY), ensuring consistency and comparability in our H&S metrics.

Through targeted H&S campaigns, we have successfully increased H&S awareness and engagement throughout the organisation, as evidenced by a rise in safety notifications and contributors using Shield during FY2024/25. This heightened focus has contributed to our accident frequency rate for work process-related accidents rising from 18 to 21, reflecting an improved reporting diligence and a proactive safety culture across our teams. While this marks a change from last year's figure, it reflects a consistent stabilisation trend in recent years, with no serious injuries reported since 2022 and no employee/contractor fatalities recorded over the five-year period from 2020 to 2025. Our H&S performance continues to compare favourably with industry benchmarks, and we remain committed to driving global safety standards through our Push for Zero initiative which targets a sustained reduction in work process-related accidents over time.

Increasing health and safety awareness

Health and safety five-year performance

Sustainability – social continued

Our structured management systems, subject to external audits as required, underpin our commitment to safe working practices, environmental management and quality manufacturing. At our primary manufacturing facilities in the UK, representing more than 80% of revenue, we maintain certification to ISO 45001, ISO 14001 and ISO 9001. The effectiveness of our management systems is further supported by a robust internal audit programme across all operational domains.

This year, we launched an accredited Institution of Occupational Safety and Health (IOSH) training programme globally, extending across all business units and regions. To date, more than 180 employees have successfully completed this training, with the roll-out continuing over the next 18 months. This will equip our executive teams, as well as eligible members of our management, production and services workforce with enhanced H&S competency and awareness.

During FY2024/25, 1,786 employees have received H&S training. This figure comprises new content, training renewals and onboarding of new joiners.

We support our employees and their families by providing an increasing range and number of opportunities to enhance their wellbeing, including readily accessible support services on a wide range of topics from financial wellbeing to mental health and health assistance programmes.

We strive to empower individuals coping with mental health challenges or disabilities to thrive in their professional roles, encouraging colleagues to seek assistance when needed, via our team of Mental Health First Aiders and through the provision of independent and confidential digital platforms and services, accessible to employees globally.

We are proud to support our local community groups and charities alongside being inclusive of our people and culture through the celebration of events and achievements.

Oxford Instruments is committed to ensuring its continued compliance with regulatory requirements relating to the reduction and elimination of certain harmful chemical substances used in the development and manufacture of our products.

We have recently engaged a leading external environmental compliance partner to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the collection and assessment of data from our supply chain partners. This in turn will improve our ability to react to requirements and proactively remove substances of concern from our products as evidence of their harmful nature is identified.

In tandem with these efforts, we are equally dedicated to meeting global health, safety and environment (HSE) requirements. This commitment will now be enhanced through engagement with an external global consultancy, ensuring that our operations not only minimise environmental impact but also safeguard the wellbeing of our employees, customers and communities worldwide.

By aligning our product compliance initiatives with our broader HSE obligations, we strengthen our ability to deliver sustainable, safe and responsible solutions.

Employee turnover rates

Year	Turnover
2024/25	**14%, of which 8% was voluntary**
2023/24	12%, of which 9% was voluntary
2022/23	11%, of which 9% was voluntary
2021/22	14%, of which 11% was voluntary
2020/21	8%, of which 6% was voluntary
2019/20	15%, of which 7% was voluntary
2018/19	14%, of which 10% was voluntary

Employee numbers

	Full time	Part time	Contract workers
2024/25	**2,117**	**104**	**53**
2023/24	2,090	144	69
2022/23	1,894	134	86
2021/22	1,662	126	70
2020/21	1,518	107	100
2019/20	1,448	114	70

All employees are guaranteed a fair salary and other employment benefits in accordance with their role and responsibilities. We ensure compliance with minimum wage legislation and strive to offer competitive compensation packages suitable for each position and our business needs. In the UK, representing more than half of our workforce, we are an accredited Living Wage employer.

All employees, regardless of location, are entitled to legally required benefits such as annual leave, sick leave, maternity leave and standard working hours. This year, we have embarked on a major programme, Career Connections, which will seek to align organisation, job families, accountabilities, levelling, competencies and reward throughout Oxford Instruments over the next two years.

All UK-based employees have access to our Share Incentive Plan scheme after six months' service. Furthermore, in compliance with UK regulations, all UK employees have the option to enrol in our workplace pension scheme.

Sustainability – social continued

Investing in our people

Our people and their capabilities are core to what makes us a great company. We are committed to being the company where the best people in our sector want to work, and to training our people and enabling their career development and employability.

We provide a range of opportunities for our employees across technical, commercial, operational and business support functions to gain knowledge, skills and experience. This includes challenging assignments, learning from colleagues and targeted training. Colleagues have completed a total of 28,761 training courses in FY2024/25 (26,878 online and 1,883 classroom/virtual), pursuing more than 750 different courses.

