

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. In addition, policies, procedures and information are also available on the Group intranet.

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. The Group has a human rights policy applicable to all employees throughout the Group, details of which are available on the Group website.

Our people

Safety

Throughout 2008, the Group Operations Executive Committee reviewed the safety, quality and environmental performance of individual companies against the objectives set for 2008. 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 2008, the Group held a Global Environmental, Safety and Health Conference, which brought together each of the local forums to identify best practice and plan the priorities for the coming year.

As indicated in last year's report, all our operations have over the past year been working toward achieving OHSAS 18001 accreditation. To date all our major sites have achieved this with the exception that our new acquisitions and some smaller businesses will not complete the process until 2010. 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 overarching safety policy that indicates the Group's commitment and objectives. OHSAS 18001 offers a proactive approach to reducing accidents, near misses and other incidents year on year.

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 success of this programme throughout the Group is the involvement and understanding at all levels of the organisation.

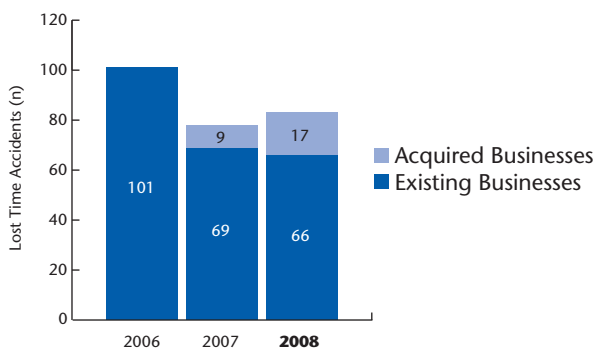
The Group is committed to an accident free health and safety environment based on the belief that all accidents are preventable. The Group Operations Executive Committee drives this commitment through operations globally. The businesses record all near misses and injuries within their operations and 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 local 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 on a monthly basis.

Lost time accidents

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 three days. The recorded LTAs use the Group definition of “incidents resulting in lost time of more than four hours”. The results for 2006, 2007 and 2008 are as follows:



The prior year comparatives have been restated to take account of disposals, and the acquired businesses include Weir Mesa, Weir SOS and Weir Warman Africa.

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

Employee development

We recognise that people are vital to the success of our business. Training and development play a major part in improving businesses and retaining employees by developing the skills required for career advancement and business process improvements. Training and development is managed either on a Group or company basis. Group programmes include induction, high potential leadership and managing director development. The induction training provides awareness training on the Group standard procedures and processes and senior managers attend one of these courses within a short period of joining the Group. The leadership courses are run for the Group’s current and future leaders.

The principal aims of these courses are to provide:

- personal development;
- exposure to different disciplines;
- cultural integration; and
- networking across all disciplines and operations.

The courses are aimed at developing existing and future managing directors and senior managers from across the Group to help them achieve their maximum potential.

To ensure the development and advancement of our employees the Weir Personal Development Profile analyses employee performance and enables employees to receive the most relevant and tailored training to match their specific skills and needs.

Our achievements

Weir Minerals Europe was honoured with the Queen’s Award for Enterprise: International Trade 2008. The award was announced in April, when managing director Kevin Spencer attended a special event announcing the year’s winners in London. In July, Kevin Spencer and Nigel Halstead, an employee with 42 years service, attended a reception for this year’s 78 winners hosted by H.M. The Queen at Buckingham Palace. During the year Weir Minerals Europe was also presented with the Most Improved Facility Award by Mark Selway.

In 2008, **Weir Minerals India** was commended in the Confederation of Indian Industry and Export-Import Bank of India awards for Business Excellence. The awards encourage organisations to strengthen their management systems, practices and capabilities to enhance and sustain competitiveness.

The company also received a top award in the manufacturing category at the 2008 Confederation of Indian Industry 5S Excellence Awards, for organisations following best practice in housekeeping.



