



Net Zero Transition Plan





About Oxford Instruments

Oxford Instruments provides academic and commercial organisations around the world with market-leading scientific technology and expertise. We specialise in three key market segments: Materials Analysis, Healthcare & Life Science, and Semiconductors.

Innovation is the driving force behind our growth and success. Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress. Our core purpose is to accelerate the breakthroughs that create a brighter future for our world.

Founded in 1959 as the first technology business to be spun out from the University of Oxford, Oxford Instruments is now a global company listed on the FTSE 250 Index of the London Stock Exchange.

With a presence in more than 20 countries and with more than 2,000 employees around the world, we take our responsibilities to each other and to all our stakeholders extremely seriously.

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Chief Executive's message

Our commitment to reach net zero



At Oxford Instruments, we have long recognised the significance of climate change and the fundamental challenges and opportunities it presents. The physical impacts of climate change and the transition to a low-carbon economy will affect our business, our customers and our suppliers as well as wider society.

As a global manufacturer of high technology products, mitigating, adapting and responding to these impacts is central to our strategy. Indeed, our organisational purpose is to accelerate the breakthroughs that create a brighter future for our world. This strategy addresses both how we manage our business and the key role our products and services play in the technology pathway to enable the transition from fossil fuels to a low-carbon economy.

We have been proactively reducing our footprint over many years. We embarked on our environmental journey in the early 2000s, with the creation of our first employee-led Go Green teams; since then, we have dramatically reduced our carbon footprint. We are committed to continuing to minimise our environmental footprint by further cut carbon emissions across our operations and value chain, while proactively addressing climate-related risks and opportunities. Our ambitious science-based targets reflect this commitment.

Table 1 – Mid and long-term carbon reduction targets submitted to SBTi based on a FY23/24 base year

Scope 1 and 2 ¹	Net zero by 2030
Scope 3	25% reduction by 2030
	Net zero by 2045

We are committed to achieving net zero for our scope 1, 2, and 3 emissions by 2045, with minimal reliance on offsets. Our targets put us on track to reach net zero ahead of the UK Government's 2050 commitment.

Our absolute emissions reduction targets are based on a FY23/24 baseline and have been submitted to the Science Based Targets initiative (SBTi) for verification in 2024 (Table 1).

Richard Tyson, CEO

1 Our scope 1 and 2 target is based on scope 2 market based emissions.

Foundations





Foundations

About this plan

This transition plan sets out Oxford Instruments' climate goals and plans to achieve them. It has been prepared in line with the Transition Plan Taskforce (TPT) Framework. In line with TPT recommendations we will provide an update of the plan every three years and provide annual updates through our existing climate disclosure (TCFD).

The Transition Plan Taskforce (TPT) was announced at COP26 in Glasgow and launched in April 2022 to establish the gold standard for transition plans. The Disclosure Framework helps organisations set out a credible and robust climate transition plan as part of annual reporting on forward business strategy.

Figures 1 and 2 set out the glide path required to reach net zero from our 2023/24 baseline.

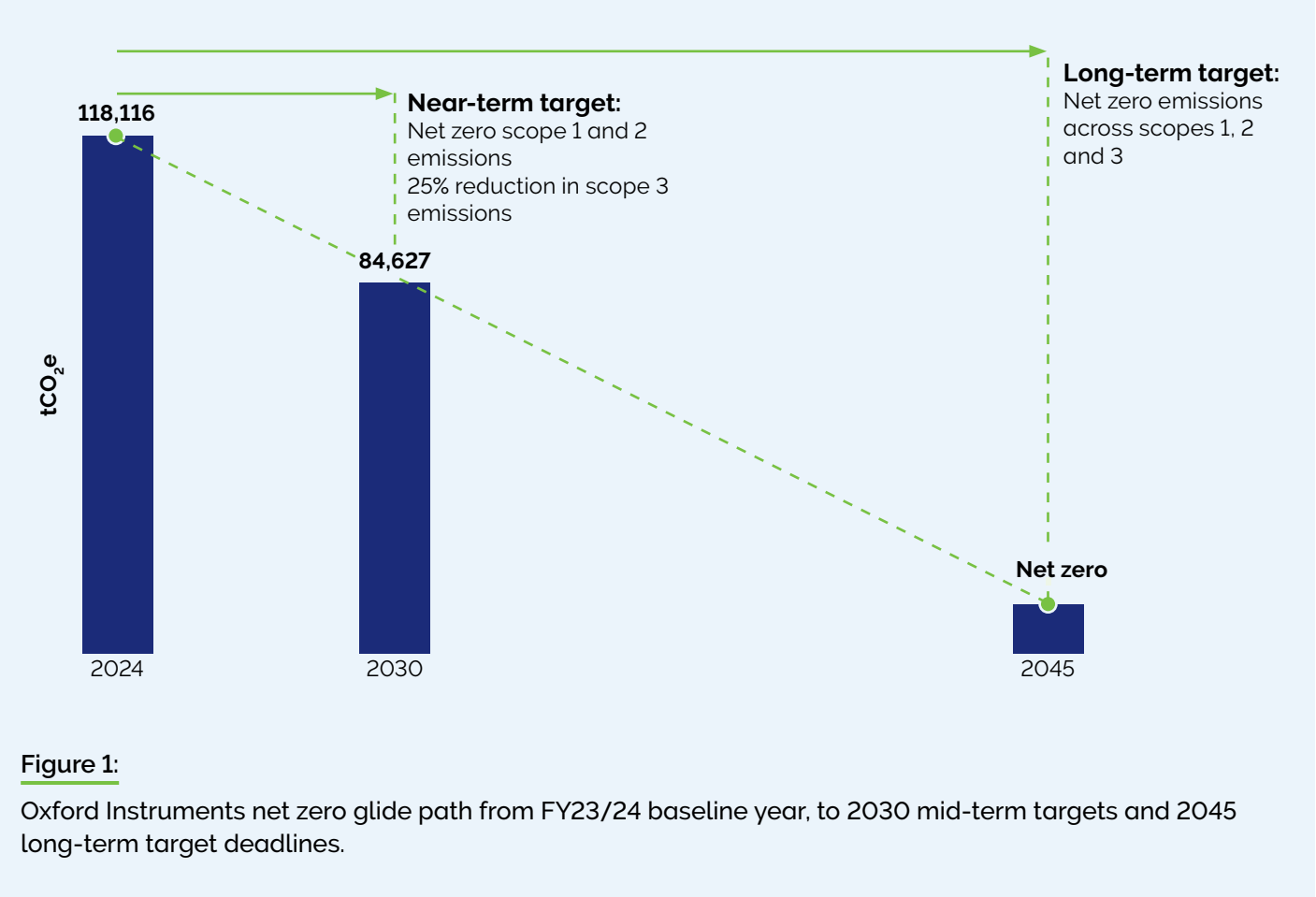


Figure 1:
Oxford Instruments net zero glide path from FY23/24 baseline year, to 2030 mid-term targets and 2045 long-term target deadlines.

