

Corporate Social Responsibility Report

Our approach

The Weir Group is a global organisation, working in sectors and industries that have a significant impact on human and natural resources. As an organisation, our core values include integrity, self-determination and valuing people. These values ensure we remain focused on meeting our responsibilities to our customers, suppliers, employees and shareholders, as well as to the communities where we work.

By ensuring that corporate social responsibility is an inherent part of leadership that crosses all boundaries in our organisation, we seek to combine business success with support for people, communities and the environment. We recognise that corporate social responsibility requires us first and foremost to listen to our external and internal customers in everything we do and to respond to their needs through the enduring excellence of our actions, policies and processes.

We involve and inform our employees as much as possible within regulatory constraints. Given the diverse nature and geographical spread of our operations, it would be inappropriate and impractical to apply uniform procedures group-wide and each company is therefore responsible for achieving and maintaining appropriate consultation and communication with its employees. We communicate generally with employees through the production and distribution on a regular basis of printed and electronic newspapers and bulletins for employees to promote awareness of current progress and developments within the Group.

The Group gives full and fair consideration to employment applications from disabled persons. Where an employee becomes disabled, arrangements are made wherever practicable to continue employment by identifying an available job suited to that person's capabilities and providing any necessary retraining. The Group's career development programme encourages disabled employees to reach their full potential.

Throughout 2007, the Group Operations Executive Committee reviewed the safety, quality and environmental performance against the objectives set for 2007. The primary concerns are to reduce accidents in the workplace and maintain high standards of environmental management in all of our activities.

In line with this philosophy, we pursue excellence through our global Environmental, Health and Safety Forums whose goal is to eliminate work-related injuries, prevent pollution, conserve resources, comply with regulatory requirements and improve performance. These forums annually review our performance in these areas, collect data, share best practice and plan for the coming year. In turn, these plans are disseminated and included within individual business plans throughout our operations. This ensures consistency in performance measurement and improvement activities. Forum members also perform cross company safety audits to identify practices that are working well and areas for improvement. Concern reports are used to track completion of corrective actions. During 2007, the Group held its first Global Environmental, Safety and Health Conference in Glasgow which brought together each of the local forums to identify best practice and plan the priorities for the coming year.

The Environmental Health and Safety Group Forum has been working toward all our major European operations achieving OHSAS 18001 accreditation by the end of 2008. OHSAS 18001 (Occupational Health Safety Assessment Series) was developed by the British Standards Institute as a health and safety management framework allowing organisations to ensure that they are consistently and accurately identifying hazards and risks within their organisation. Providing a platform for eliminating and managing these identified risks, the system supports the organisation to continually improve its products, people and process by fulfilling the overhanging safety policy that indicates the company's commitment and objectives. OHSAS 18001 offers a proactive approach to reducing accidents, near misses and other incidents year on year.

Employees

The root cause of 95% of accidents is as a result of behaviours. Conventional approaches to accident reduction will go some way to help achieve the business goal of reducing injuries in the workplace. However, to further reduce accident rates, a behavioural approach to safety must be adopted.

The Group has adopted a behavioural system known as SAFESTART which has been rolled out to all operations and all new employees are given this training as part of their induction. The Group is committed to maintain the profile of this programme throughout the Group as the key to its success is the involvement and understanding at all levels of the organisation.

The Group is committed to an accident free health and safety environment based on the belief that all accidents are preventable. The Group Operations Executive Committee drives this commitment through operations globally. The businesses record all near misses and injuries within their operations and these are analysed on a continuous basis to reduce the number of lost time accidents through improvement of the working environment.

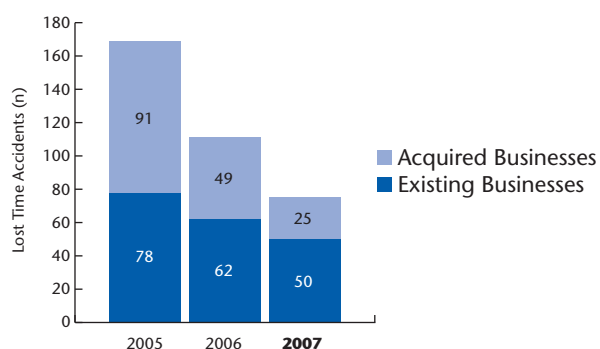
The Group's policy on health and safety requires that all our companies take a proactive responsible attitude to the protection of their employees health and safety. All companies carefully evaluate risks to personnel wherever they are working and take appropriate steps to minimise such risks. These include ensuring that project design engineers consider design factors that minimise or eliminate the risk of accidents to personnel during site installation and commissioning. All Group companies are required to comply with the legislation governing health and safety at work and to conduct regular formal health and safety reviews at plant and site level. These reviews are undertaken by nominated managers and employees to ensure that risks are properly evaluated, events leading to accidents are examined and appropriate remedial or avoidance action initiated and subsequently monitored. Formal reporting procedures have been implemented so that the safety performance of individual companies is monitored and peer-to-peer audits are conducted in order to provide a critical assessment of each company's performance.