In November 2008, The Hon. Julia Gillard MP, the Australian Deputy Prime Minister, announced the winners of the Australian Government’s Training Awards 2008. **Weir Minerals Australia** won the prestigious Employer of the Year award. The Australian Training Awards are the national awards for vocational education and training, recognising innovation and excellence in the training sector. The awards are the culmination of state and territory awards with winners from each state and territory competing in the national finals. The conclusion of the judges was that Weir Minerals Australia “provides training opportunities to all employees to improve their skills and enable them to thrive in the challenging environment of manufacturing.” The company employs a total of 24 apprentices, eight of whom were recruited in 2008.

Corporate Social Responsibility Report (Continued)

Our suppliers

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 26 December 2008, the Group had an average of 74 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.

Environment

Environmental policy

- 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 2008, Weir Minerals China and Weir Gabbioneta achieved ISO 14001 accreditation. It is expected that our only other non-compliant companies, Weir SPM, Weir Multiflo, Weir Warman Africa, Weir SOS and Weir Mesa, will achieve full compliance in 2009.

Environmental impact

The Group is committed to identifying and assessing the environmental impact of its operations. We seek to reduce the impact on the environment to the lowest practical levels and with each investment in capital expenditure within our facilities ensure that best practice in environmental terms is followed. At board level, the chief executive has specific responsibility for the development of policy and management systems. Responsibility for environmental matters in each operating division is delegated to the divisional managing directors who report to the Group Operations Executive Committee on a monthly basis on environmental incidents.

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 2008, there were no environmental incidents at any of the Group operations.

Our operations, through their Environmental Management Systems, which are in place as part of their ISO 14001 compliance, have an objective of continuous improvement, focussing on minimising waste generation, preventing pollution and reducing energy consumption. All acquisitions are subject to appropriate environmental due diligence and achievement of ISO 14001 is part of the integration plan.

The Group is currently undertaking work to put in place common measures which allow us to monitor and establish targets for improvements in our carbon footprint going forward. We anticipate being in a position to provide accurate data on existing usage and establish our improvement plans during the course of 2009.

Significant progress has been made on the minimising and recycling of waste. As a manufacturing Group, the focus is on raw materials together with residual waste and any opportunity to reuse or recycle makes economic sense.

Weir Minerals Europe has invested in a chromite separator, which once commissioned will allow it to remove chromite sand from the sand reclamation plant. This will have the effect of reducing chromite sand purchases by 50% in the long-term and reducing the quantity of sand sent to landfill. In the past 12 months over 165 tonnes of swarf has been reclaimed and used in the melting process, reducing the consumption of rare and expensive alloys. In addition, a further 250 tonnes of metal has been reclaimed from their foundry by improved work practices, further improving the sustainability of the process.

Weir Minerals Australia's Henderson facility has put in place improvements to ensure that no waste water leaves the facility, with the exception of waste water from the bathrooms and kitchens. The perimeter of the facility has a series of storm water drains built in, which run into a number of large soak wells where

the rainwater that falls on the facility is captured. In addition, separator units, drain guards and spill kits are used to ensure no oil or debris goes into the soak wells. The water in the soak wells slowly seeps back into the surrounding soil, removing the need for local council storm water connection.

In late 2008, **Weir Minerals Australia's** Somersby Service Centre moved to a new facility in Beresfield. The facility is aiming to be a world class service centre and as part of this process has installed a fully enclosed paint booth for painting of refurbished equipment. The booth ensures that no volatile organic compounds are emitted to the atmosphere and also contains baffles to minimise noise pollution.

Environmental improvements

Research and development has a vital role to play in meeting our corporate social responsibilities. The development of new products that are more environmentally benign in both manufacture and operation and the substitution of harmful materials offer competitive advantage to ourselves and to our customers.

We recognise that many of our products are themselves contributors to environmental protection in critical areas such as power generation, nuclear handling and subsea oil and gas exploration. We are, therefore, investing in research and development to continuously improve their performance.

2009 will see ongoing investment in design, research and development in which our corporate social responsibility and business objectives are closely aligned.