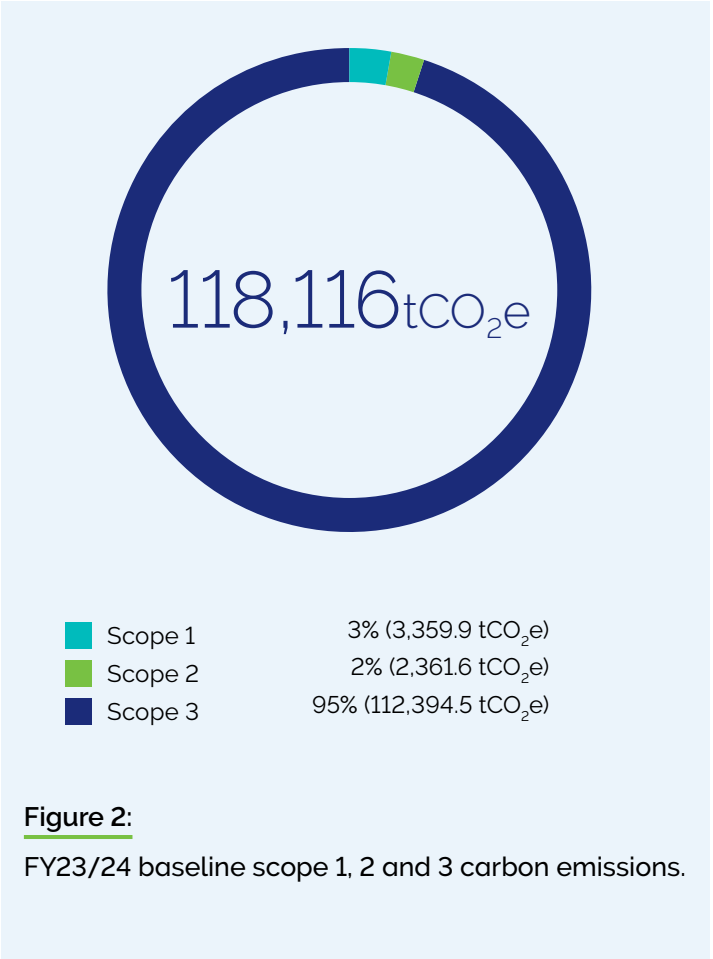


Figure 2:
FY23/24 baseline scope 1, 2 and 3 carbon emissions.

Foundations continued

Objectives and priorities for reducing scope 1, 2, and 3 emissions

Our overarching objective is to reach net zero by 2045 across scopes 1, 2 and 3, as set out in Our commitment to reach net zero above. Central to our plan is emissions reductions in our own operations and close collaboration with suppliers and customers. Our emissions profile and priority actions to reduce these emissions are outlined below.

Our priorities to hit our near-term scope 1 and 2 targets are:

- Implement renewable energy procurement and generation.
- Install abatement technology for process emissions produced in product testing, R&D and demonstrations.
- Replace fossil fuel-powered boilers with suitable electric heating technologies.

Many of our sites, including all of our four UK manufacturing facilities (representing the majority of the Group's revenue), already procure renewable electricity. As part of our plan, we aim to expand this across all sites where practical. Where this is not feasible, we will explore the use of Renewable Energy Certificates (RECs) as an interim measure to reduce our scope 2 market-based emissions.



Electricity
2,316 tCO₂e
Procuring renewable energy for all our sites



District heating and steam
45 tCO₂e
Increasing electrification of heating sources



Company cars
36 tCO₂e
Increasing the proportion of electric and hybrid vehicles in our fleet



Natural gas
247 tCO₂e
Increasing electrification of heating sources



Fuel oil
139 tCO₂e
Increasing electrification of heating sources



Refrigerants
2 tCO₂e
Upgrading cooling equipment where possible



Process emissions
2,925 tCO₂e
Introducing abatement systems to neutralise process emissions

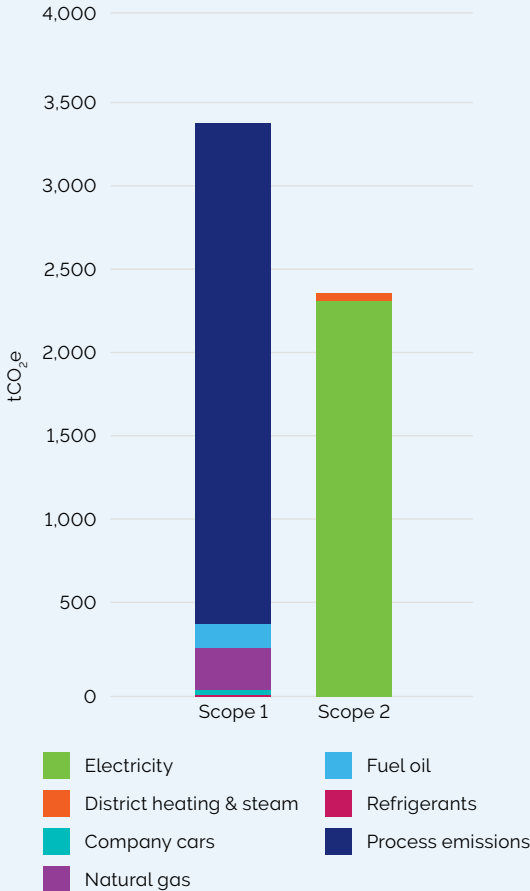


Figure 3:

Scope 1 and 2 emissions by source and key reduction initiatives to reduce the emissions generated by that source.

Scope 1 and 2 profile

Our baseline scope 1 & 2 emissions, which represent 5% of our overall emissions (Figure 3), are dominated by electricity (40%) and process emissions (51%).

Electricity emissions arise from electricity use in our manufacturing sites and offices. Our main UK manufacturing sites at High Wycombe, Severn Beach, Tubney Wood and Belfast make up almost three quarters of our electricity usage. Process emissions arise from our compound semiconductor equipment manufacturing operations at Severn Beach. They comprise F-gases used in testing Plasma products, R&D and demonstrations.

Fuel oil and natural gas used for heating and hot water at UK manufacturing sites make up 2% and 4% of our scope 1 & 2 profile respectively.

Foundations continued

Through our actions to reduce our scope 3 emissions, we hope to create positive impacts for our customers and suppliers via helping them decarbonise their own operations.

Emissions from purchased goods and services reflect the embedded emissions in our purchased items. We are looking at opportunities in product design to reduce embedded carbon in our products where possible. The components we select for our products are central to our ability to deliver market-leading technologies. Any decisions made to 'design out' carbon need to be considered alongside other value drivers. Our ability to decarbonise purchased goods and services is also dependent on successful engagement with our suppliers and global decarbonisation trends.

Emissions from the use of our sold products reflect the emissions from the electricity they use in operation. Increasing the operational efficiency of our products will help reduce use phase emissions. Product efficiency is a key value driver in our products and is increasingly important in customer and market requirements.

Furthermore, we recognise that in line with International Energy Agency (IEA) predictions, grids globally are decarbonising, which will significantly reduce use phase emissions.

Upstream transportation and distribution emissions comprise inbound logistics and outbound logistics paid for by Oxford Instruments. Due to the highly sensitive and fragile nature of our equipment, as well as the requirement to meet tight customer delivery deadlines, we use air freight. Where possible, we are investigating logistics modal shifts to lower carbon alternatives. We are also in regular dialogue with our key logistics providers on how they are planning to decarbonise their offerings.

Our ability to achieve our near term and long-term targets is underpinned by the actions in table 2. These actions and their implementation plans will be embedded into the Group strategy alongside a timeframe for completion. The actions outlined in our scope 1 & 2 plan have been assessed and are all achievable with existing technologies.

Our scope 3 profile means that our emissions are harder to manage, but we are taking all actions within our control to do so. We have developed a supplier engagement plan through which we are engaging with our key suppliers on their emissions targets and reduction initiatives. This will help us reduce and manage our purchased goods and services emissions. In addition, a key part of meeting our scope 3 target is designing our products to have a lower carbon impact through being more energy efficient and using lower carbon materials. The greatest impact on our scope 3 emissions will be global grid decarbonisation. The IEA (2023)² forecasts emissions intensity to reduce 44% by 2030 under the Net Zero Emissions by 2050 Scenario (NZE)³. Grid decarbonisation will have the most significant impact on use of sold products emissions, and a more limited impact on emissions in purchased goods though the benefits that grid decarbonisation delivers our suppliers.