We continue to strengthen our Oi Academy, which offers development programmes, core skills training courses and e-learning opportunities. We also offer a broad range of secondments, career breaks, apprenticeships and support towards external qualifications. In FY2024/25, three cohorts (33 employees) have undertaken our bespoke Oxford Instruments Leadership programme, which brings together high-potential candidates from across the Group and covers a wide range of topics including interviewing skills, self-development, developing others and managing remote teams. We have delivered Management Essentials training to 43 managers Group-wide, as well as delivering programmes focused on Project Management Fundamentals and Project Leadership. Following its successful launch in 2024, the second cohort of the Foundations programme for emerging talent will begin in June. The programme is designed to give aspiring leaders a variety of tools and techniques to allow them to work effectively as they progress their career at Oxford Instruments.

We have a robust system of regular feedback. 100% of our employees have undergone an evaluation process in the year, embedded through our annual performance review, which also encompasses career development with a focus on training opportunities.

Next-generation talent

We take our responsibility towards developing the next-generation workforce seriously and are committed to inspiring the next generation of scientists, engineers and business people by showing them the difference they can make in the world.

For us, this begins in schools, colleges and learning institutions, where we equip and encourage our employees around the world to take any opportunity they can to talk to young people about careers in our industry. We partner with universities and post-graduate schools to help students understand the range of careers available in a technology company, supporting this with mock interviews for school-age students and work experience for students from mid-teens to graduate and post-graduate level, engaging with employees from a broad range of backgrounds. A popular benefit we offer all employees is the offer of work experience to family members between the ages of 16 and 25.

We remain committed to providing structured apprenticeships, sponsorships, internships, early career jobs and graduate programmes. We intentionally reach out to attract a diverse range of people and those from untapped talent pools, ensuring we are inclusive and accessible.

Community impact

We actively engage in locally focused activities that make our communities and environments a better place to live and work. All employees are offered up to two paid volunteering days a year to share their professional or practical skills in the community; we also participate in charity outreach programmes and offer sponsorship of local community events.

Our global network of Go Green teams drives action to be more environmentally friendly, both as a business and as individuals.

When we arrange gifts, celebrations, events and activities for our teams we aim to support the small, independent businesses near our sites. We also participate in a range of charity outreach activities, including raffles, marathon sponsorships, pub quizzes and coffee mornings.

Case study

Supporting the next generation of **STEM leaders**

We're committed to giving young people the opportunity to learn about science and explore future careers options with us.

Employees at our High Wycombe materials analysis site launched a new STEM Committee in 2024, seeking to facilitate engaging STEM initiatives for the local community and demonstrate the diverse career paths open to young people. The committee launched by welcoming 40 GCSE and A-level students from three local schools during British Science Week to the site's Innovation Centre. Over the course of the day, groups took part in exciting engineering activities, where they made PCB boards and towers made of marshmallows and spaghetti, and were given demonstrations of our Raman and atomic force microscopes, detectors for electron microscopy, and nuclear magnetic resonance technology.

Read more about our materials analysis technology / **www.oxinst.com**

Sustainability – governance

Upholding high ethical standards

We are wholly committed to conducting our business responsibly and holding ourselves to high ethical standards. Our strong values (see page 61) underpin everything we do; from how we work with each other and our customers to how we trade with suppliers. Every representative of Oxford Instruments is expected to behave in a way which is consistent with these values.

Our approach to governance is overseen by our Board of Directors and summarised in our Code of Conduct (see www.oxinst.com/codeofconduct), which is updated regularly and issued to all permanent and contracted employees as a mandatory training module. All employees, customers and suppliers also have round-the-clock access to our widely publicised and independent whistleblowing hotline, Safecall (www.safecall.co.uk/en/clients/oxinst/), should they encounter any behaviour not in keeping with our ethical standards. A team reviews any whistleblowing reports which are made, and each report is escalated and investigated as appropriate. We received one report via Safecall in 2024/25.

Our governance sustainability agenda comprises eight key areas

Our overarching governance sustainability agenda, set out below, is overseen by our Board Sustainability Committee, (see pages 116 to 118); with the exception of anti-bribery and anti-corruption, sanctions, export control and customs, and financial sustainability and tax transparency, which are overseen by the Audit and Risk Committee (see pages 109 to 115).

1 Anti-bribery and anti-corruption

When dealing with business partners, suppliers and customers, or when engaging with public officials, we expect our employees to act in a transparent and fair manner. We choose our business partners and suppliers carefully and avoid working with anyone who does not meet and adhere to the same high standards.

The key principles we expect everyone to follow include not offering or accepting bribes or improper payments; not improperly influencing any individual; and not participating in any kind of corrupt business activity, either directly or through a third party. To help our employees understand what is expected of them we developed a comprehensive training course, refreshed this financial year, which all new joiners must complete to pass their probationary period, and which all employees must retake annually; we also maintain a detailed policy document, www.oxinst.com/investors-content/compliance/anti-bribery-and-corruption.

In FY2024/25 we also launched a refreshed compliance and onboarding programme for our channel partners. This includes completion of a mandatory compliance training course covering anti-bribery and anti-corruption and a certification to confirm compliance with our anti-bribery and anti-corruption policy for channel partners.

No one has been dismissed during FY2024/25 as a result of having committed bribery.

2 Sanctions, export control and customs

We review our Sanctions Policy regularly (most recently in May 2024) to align with UN, UK, EU and US sanctions.