The increased focus in this important issue includes full investigations of all accidents being carried out and reported at the Group Operations Executive Committee meetings.

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The key measure of safety performance is the number of lost time accidents (“LTAs”). The Group adopts a more stringent lost time measurement criterion than the industry norm of 3 days. The recorded LTAs use the Group definition of “incidents resulting in lost time of more than 4 hours”. The results for 2005, 2006 and 2007 are as follows:

Lost Time Accidents



The results for 2005, 2006 and 2007 reflect the considerable improvement which the Group's focus on safety has achieved during the period of review. Companies that were already owned by the Group at the start of 2005 were successful in reducing their lost time accidents by 19% in 2007. Companies which have been acquired by the Group in the same period include Weir Gabbioneta, our Saudi Arabian joint venture, Weir SPM and Weir Multiflo and we have used their historic prior to ownership records for the purposes of comparison. These companies combined reduced their lost time accidents by 49% in the year reflecting the considerable emphasis which the Group places on this area on any new acquisition.

The companies who have the highest numbers of accidents are audited by our insurers to ensure that proper systems and processes are in place. The reduction can also be attributed to improvements in education and training and adoption of Lean manufacturing principles. Near misses are also monitored to further improve the safety culture that is being engendered across the Group.

In November 2007, **Weir Services Alloa** were awarded the Opticon Contractor of the Year award for Health & Safety by ScottishPower. Opticon stands for Optimisation of Contractors, an accreditation scheme which recognises efforts in achieving added value through cooperation and sharing knowledge and experience. The award is in recognition of the completion of two major pump and valve/actuator outages at Longannet Power Station. Weir Services Alloa completed the contract working over 50,000 man hours on site with an Accident Frequency Rate and Total Reportable Incident Rate of zero. Through a process of close engagement involving ScottishPower staff and fellow Opticon contractors, the contract was completed without injury to personnel or damage to the environment.

Supplier relations

We recognise that our corporate social responsibility also reflects the way we behave towards our suppliers. The Group does not operate a standard policy in respect of payments to suppliers and each operating company is responsible for agreeing the terms and conditions under which business transactions are conducted, including the terms of payment. It is Group policy that payments to suppliers are made in accordance with the agreed terms. At 28 December 2007, the Group had an average of 61 days purchases outstanding in trade creditors.

Many Weir companies are collaborating closely with suppliers to address environmental considerations throughout the supply chain to our mutual benefit, particularly in areas such as raw materials, packaging and recycling.

Workplace



In December 2007, **Weir Minerals India** was honoured with the prestigious India Manufacturing Excellence Gold Award for Engineering facilities by Frost & Sullivan, a US based global growth consulting company. The awards for Engineering and other sectors aim to highlight the best facilities in India that have achieved and sustained manufacturing excellence. A stringent evaluation process including site visits is used to select award recipients, with factors being assessed including Safety and Environment, Supply Chain, Quality Systems and Operational Flexibility.

In 2007, **Weir Services Middle East** was given recognition as a “top tier supplier” by BP through the division's Baku service facility which manages BP's workshop and maintains their critical rotating equipment assets in the Caspian. This is a reflection of the working relationship with BP which has led them to expand the breadth of the contract to include spares procurement and additional asset management.

Environment

- The Group is committed to the protection of the environment in which all its companies operate.
- Each Weir company will comply with the relevant regulatory requirements applicable to its business.
- Each Weir company will ensure that it is seen to be a good citizen in the community in which it operates and adopt practices aimed at minimising the environmental impact of its operations.

Maintenance of the Group's environmental policy is the responsibility of the Group Operations Executive Committee, while its implementation is the responsibility of divisional managing directors. Each Weir division is required to report on environmental performance and maintain environmental management practices.

The Group policy is that all its operations will be ISO 14001 accredited. ISO 14001 is an internationally recognised specification for an effective structured environmental management system which helps organisations achieve environmental and economic goals as well as assisting in the implementation of environmental policy. An ISO 14001 accredited environmental management system provides our customers, employees and shareholders with the assurance that our environmental performance meets and will continue to meet our legal and environmental policy requirements. Through the Group Environmental, Health and Safety Forums, all new businesses are brought into line with best practice in the implementation of ISO 14001. In addition, the Forums are a useful arena to allow local and international environmental legislative developments to be monitored before they become law. This proactive approach allows us to conform with future environmental legislation before laws are passed by voluntarily taking action on specific issues.