Scope 3 profile

Our scope 3 emissions are significantly greater than our operational carbon footprint, representing 95% of our total emissions, which is common for companies in our sector (Figure 4).

Our two greatest exposures are purchased goods and services (63% of scope 3 emissions) and use of sold products (28% of scope 3 emissions).

² <https://www.iea.org/reports/world-energy-outlook-2023>

³ The Net Zero Emissions by 2050 Scenario (NZE Scenario) is a normative scenario that shows a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050.

Foundations continued

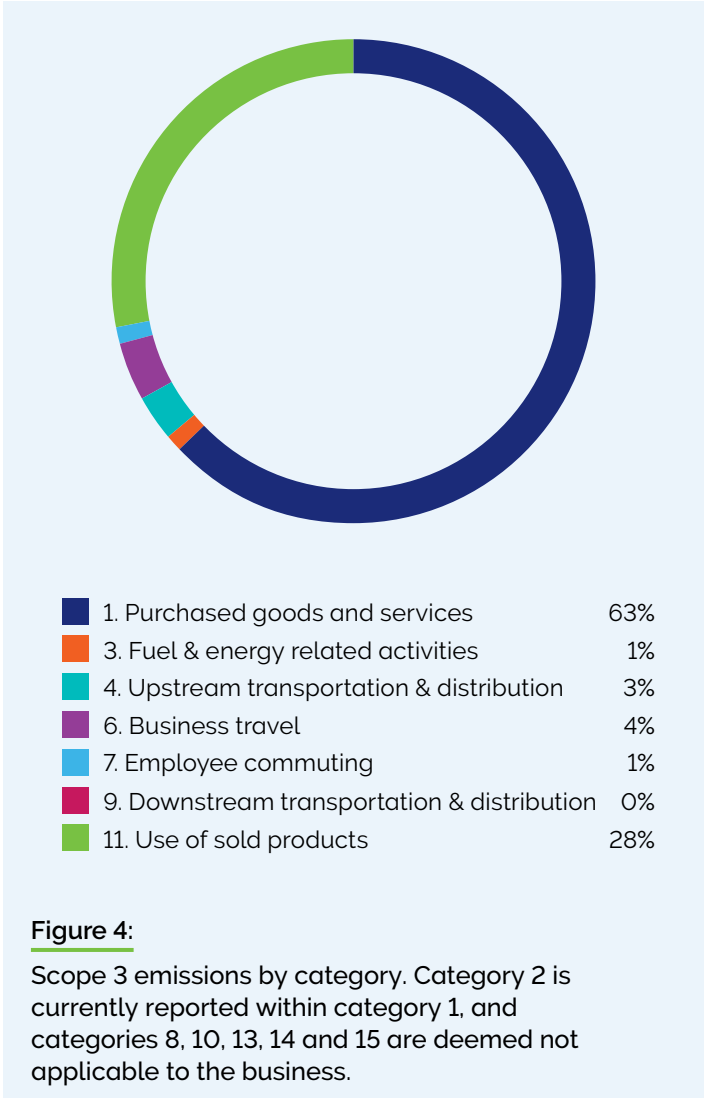


Table 2 – Summary of objective, targets and key actions to achieve targets

Our objective		
We recognise the importance of climate change and the fundamental challenges and opportunities it presents for our business. We aim to be net zero across our value chain by 2045.		
Emissions	Near-term targets	Summary of actions
Scope 1 and 2	Net zero in scope 1 and 2 by 2030 based on a 2024 base year.	- Continue to implement electricity reduction and efficiency initiatives. - Introduce electrical heating systems in place of fossil fuel boilers at UK manufacturing sites. - Engage with landlords to switch to renewable electricity and reduce reliance on gas for heating. - Explore self-generation of renewable electricity through solar arrays or wind turbines. - Purchase renewable energy guarantees of origin (REGOs) /renewable energy certificates (RECs) to recognise electricity as renewable as an interim solution. - Implementation of abatement technology for process emissions produced in product testing, R&D and demonstrations - Electrification of fleet.
Scope 3	25% absolute reduction in scope 3 by 2030 based on a 2024 base year.	- Switch to lower carbon suppliers. - Design products to have a lower carbon impact. - Improved calculation methodology of purchased goods and services data. - Engagement with key suppliers to obtain emissions data. - Engagement with key suppliers on their emissions targets and reduction initiatives. - Grid decarbonisation impact on our suppliers and customers will be achieved organically.

Foundationscontinued

Climate-related risks and opportunities

Oxford Instruments views climate change as a principal risk and opportunity for the business. Consequently, climate-related risks and opportunities are identified and assessed in line with Oxford Instruments' processes for wider enterprise risk management. Our process for identifying and assessing climate-related risks and opportunities, and our material climate-related risks and opportunities, are outlined in the Taskforce for Climate-Related Financial Disclosures (TCFD) report section of the annual report. Our risk assessment takes into account existing and planned mitigation strategies, and our targets and net-zero plan. Our business is resilient to the physical impacts of climate change and the impacts related to a transition to a net-zero economy.

When developing the transition plan, we have considered these climate-related risks and opportunities (Table 3 and 4). For the most part, our strategies to mitigate climate-related risks and maximise climate-related opportunities dovetail with our net-zero transition plan.

Table 3: Climate-related transitional risks identified by Oxford Instruments

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed
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.
	The global regulatory landscape for ESG issues is changing rapidly. 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.
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.	Our target is to achieve net-zero emissions by 2045. Our full value chain assessment has formed an essential input into our net-zero targets and has enabled us to identify any potential value chain hotspots where carbon taxation may be applied. We are also engaging with our key suppliers on their carbon footprint to identify our carbon hotspots and mechanisms to reduce this.
	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.
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. Taking the actions set out in this transition plan will also reduce exposure to this risk.

Foundationscontinued

Table 4: Climate-related transitional opportunities identified by Oxford Instruments

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed
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, efficient power switching, and semiconductor equipment, help customers address these challenges.
	In-house R&D and our new product development process has the potential to address the need for products with sustainability credentials e.g. energy-efficient products.		Increased revenue	Our new product development process takes environmental considerations into account. Developments in our semiconductor equipment are implicitly geared towards energy efficiency as well as our water-saving alternative to the standard chemical mechanical planarization (CPM) process used to create a smooth surface on semiconductor wafers.
	Proactive collaboration with suppliers to drive low carbon innovation helps improve the sustainability credentials of our product portfolio.		Increased revenue	We have been working with key suppliers to embed material and energy efficiencies into the products we purchase.
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.
	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.
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.
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. Opportunities can be small, such as reducing waste or water usage, or part of larger capital projects e.g. replacement of boilers at our Tubney head office and manufacturing site, and all-electric heating, as installed at our new site in Severn Beach. We seek to invest in long-term, alternative technologies as they become suitable and economically feasible.

Foundations continued

Business model and value chain

Oxford Instruments is a leading provider of high technology products and services to the world's leading industrial companies and scientific research communities. Our core purpose is to accelerate the breakthroughs that create a brighter future for our world. We are proud to be recognised as the leaders in what we do and for the difference we make in the world.

The Group consists of two divisions. 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 technology enables our customers to discover and bring to market exciting new advances that drive human progress. In the context of net zero, 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, efficient power switching, and semiconductor equipment, help customers address these challenges.

Our key targets and decarbonisation actions have been developed on the basis of no material changes in the Oxford Instruments business model or strategy although, naturally, as a fast-growing business, such changes cannot be ruled out.

Further, we do not anticipate any material changes in resource allocation or operational and capital expenditure in relation to sustainability versus our current plans, other than budgeting for the boiler replacements and process emission abatement technology needed to address our scope 1 and 2 emissions. Our belief is that all actions that underpin our targets can be achieved in a business-as-usual environment.