Our community

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



Weir Minerals Brasil is supporting Aquarel, an initiative founded in 1996 to help disadvantaged children and teenagers in the community adjacent to the company's manufacturing facility. Last year over 100 employees volunteered to repair walls, carry out roof maintenance and paint internal and external areas.



Weir Minerals Netherlands celebrated a milestone in its history in 2008 with the supply of the 1,000th Geho piston diaphragm pump. This pump was installed at the Coral Bay Nickel plant in Rio Tuba, on the island of Palawan in the Philippines and was officially inaugurated during a celebration weekend in June. As a result of the existing relationship between the mineral processing plant of Rio Tuba and the local community, Weir Minerals Netherlands is sponsoring on an ongoing basis the Rio Tuba South Elementary school.

The company also funded improvements to the current school building and supplied additional class room furniture and educational materials.



Weir Power & Industrial Alloa made a number of donations to Seamab House School, a local residential primary school offering year round education and care in a nurturing, therapeutic environment for children with severe social, emotional or behavioural difficulties.

The company also assisted the fund raising efforts of the Fire and Rescue Services Central Scotland and supported a benefit dinner in aid of the families of the Alloa Fire Brigade who had suffered as a result of a serious accident, where an officer lost his life and several others were seriously injured. Additionally, the employees donated a sum of money that was matched by the company.

Corporate Social Responsibility Report (Continued)

Weir Minerals Africa made donations to the Tembisa Child and Family Welfare for use in providing for children in their care and the Tembisa Self Help Association for the Disabled.

According to UNAIDS, the Joint United Nations Programme on HIV/AIDS, almost one in five adults and 280,000 children are living with HIV in South Africa. Weir Minerals Africa put together a team of volunteers who have undergone training in the counselling and education of fellow employees and various roadshows have been held for all employees on the dangers of the HIV/AIDS virus. In addition, support is given to the Tembisa Orphanage to help look after a number of HIV/AIDS babies. Weir Minerals Africa also offers financial assistance towards the education of many of the children of employees

For the past 21 years, **Weir Minerals Australia** has sponsored the Design and Build competition held by the National Committee on Engineering Design. The competition is open to first and second year students in mechanical engineering from Australia, New Zealand and the Asia Pacific Region. In 2008, the winners were the University of Adelaide with their mechatronic vehicles using microprocessor control and electronic sensing.



Community support under two projects, We @ Weir and Weir 4 U, is given by all the employees of **Weir Minerals India**. We @ Weir focuses on workplace initiatives involving employees and their family members and Weir 4 U focuses on community outreach programmes in the community. Employees opt to associate with either one or both of the groups. Two beneficiaries have been identified in the community, namely disadvantaged youngsters studying in the Government Industrial Training Institutes and children attending the Samparka Shale or Transition Schools as part of the Government National Child Labour Eradication Programme. Over the last eleven months, there have been many activities coordinated by different employee volunteers relating to health, education and skill enhancement. The volunteers have also made regular school visits as mentors to the children in the Training Institutes and offer encouragement to carry on their education and aspire for higher goals. A voluntary employee salary contribution fund was set up in April 2008 which makes monthly contributions to the Paraspara Trust to support the salaries of the staff in the two schools. This fund also supports the various needs of the children.



Weir Minerals Chile is supporting Ignacio Carrera Pinto School in the local neighbourhood. In November 2008, three teams of employee volunteers painted the interior and exterior walls of the school, refurbished the communal areas, crushed stone to cover the areas of access to the playground and classrooms. In addition, the company provided financial support to the Engineering Departments of two local universities.



Weir Minerals Latin America has been running a project to help the children of the Jesus de Nazareth School in Manchay, Peru. Manchay, which adjoins the city of Lima, is an area of extreme poverty with no running water or sewage system and little electricity.

The project involves funding repairs at the school to improve the classroom lighting, upgrade the kitchen and bathroom facilities and improve the classrooms. The company has also sponsored craft workshops for the parents and children.