As part of our integrated commitment to ISO 14001 accreditation, we have a rolling programme as part of our 100 day integration plan which we put in place in relation to any new business unit. During 2007, Weir Valves & Controls China, Weir Services in Saudi Arabia, Abu Dhabi, India and Malaysia, plus service centres in Grand Prairie, Canada and Wollongong, Australia and the Minerals South African Rustenberg Service Centre all achieved ISO 14001 accreditation. It is expected that our only other non-compliant companies, Weir Gabbioneta, Weir Minerals China, Weir SPM and Weir Multiflo, will achieve full compliance in 2008.

Environmental performance

The Group policy is to minimise its environmental impact and any environmental incidents are reported to the Group Operations Executive Committee on a monthly basis. The definition of a reportable incident is:

"Any incident which involves the accidental release, emission or discharge of contaminants to air, water or land and requires outside resources to control or is required to be reported to a regulatory agency."

In 2007, there were no environmental incidents at any of the Group operations.

As all our businesses have an objective of continuous improvement, our environmental initiatives focus on minimising waste generation, preventing pollution and reducing energy consumption.

Weir Minerals South America runs free bus services from each of the towns surrounding its factory for all staff, thus reducing pollution by reducing car usage and also congestion.

Community and educational

During the year, Group companies were involved in numerous community, social and cultural initiatives, many of which were nominated and driven by our employees. We also participate in a range of educational and training initiatives.

Weir Services Australia sponsors two engineering Scholarships at the University of New South Wales. Undergraduate Materials Science students are selected by an interview panel (academics and Weir personnel) to receive a scholarship over four years to assist in their studies. The students are offered vocational employment for 12 weeks per year to obtain practical experience. The scholarship programme allows Weir to contribute to the ever-diminishing pool of future scientists. In addition, Weir Minerals Australia has an employee from the R&D section in Group Technology who is currently being sponsored for a PhD at University of Technology, Sydney in the study of erosion wear resistant white cast irons. Weir Minerals Australia also sponsors a PhD student and a Post Doctorate Fellow who are working on a research programme at the University of Alberta, Edmonton, Canada. This is close to the huge Oil Sands Mineral process plants. The Oil Sands Mines have estimated operating lives of hundreds of years and are heavy users of large slurry pumps for hydro transport and mineral processing. They also sponsor a research programme at the University of Akron, USA into a study of wear fundamentals of elastomeric materials over the next three to four years.

Weir Minerals South America sponsors a chair at the University School of Engineering to support a professor in the Structural and Seismic Isolation discipline. They also sponsor a chair at the University School of Metallurgical Engineering to support a professor in the Metallurgical and Mining discipline. The managing director sits as a board member of the Education and Capacitating National Enterprises Organisation, which is responsible for several schools for low income students and provides further education to enable students to get a technical speciality qualification.

Employees from **Weir Services Alcoa** are actively involved with local Glasgow, South Lanarkshire and East Renfrewshire schools on issues such as school placement requests and career talks. They have also provided employees for IMechE Mentoring, a scheme which provides mentoring for the Institute of Mechanical Engineers and involves advice and lectures to undergraduates.

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During December 2007, the staff at **Weir Minerals South America Peru** took gifts to two local underprivileged communities at Newmont Yanacocha and La Laguna.



Weir Minerals South America have a variety of initiatives including charity donations inside the San Bernardo community. The staff of the Chile Plant in San Bernardo help tidy and prepare the company football stadium for the surrounding neighbourhood and their children and also put together a Soccer School.



Weir Minerals South America also organised an Open Day for the families of employees to come to work to find out more about the company's products, how they are used in the mining industry and how their parents contribute to the Group in their daily functions.

Weir Minerals India has adopted a small school and volunteers visit the school at least once a month, spending time with the children and helping them.

The company also has several workplace initiatives namely:

- Comprehensive Sexual, Reproductive Health & HIV/AIDS Programme;
- Preventative health-care education; and
- Health education about, among others, lifestyle, diseases, and de-stressing.

Under community outreach initiatives, Weir Minerals India has identified beneficiaries such as childrens homes and schools, and is planning to provide educational support, health education and career mentoring.

In 2007, **Weir Services Alloa** entered a team of three for a 30 mile cycle and 45 mile walk along Scotland's Great Glen for Maggie Monster Bike and Hike. The task, completed in 20 hours, raised money for Maggie's Cancer Centres. In addition, several staff and customers of Weir Services Alloa and Cathcart entered a charity white water rafting event for Chest, Heart and Stroke Scotland.



Weir SPM, Fort Worth employees donated personal care items and a cash donation for families in need in their local community. The photograph shows members of the Weir SPM Charity Committee giving the donations to a member of the White Settlement Community Services group.