Our scope 1 and 2 near-term target and transition plan has been developed making use of technologies that already exist in the market. 40% of our scope 1 and 2 emissions arise from electricity usage. Available scope 2 reduction measures include procurement of renewable energy, energy efficiency measures and engagement with landlords.

A further 51% of our scope 1 and 2 emissions come from process emissions produced in product testing, R&D and demonstrations. We plan to implement abatement systems which will destroy these process emissions, which are emitted from semiconductor etching and related processes. Other scope 1 reduction measures include replacement of fossil fuel-powered boilers, which have been scoped out and require no shift in strategy to deploy.

Our current scope 3 targets and actions are not underpinned by any major shifts in strategy. However, due to the uncertain nature of scope 3, we cannot rule out any changes in strategy in the future. Any changes in strategy to address scope 3 targets will be considered in line with Oxford Instruments' overall strategic objectives.

Foundations continued

Key assumptions and external factors

All our targets have been set in accordance with the SBTi. Some of the actions have been scoped in with more certainty than others. We are taking all actions within our control; however, many aspects of our plan are reliant upon third parties and decarbonisation drivers over which we have limited influence. Below we have stated the assumptions that we have used when setting our targets and plans to transition to a net zero economy.

Grid decarbonisation:

Our ability to meet our downstream scope 3 emissions targets is dependent on global grid decarbonisation. We factor in grid decarbonisation aligned to national forecasts (e.g., Future Energy Scenarios from the National Grid⁴) where available, or scenarios developed by the IEA Global Energy and Climate Model⁵.

Emissions data:

There are some areas within scope 3 where we have to rely on estimated or assumed data. We will improve our calculation methodology as the availability of data improves.

Use of renewable energy:

Our scope 1 and 2 targets are reliant upon the procurement of renewable energy. In setting our targets, we have assumed the following relating to renewable energy: 1) that renewable energy supply contracts and REGOs are readily available and economically feasible; 2) that the technology to implement on-site renewable energy is available and economically feasible.

Reliance on suppliers:

We rely on our suppliers' ability and readiness to decarbonise and provide us with lower embodied components for the production of our products.

Decarbonisation of transport:

Oxford Instruments is reliant on the decarbonisation of transportation (sea, air and land freight) which is outside our control. Decarbonisation assumptions are based on IEA forecasts⁶ and transportation supplier decarbonisation targets. Where possible, we also aim to shift freight from air to lower carbon alternatives.

Climate change scenarios used:

The climate scenarios used in our scenario analysis only provide high-level global and regional forecasts and contain several assumptions about how the world is predicted to decarbonise.

Policy and regulatory changes:

We outline in our TCFD report the potential risk of evolving climate policies e.g., carbon pricing. Oxford Instruments relies on governments to set ambitious targets to create the necessary regulatory environment to incentivise the transition to a low carbon economy.

4 <https://www.nationalgrideso.com/future-energy/future-energy-scenarios-fes>

5 <https://www.iea.org/reports/global-energy-and-climate-model>

6 <https://www.iea.org/reports/world-energy-outlook-2023>

Implementation strategy





Implementation strategy

Transition plan

Our transition plan is discussed in the context of two time horizons.

Near term:

Current to 2030, in line with our near-term science-based targets.

2030

Long term:

2030 to 2045, in line with our long-term net zero target and the UK Government's net zero pledge.

2045

Oxford Instruments is committed to achieving net zero across our operations. Our ambitious targets across all three scopes reflect this ambition. We have developed a high level summary of actions which are required to achieve our near term and long-term targets. While many of the actions in the plan are reliant on external factors beyond our control, we have outlined where we can make conscious operational decisions to facilitate our decarbonisation.

We have established a network of Go Green teams across our global sites, including both office and manufacturing locations, with the first teams having been set up in the early 2000s. Their remit is to implement operational and behavioural change projects aimed at reducing emissions beyond those actions already quantified in our net zero plan. The

teams are employee led and each have their own initiatives which reflect the stakeholder priorities of the location. Initiatives include but are not limited to: scoping of renewable energy projects, scoping of energy efficiency projects, e.g. replacement of lighting with LED, development of policy, implementation of waste reduction programmes, development of employee incentives and driving employee awareness of energy usage and efficiency. Our Go Green teams help embed the sustainability culture at Oxford Instruments.

Business operations

We have identified actions we can take within our operations to achieve our net-zero targets (Table 5). As part of the UK Energy Savings Opportunity Scheme (ESOS), we have had an

energy audit performed and potential energy and emissions saving opportunities outlined. Our operational reduction actions incorporate some of the ESOS recommendations, as well as those developed internally.

Scope 1

Scope 1 emissions account for 59% of our scope 1 and 2 profile. 87% of our baseline scope 1 emissions arise from process emissions that are used in product development and testing at our compound semiconductor equipment manufacturing business. We will implement abatement systems that will capture and break down these gases before they are released into the atmosphere. Natural gas and fuel oil in boilers in our manufacturing sites and offices make up 12% of our scope 1. To facilitate

achieving our scope 1 and 2 target, Oxford Instruments will replace boilers with electric heating systems at our UK sites. These projects are in the process of being scoped out and factored into financial planning. The business has made a commitment to implement, as a minimum, two out of three projects before 2027. In addition, we aim to decarbonise our vehicle fleet through removing the need for vehicles or transitioning the fleet to electric or hybrid vehicles. Oxford Instruments operates only a small corporate fleet and emissions reductions from this will be minimal. As discussed, our Go Green teams are implementing various operational and behavioural change energy efficiency initiatives (e.g. 'switch it off' campaigns) and are exploring options to reduce energy usage across our sites globally.

Implementation strategy continued

Scope 2

Scope 2 emissions account for 41% of our scope 1 & 2 profile. Our actions to reduce scope 2 are key to achieving our near-term scope 1 and 2 target. Scope 2 reductions will primarily come from switching to renewable energy supply where this is not already in place. Our main mechanism for this will be through establishing renewable electricity supply contracts with electricity providers. Where these contracts are not available to us, we will investigate the use of Energy Attribute Certificates (EACs) to ensure that our market-based electricity usage is accounted for at zero emissions. All of our UK sites are already covered by REGOs.

Where possible, we will also investigate the implementation of renewable energy generation. Our sites in Scotts Valley, California, USA, and Severn Beach, outside Bristol in the UK, already have on-site solar arrays. We have launched scoping projects via our Go Green teams at some additional sites. These scoping projects are investigating solar generation and a private wire wind turbine to feed one of our sites. Our Go Green teams have also implemented various operational and behavioural change energy efficiency initiatives looking at reducing electricity usage across our sites globally.

Table 5: Proposed operational actions to reduce scope 1 and 2 emissions across Oxford Instruments sites globally

Emission source	Lever	Implemented or planned activities
Scope 1	 Process emissions	We will implement abatement systems which will capture and break down these gases before they are released into the atmosphere.
	 Upgrading equipment	We will introduce electric heating systems to replace natural gas and fuel oil-powered boilers at our UK sites.
	 Fleet electrification	We aim to decarbonise our vehicle fleet through transitioning to electric or hybrid vehicles.
Scope 2	 Switching to renewable energy	Where landlords are responsible for procuring electricity on Oxford Instruments behalf, we will engage with them to look at options to switch supplies to certified renewable electricity contracts, where available. If this approach is not feasible, we will investigate the use of EACs to cover our consumption.
	 Switching to renewable energy	We will explore self-generation of renewable electricity through solar arrays or wind turbines, at suitable sites.
	 Switching to renewable energy	At sites where Oxford Instruments is responsible for electricity procurement, we will establish renewable energy supply contracts with suitable electricity providers, as we do at all our UK sites currently. We will also investigate the purchase of EACs if it is the only option at a particular site.
Scope 1 & 2	 Operational efficiencies	Our Go Green teams scope and implement operational and behavioural changes aimed at reducing emissions, beyond the reduction initiatives already outlined. These actions contribute to scope 1 and 2 emissions reductions and will help us reach net zero faster.