We are committed to adhering to both the letter and the spirit of export controls governing our activities, and engage regularly with the UK Government's Export Control Joint Unit and its equivalents in other jurisdictions. In response to geopolitical shifts, we have continued to pivot our regional focus towards less sensitive applications and customers in China this year, having exited the quantum market in the country in FY2023/24.

3 Inside information and share dealing

As a listed company on the London Stock Exchange, Oxford Instruments and its employees must comply with the relevant laws relating to inside information and share dealing, including the UK Market Abuse Regulation, as well as our internal Share Dealing Policy and associated procedures. We ensure that there are adequate processes and controls in place to identify, manage and disclose inside information and also support our employees and anyone working on our behalf with understanding their obligations.

4 Supply chain responsible sourcing

We operate our business in compliance with all applicable laws and regulations and expect our suppliers to do the same. The overarching standards we expect from our suppliers, covering all operations, are set out in our Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers, www.oxinst.com/assets/uploads/documents/OI_COC_REPS_SUPPLIERS.pdf.

In addition, as part of our supplier contracts, suppliers are required to warrant that they and their sub-contractors will comply with all applicable laws, statutes, regulations and codes relating to modern slavery, anti-bribery and anti-corruption, and Oxford Instruments' Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers.

We are committed to avoiding the use of controversial materials and proactively eliminating the use of so-called 'conflict minerals', ie minerals sourced from mines in the Democratic Republic of Congo and adjoining countries which support or fund conflict from products and the supply chain. Our conflict minerals policy covers all operations. We undertake due diligence on our key suppliers and expect them, in turn, to conduct due diligence on their own supply chain to help eliminate the use of conflict minerals. The recent engagement of a leading external environmental compliance partner will support us in ensuring our due diligence and risk assessment of suppliers is robust.

Sustainability – governance continued

Our existing online supplier portal allows us to store and audit our key supplier documents and has been extended and updated in 2024 to collect information on product environmental compliance, quality and sustainability. 87% of UK manufacturing key suppliers have started or made full returns through the supplier portal. We are transitioning to a partnership with a leading external compliance partner to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the robust collection and assessment of data from our supply chain partners, including conflict minerals and carbon footprint data.

5 Human rights and modern slavery

We are committed to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain. We take a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour, and human trafficking, and we expect our suppliers to adopt the same approach.

We believe in the importance of educating our employees on human rights issues and have launched bespoke training for relevant employees to help them to recognise the risks of modern slavery and human trafficking in our business and supply chain.

We have an established Whistleblowing Procedure for employees to report any concerns, and further guidance is also made available in our Global Human Rights Policy. In addition, we have extended the availability of our Whistleblowing hotline to all our suppliers and representatives.

Our global Code of Conduct sends a clear message to our employees, business partners, investors, and other stakeholders about our business principles and ethics. In addition, our Supplier Quality Manual and Code of Conduct for Representatives and Suppliers mandates that our suppliers take action to prevent modern slavery occurring in their business and supply chain.

Our Anti-Slavery and Human Trafficking Statement is updated annually and can be found both on our website and on the Government's Modern Slavery Statement Registry.

6 Intellectual property and confidentiality

Our intellectual property (IP) is one of our most important assets; it is key to our success in the market and enables us to secure and maintain a competitive advantage. We have comprehensive policies and procedures in place to protect it, including templates, guidance and training for colleagues. We continue to protect our inventions, brand and designs through the use of registered IP rights. In the year we filed a number of new priority patent applications.

Oxford Instruments often collaborates with third parties on projects which generate new IP, further enhancing our product offerings to our customers. In these situations, we will not use any IP without it first being legitimately acquired or licensed.

7 Data protection, data privacy and data security

Our global privacy standard www.oxinst.com/corporate-content/privacy sets out the principles that guide our approach to handling personal information, and all employees are required to undertake mandatory training on data protection.

Our marketing teams work closely with our legal teams to ensure our marketing activities are compliant with the European General Data Protection Regulation (GDPR), UK GDPR and related privacy legislation in other territories. We have invested in high-quality CRM and marketing business systems infrastructure that have enabled us to enhance our security and controls.

Our legal team horizon scans for developments in data protection legislation around the world and develops compliance programmes where necessary to ensure we can respond quickly to any changes made in legislation and guidance from regulators.

We have implemented annual mandatory IT Security training for all employees. We continue to assess and improve our IT controls across the organisation in line with UK Government recommendations.

8 Financial sustainability and tax transparency

We manage our tax affairs in accordance with the following objectives:

- ensuring compliance with all relevant tax law in all jurisdictions in which the Group operates whilst managing the associated tax costs in a manner that is consistent with our Code of Conduct and its attitude to commercial risk;
- seeking to maintain stable effective and cash tax rates which reflect the geographic markets in which we operate, and the Group's tax attributes, such as brought-forward losses and special deductions such as for research and development; and
- ensuring that all communication with tax authorities is conducted in a transparent and professional manner.

Our Group Tax Strategy is available on our website at **www.oxinst.com**.