Implementation strategy continued

Scope 3

Both our near term and long-term scope 3 targets are underpinned by various actions (Table 6). Operationally, our main source of scope 3 emissions is from purchased goods and services. Our primary operational action as part of our plan is to work with our suppliers to improve emissions data collection and reduce embodied carbon in purchased products. Our analysis of purchased goods and services emissions has allowed us to identify emissions hotspots and identify key suppliers with whom to engage. Supplier engagement has also been considered in the context of the suppliers where we can exert the most influence.

Supplier engagement will help with two aspects:

- 1 Enhancing the data we use to calculate emissions and providing a more accurate reflection of emissions from purchased goods and services. This will allow us to better understand our footprint and reflect upstream reductions achieved through other actions.
- 2 Working with suppliers to reduce the embodied carbon in purchased goods and services.

Other actions to reduce purchased goods and services include switching suppliers to lower carbon alternatives, looking for lower carbon components, designing products to have lower embedded carbon and enhancing the resource efficiency of existing components. Exploring the use of additive manufacturing and increasing the use of recycled materials in non-critical components are examples of specific actions we can take to reduce the embodied carbon in our products.

Emissions associated with the use of our products are also a significant contributor to our emissions. Our ambition to reduce use phase emissions will not only help us meet our reduction targets, but also help our customers to reduce their operational emissions. Operationally, we embed sustainable design into our new product introduction (NPI) process to make our products more resource efficient – such as designing products for standby mode, and educating our customers on how to use our products in the most efficient way. Most of our use phase emissions reductions will depend upon grid decarbonisation in the geographies where we sell our products.

Business travel accounts for 4% of overall emissions. Business travel is a key factor in the ability for Oxford Instruments to drive growth and is expected to continue as the business grows. Oxford Instruments has limited influence on decarbonisation in the travel industry; however, we can implement travel policies that aim to improve the carbon efficiency of business travel.

Our travel policy initiatives include, but are not limited to: taking the train for shorter distances, taking more direct flying routes, choosing airlines with more efficient aircraft.

Transportation emissions (both upstream and downstream) account for 3% of emissions. In our own operations, we are looking into transportation modal shift away from air freight where this is possible and where customer service and product quality will not be impacted. Where air freight is required, we are exploring options to transport our goods in aircraft using sustainable aviation fuel (SAF). There are also options for us to scope out the use of zero/low carbon transportation options from our transportation providers which we are in the process of evaluating.

Implementation strategy continued

Table 6: Proposed actions to reduce scope 3 emissions across Oxford Instruments

Scope 3 category	Lever	Implemented or planned activities
Category 1	 Industry decarbonisation	Grid decarbonisation will play a significant part in the decarbonisation of our upstream supply chain. In particular, the emissions intensity associated with aluminium and printed circuit boards (PCB) in our products is largely driven by high electricity usage.
	 Supplier engagement	We will continue to work with our key suppliers to collect and calculate emissions associated with our purchased materials. Enhancing the data we use to calculate emissions will more accurately reflect emissions from purchased goods and services. This will allow us to better understand our footprint and track upstream emissions reductions achieved through our actions. We will engage key suppliers to set reduction targets and scope out emissions reduction initiatives. We will also work with our suppliers to reduce embodied carbon in components in our purchased materials.
	 Product design	We will continue to look for opportunities to reduce embedded carbon in our products, through reducing component count and/or looking for lower carbon alternatives. Examples of actions in this area include exploring the use of additive manufacturing and using recycled materials in non-critical components.
Category 4	 Transport modal shift	We are investigating shifting some of our air freight to lower carbon modes of transport.
	 Supplier engagement	We are working with logistics providers to scope out lower carbon logistics products.
	 Supplier targets	Our logistics providers have targets in place to decarbonise their operations and activities.

Scope 3 category	Lever	Implemented or planned activities
Category 6	 Travel policies	Business travel is critical to our growth. We will implement policies around business travel to ensure that lower carbon methods of travel are considered in any travel plans.
Category 11	 Product design	Our NPI process considers sustainable design and resource efficiency of products. For example, the use of standby function in products reduces power consumption when the product is not in use. Resource efficiency is already a key consideration in our products and is a core value driver. Our actions to improve the efficiency of our products will not only help reduce our scope 3 emissions, but also enable our customers to reduce their operational emissions.
	 Industry decarbonisation	Our products are reliant upon electricity. As such, grid decarbonisation is key to reducing the emissions associated with the use of our products.
	 Customer engagement	We plan to engage with and educate our customers to help reduce our downstream emissions. This includes training them in how to use our products in the most efficient way possible. We will also look for and implement other customer education and engagement campaigns as opportunities arise.

Implementation strategy continued

We have modelled how, if implemented, the actions in tables 5 and 6 will reduce our baseline carbon emissions down to our target emissions (Figures 5, 6 and 7). We have assumed no other changes to our emissions profile and that emission reductions come from the actions outlined.

Our near-term reductions can be forecast with greater certainty than our long-term reductions. Nonetheless, all forecast reductions come with inherent uncertainty and risks, especially in relation to scope 3, given our limited ability to influence and control emissions beyond our own operations.

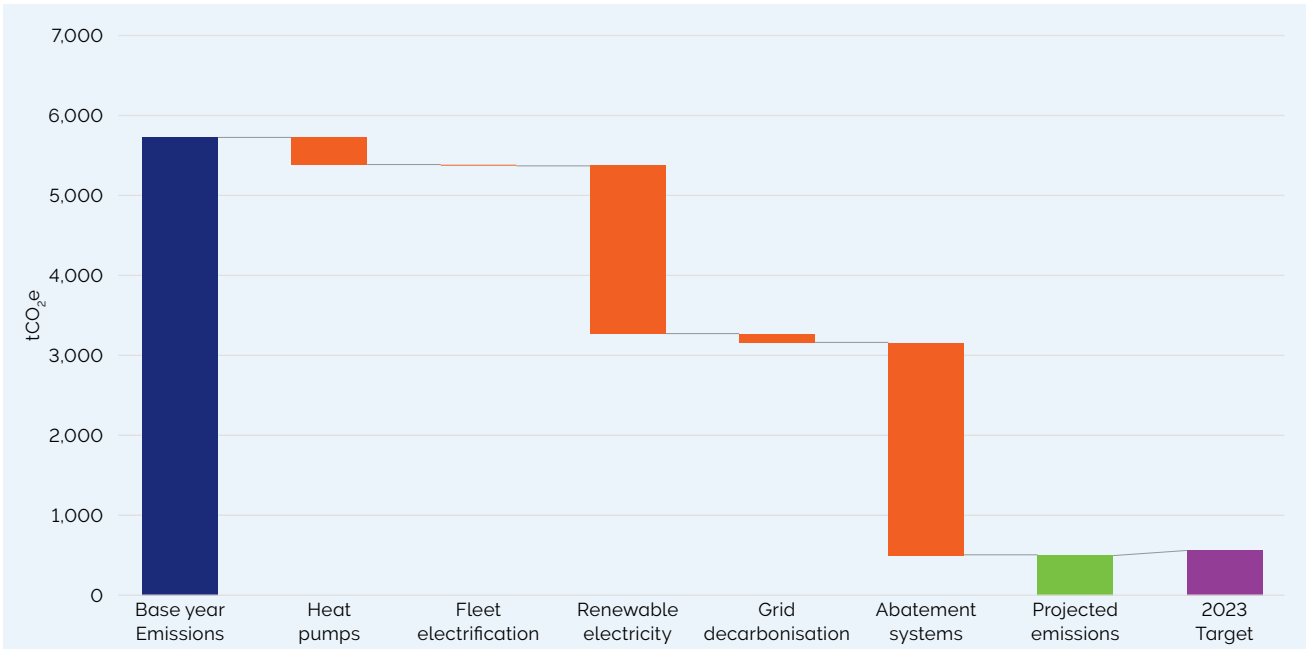


Figure 5:
Near-term waterfall of planned carbon reductions by category from scope 1 and 2 initiatives, from a 2024 baseline to 2030 target.

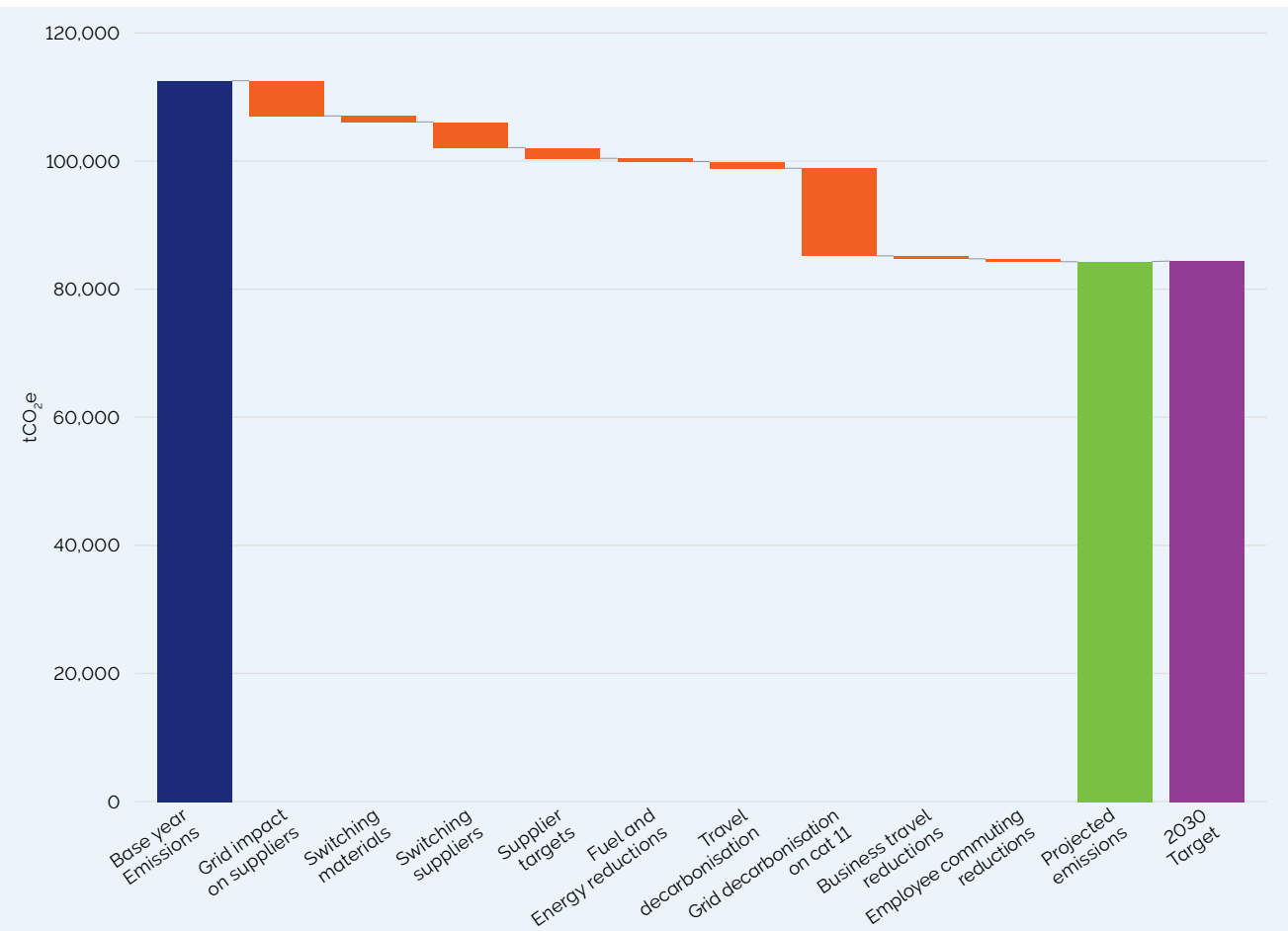


Figure 6:
Near-term waterfall of planned carbon reductions by category from scope 3 initiatives, from a baseline of FY23/24 to 2030 target.

Implementation strategy continued

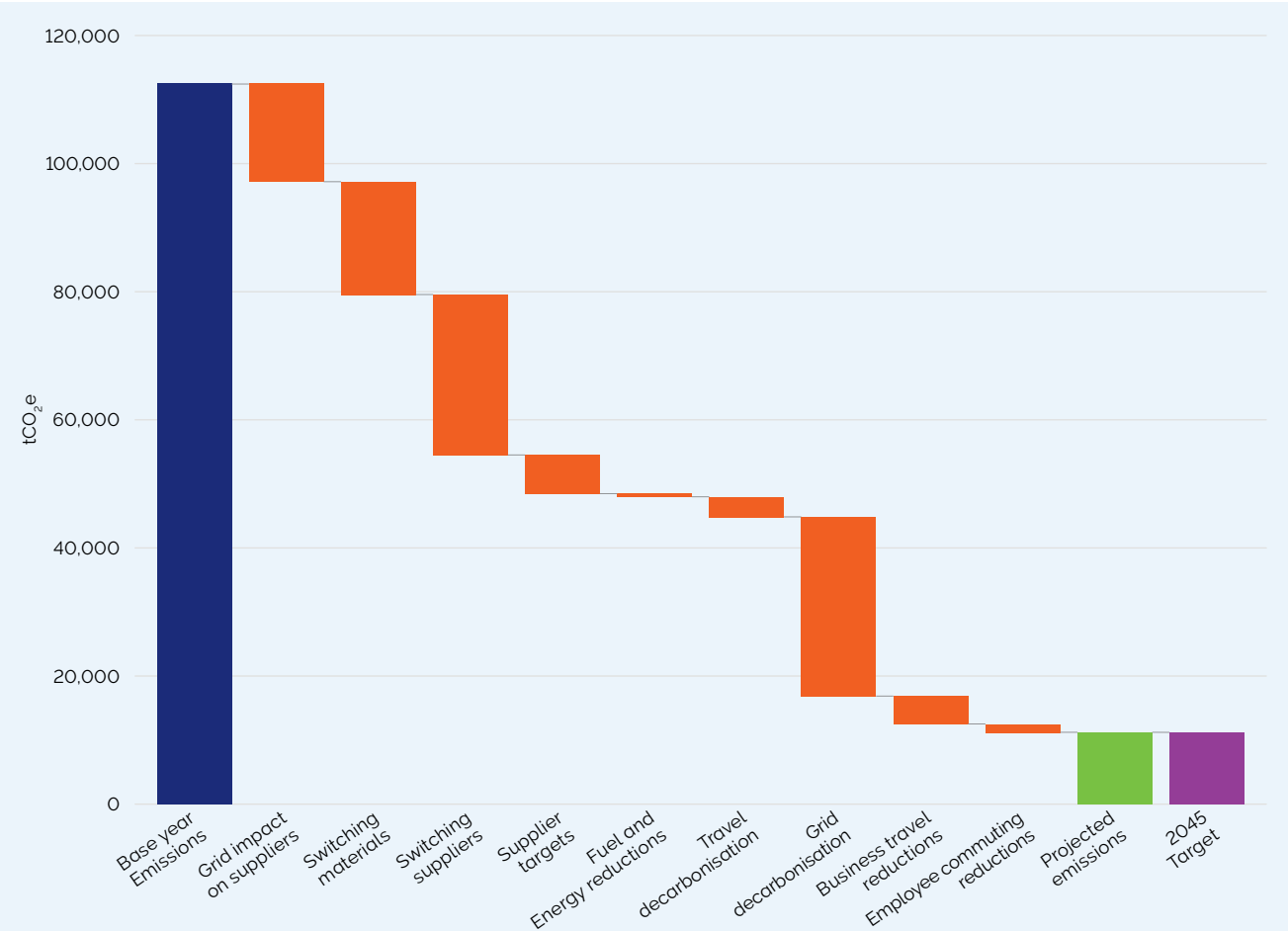


Figure 7:
Long-term waterfall of planned carbon reductions by category from scope 3 initiatives from a baseline of FY23/24 to a target of 2045.

Products and services

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. In developing our transition plan, we do not anticipate any changes to our product portfolio. 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 primary focus for scope 3 emissions reduction is supplier collaboration and product innovation. This enables us to influence both the emissions embedded in our products, and the emissions associated with the use of our products.

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.

Implementation strategy continued

Policies and conditions

Our policies establish the framework that we do business and set the expectations for our people and business partners to enable our successful transition to net zero.

There are three main policies that help embed sustainability into our business. All of our policies are communicated across the business and are expected to be upheld at all times.

- 1 Our Code of Conduct sets out our business wide expectations relating to Environmental protection, human rights, health and safety and bribery and corruption.
- 2 Our Environmental Policy sets out how we aim to minimise the environmental impact of our products and services.
- 3 Our Code of Conduct for Representatives and Suppliers also outlines our expectations for suppliers in relation to environmental issues.

Financial planning

To achieve our transition plan we need to allocate appropriate financing and investment. As the majority of the initiatives outlined within this plan are incorporated within our financial planning and annual budgeting, we have not yet quantified how the implementation of these activities will impact Oxford Instruments' financial position. All costs to implement this plan have been considered at the time the targets and actions were outlined. Some aspects of this plan, e.g. the procurement of renewable electricity, where price is dependent on availability, could result in unforeseen costs if demand outstrips supply; however, this is largely outside our control. Overall, we do not anticipate that the implementation of these initiatives will result in material unforeseen costs.

The transition to net zero presents some opportunities which can drive revenue growth or reduce business costs. These opportunities and their anticipated impacts on the Group have been outlined in our TCFD report.

In summary, the funding for our net zero commitment in the short to medium term is included in our current and planned capital expenditures and budget. However, medium to long-term projects may fall outside these existing capex plans and will require additional funding that has not yet been decided. We believe that the costs and revenue impacts stemming from our immediate actions to reduce emissions are aligned with our existing strategy and growth forecasts.

Engagement strategy





Engagement strategy

Engagement with value chain

Engagement with suppliers is a priority in our transition plan. Emissions related to our suppliers make up 63% of our scope 3 emissions. Consequently, reducing these emissions is critical for our ability to reach our near term and long-term targets.

Our Code of Conduct for Representatives and Suppliers outlines our expectations for suppliers in relation to environmental issues. This policy is communicated to suppliers through our procurement teams. We expect our suppliers to uphold this policy throughout the course of our relationship. Supplier compliance with our policies is monitored through our procurement team and their relationships with account managers. We also survey suppliers via a supplier questionnaire that monitors their adherence to our policies. Where suppliers are not compliant with our code of conduct, our first priority is to engage with the

supplier to identify why it is non-compliant and to provide guidance and resources to ensure compliance with our standards. Where supplier engagement is not successful, we may reconsider our business relationship with the supplier.

Oxford Instruments aims to engage with key suppliers to do the following:

- 1 Develop a better understanding of emissions embedded in our purchased goods and services: Through our scope 3 analysis, we have identified a priority list of suppliers to engage. We have targeted those suppliers where there is a substantial contribution to our emissions and where we have significant influence. Through engagement with suppliers, we hope to develop a better understanding of the emissions embedded in our products. This will also allow us to better reflect our actions taken to reduce upstream emissions.

- 2 Work with suppliers to look for lower carbon alternatives to reduce embodied carbon in our products. We will engage suppliers to ensure that we are purchasing the lowest embodied carbon materials possible whilst still maintaining the strict technical specifications for our components.

Engagement with industry

Oxford Instruments is part of two industry associations: GAMBICA (Trade association for Instrumentation, Control, Automation and Laboratory Technology) and MakeUK. Membership of these organisations primarily serves a strategic function – to facilitate engagement with industry and provide a platform to set out sector-specific responses to planned regulatory and policy changes. While sustainability is not the sole focus of our membership, these industry associations do facilitate greater sustainability through

the following channels: benchmarking of sustainability performance across the industry, updating of industry-specific regulations relating to sustainability, provision of training and guidance, platform for input on sector-specific responses to calls for evidence or consultation.

Engagement with government, public sector and civil society

Oxford Instruments does not typically engage directly with government departments or the public sector on issues relating to climate change. Any climate change-related engagement activities are normally conducted through industry associations where Oxford Instruments may add input as part of sector initiatives.

Metrics and targets





Metrics and targets

Our targets have been developed in alignment with the SBTi methodology and are considered science based. They are ambitious, getting us to net zero ahead of the UK government's pledge, and demonstrate our commitment to operating responsibly. The actions outlined in this plan have been designed to help us achieve our strategic ambition. All targets (Table 1) are absolute targets relative to a FY23/24 baseline and cover all emissions categories that are relevant to Oxford Instruments and have been measured as part of our baseline.

We will monitor progress against our targets by collecting emissions data regularly and will report on progress annually as part of our annual reporting cycle. Emissions methodologies will also be reviewed regularly to ensure accuracy. SBTi requires that science based targets are recalculated to reflect material changes in climate science and business context to ensure their continued relevance. SBTi stipulates that targets shall be reviewed, and if necessary, recalculated and revalidated every five years at a minimum.

We are committed to reporting our progress on our journey to net zero. Below is a summary of the key metrics that we use to track our progress toward net zero.

- 1 Absolute scopes 1, 2, 3 emissions in tCO₂e (market based and location based)
- 2 Scope 1 and 2 intensity ratio per £m turnover
- 3 Total energy consumption (kWh)
- 4 Renewable electricity percentage
- 5 Energy intensity ratio per £m turnover
- 6 Water withdrawal (m³)
- 7 Waste generation (tonnes)

The baseline year for our emissions was FY23/24. We will measure our emissions and track our progress going forward relative to this baseline. Our energy consumption and emissions data is measured and 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. Scope 1 and 2 emissions have been calculated using monthly measured data (e.g. fuel and electricity use) and the appropriate conversion factors in line with the GHG Protocol and SECR guidance. For scope 1 emissions, we have utilised emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023 (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 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.

Scope 3 emissions are calculated annually with 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, as required. 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.

Metrics and targets continued

Table 7: Oxford Instruments baseline emissions for FY23/24

	2024 (Baseline)		Group total
	UK	Global (exc. UK)	
GHG emissions (tCO ₂ e)			
Scope 1 fugitive emissions (tCO ₂ e)	1	1	2
Scope 1 process emissions (tCO ₂ e)	2,935	0	2,935
Scope 1 combustion emissions (tCO ₂ e)	372	51	423
Total scope 1 (tCO₂e)	3,308	52	3,360
Scope 2 location-based (tCO ₂ e)	2,315	803	3,118
Scope 2 market-based (tCO ₂ e)	1,715	647	2,362
Total scope 1 + 2 location-based (tCO₂e)	5,623	855	6,478
Total scope 1 + 2 market-based (tCO₂e)	5,023	699	5,722
Upstream scope 3 (tCO ₂ e)			81,023
Downstream scope 3 (tCO ₂ e)			31,371
Total scope 3 (tCO₂e)			112,394
Total scope 1, 2 & 3 location-based (tCO ₂ e)			118,872
Total scope 1, 2 & 3 market-based (tCO ₂ e)			118,116

Carbon credits

In line with the SBTi criteria, our Group targets and transition plan do not include the use of carbon offsets. The SBTi allows for the offset of up to 10% residual emissions to reach net zero. Whilst no such action is planned, we may use offsets to reduce our residual scope 1 and 2 emissions in 2030 and residual scope 3 emissions in 2045.

Governance



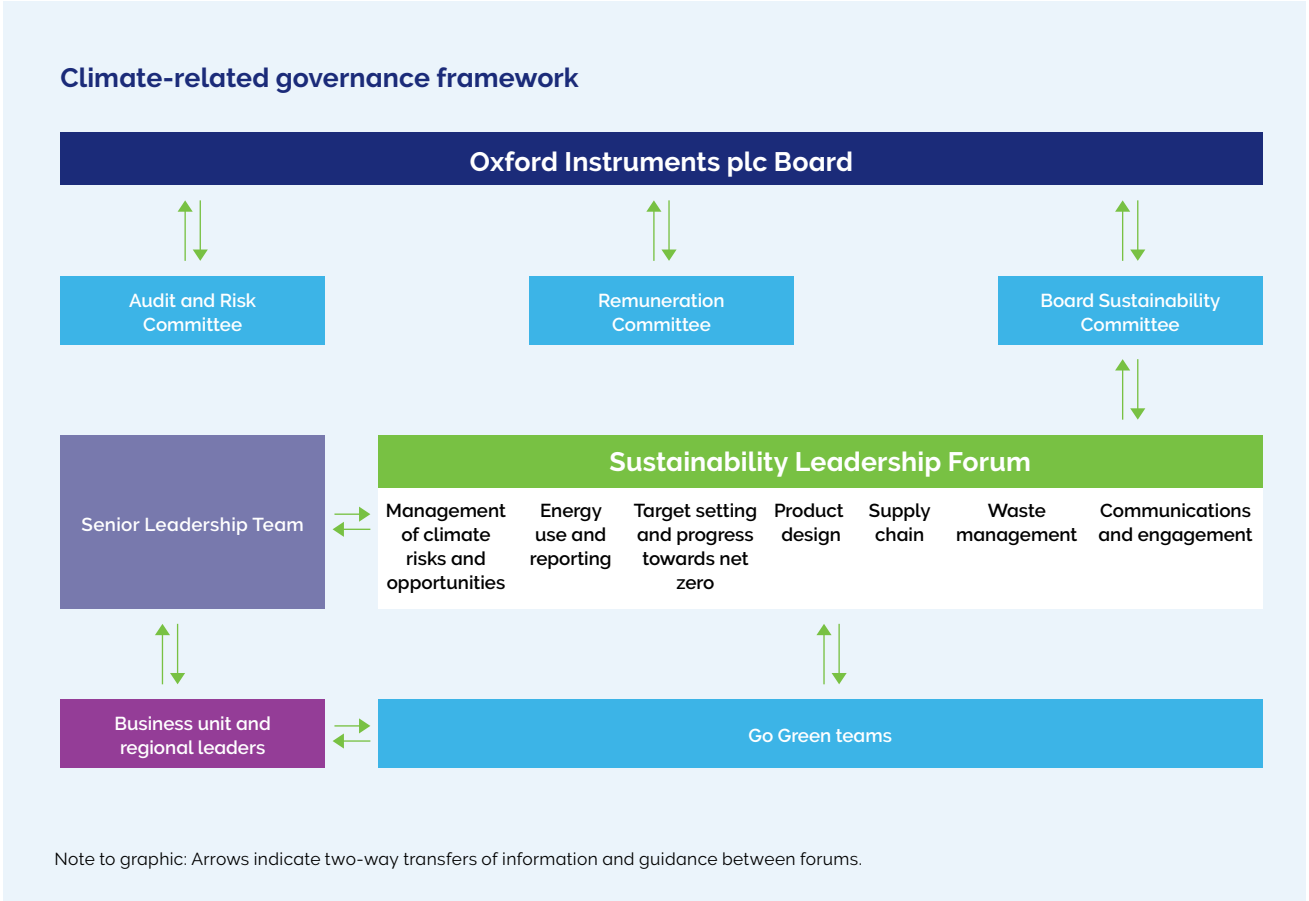


Governance

Board oversight and reporting

The Board of Directors has ultimate responsibility for the oversight of climate change-related issues (including this transition plan) 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 senior management of the business. 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 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 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 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.



Governance continued

Roles, responsibility and accountability

The SLF is a cross-functional forum, chaired by the Chief HR Officer, with a remit across the full spectrum of sustainability, including environment, social and governance. It holds responsibility for environmental issues at a management level, including climate-related risks and opportunities and the delivery of the Group's environmental strategy. Representatives of the SLF attend the 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, together with 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;
- 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. 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.

Culture

Environmental sustainability is embedded in our organisational purpose, to accelerate the breakthroughs that create a brighter future for our world, and in our values: we are innovative, inclusive, trusted and purposeful. We are committed to driving positive change. Through our purpose and values, climate change has become a fundamental aspect of our organisational culture and is embedded across the business. Our SLF plays a crucial role in fostering this culture and disseminating information throughout the business. Our employee-led Go Green initiative is a long-standing initiative that empowers employees to actively contribute toward our environmental objectives and promote sustainability. The scheme covers all our main sites internationally with the goal of improving sustainability performance.

Initiatives implemented through this group also help the Group to hit its net zero targets. A total of 14 highly engaged teams have now been set up, covering 24 sites. As well as delivering self-guided projects, teams have been given a workbook of suggested projects to work through, covering topics such as energy, waste, water and travel. Along with helping to identify larger site infrastructure projects, Go Green teams are driving behaviour change projects, helping to educate colleagues Group-wide to make environmentally conscious decisions both within the business and in their personal lives.

Governance continued

Incentives and remuneration

Sustainability objectives are incorporated into the long-term incentive awards for the group's Executive Directors. Delivery against our sustainability agenda is one of the key non-financial strategic objectives for the scheme. The emissions reduction element of the long-term incentive award for FY24/25 to FY26/27 is:

Make progress towards achieving our accelerated scope 1 and 2 net zero targets of 2030, by completing two of our site heating infrastructure projects. One project completed by the final year of the performance period (2026/27 financial year) (50% vesting) to two projects completed (100% vesting). Please see our most recent Annual Report for more information on how executive remuneration is linked to the achievement of this transition plan.

Skills, competencies and training

The Board receives regular updates on sustainability-related information which keeps its members informed of the evolving ESG landscape. Our external ESG consultant also provides the SLF with relevant information on sustainability issues that may impact the Group. This is relayed to the executive management and the Board in a timely manner in line with the relative importance of the information.

We are also upskilling our operational functions to embed sustainability thinking into decision making. An example of where we have already begun to do so is within our procurement function. As part of our upstream emissions reduction strategy, we have been upskilling our procurement teams to facilitate the engagement with suppliers to request emissions information and reduce supply chain emissions.



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