

# Corporate responsibility report

The Weir Group's sustainability approach involves applying our core values – integrity, valuing people, innovation and collaboration – to the way we run our business. This means continuous progress in achieving the highest standards of safety; treating our employees, suppliers and the communities in which we work as long-term partners and considering the environmental impact of every aspect of what we do.

The areas highlighted in this report namely policy, the community in which we operate, our people, the environment and our supply chain reflect the priorities of the Group in 2009. In 2010, the Group is undertaking a review of our corporate responsibility and sustainability activities, the results of which will be reported through our website and in the 2010 annual report.

## Group policies

The Group maintains a number of corporate responsibility policies which are reviewed regularly by the Board and are published on the Company's website.

### Corporate ethics policy

The aim of this policy is to communicate to our customers, suppliers, investors, employees and the communities in which we operate, the ethical and social values we respect and our commitment to uphold human rights. By promoting sound ethical values and human rights principles, we aim to be an aspiring business for people to join.

### Human rights principles

The Group is dedicated to the adoption of internationally recognised human rights standards in its global operations. The international sources of law upon which our human rights standards are based aim to ensure a consistent world-wide adoption of the principles throughout the Group. Each operating entity may retain its own human rights policy or statement, provided such a document incorporates the principles of the Group's policy and has received the prior approval of the chief executive.

### Anti discriminative attitudes and respect for ethical values

All Weir employees should conduct themselves in accordance with the highest ethical standards. Our aim is to ensure that no discrimination is practiced within the Weir Group. We have adopted an "equality for all" policy to prevent discrimination in hiring, compensation, promotion, training, termination or retirement based on race, caste, colour, national origin, sex, age, religion, disability, veterans status (United States), marital status, actual or perceived sexual orientation, employment status or political affiliation. In some countries this policy may be modified by national legal requirements on affirmative action. Our aim is to ensure that Weir employees are able to work in an environment free of physical, psychological or verbal abuse, the threat of abuse and sexual or other harassment and, accordingly, these are prohibited.

*Weir Oil & Gas UK helped raise money for charity through various activities including sponsoring a climb of Mount Kilimanjaro.*



Corporate responsibility report (continued)

Community

Community initiatives

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. Examples of these are shown in this report.

In 2009, **Weir Minerals Floway** sponsored six students on a week long engineering camp run by the Lyles College of Engineering at California State University, Fresno, USA. The programme aims to educate girls aged 15 to 18 on the benefits and varied aspects of a profession in engineering. A presentation was also given to students at the Floway facility.



**Weir Minerals Peru**, through its corporate responsibility programme, helped build a dining hall for local children aged between three and five years at Manchay. The company also donated office furniture and helped organise a Christmas party in Granja Villa where the children received donated toys.

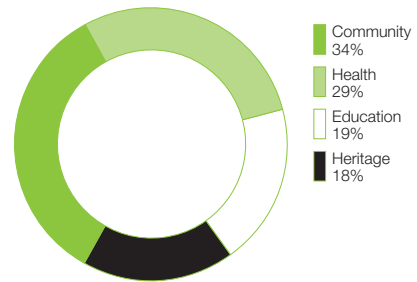


In response to the devastating floods that hit North Karnataka in October 2009, **Weir Minerals India**, under its community support project, contributed towards the construction of pre-fabricated houses in Bagalkote, one of the worst hit districts. This was facilitated through the Government's partnership programme with local companies and helped in the rehabilitation of around 975 families.



Charitable contributions

The total charitable contributions of Group companies made during the year was £252,000 (2008: £234,000), as shown below:



The Group's code of conduct prohibits political contributions and therefore no political donations were made during the period.

## People

### Managing safety

Maintaining a consistently safe and healthy workplace for our people requires effective, proactive management. We operate a global network of Environmental, Health and Safety Forums that share knowledge and experience between plants with the aim of ensuring consistently high standards of safety across the Group and eliminating work-related injuries, preventing pollution, conserving resources, complying with regulatory requirements and improving performance.

### The core elements of our approach to safety are:

- emphasis on the importance of behaviour by encouraging a culture of safety at all locations
- improving communications and sharing best practice throughout the Group
- the active involvement of senior executives in promoting safety
- the auditing of safety and loss control programmes

All our operations have over the past year been working toward achieving OHSAS 18001 (Occupational Health Safety Assessment Series) accreditation. To date, all our major sites have achieved this with the exception that our most recent acquisitions and some smaller businesses will not complete the process until 2010. OHSAS 18001 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 processes. OHSAS 18001 offers a proactive approach to reducing accidents, near misses and other incidents year on year.

The Group is committed to an accident free health and safety environment based on the belief that all accidents are preventable. The Group 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 on this important issue includes full investigations of all accidents being carried out and reported at the Group Executive Committee meetings on a monthly basis.

### Projects and activities

The driving force behind our performance continues to be our emphasis on behaviour, networking and sharing best practice and the active involvement of senior management to promote and audit safety programmes.

### Our network safety committees focused on a number of activities this year, including:

- Group-wide training and behavioural auditing
- continued development of policies and procedures
- recognising and rewarding outstanding safety performance through award schemes

Corporate responsibility  
report (continued)

People  
(continued)

**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
- 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.

**Weir Minerals India,** partnered with healthcare and micro-health insurance providers, conducted health camps for children rescued from child labour and their families. In October and November 2009, around 500 families benefited from such camps.



**Weir Minerals Brasil** is involved with a project which supports 190 children and teenagers who live in the local community. The focus of the project's activities in 2009 was recycling and reuse. Throughout the year, talks were given to the children with the focus being on the importance of protecting the environment and recycling products.



## Environment

### Overview

All our locations fully integrate environmental management into their operational systems and procedures. The Group's proactive approach ensures that these processes reduce our environmental impact year on year. Our three most significant environmental impacts are, in order of magnitude, energy use, water use and hazardous and non-hazardous solid waste production.

Each company in the Group is required to continuously improve its environmental performance and management practices. During 2009, the Group has been making improvements to its data collection and has been working towards establishing targets for improvements in all areas of our environmental impact with a view to having these published in 2011.

The Group is committed to the protection of the environment in all the countries in which its companies operate.

Each Weir company will comply with the relevant regulatory requirements applicable to its business.

Each Weir company will ensure that it acts as a good citizen in the community in which it operates and adopt practices aimed at minimising the environmental impact of its operations.

### Environmental policy

Maintenance of the Group's environmental policy is the responsibility of the Group Executive Committee, while its implementation is the responsibility of the divisional managing directors.

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 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 2009, Weir SPM, Weir Warman Africa and Weir Multiflo achieved ISO 14001 accreditation. It is expected that Weir SOS and Weir Mesa will achieve full compliance in 2010.

### Environmental improvements

As part of the Group's commitment to continual improvement, during 2009 the Minerals Division established an Environmental Improvement Team whose objective is to share best practice in environmental management. The global team aims to implement and maintain three active environmental improvement projects at each participating site, adding new projects as each is completed. The regions represented by the team are Europe, North America, South America, Australia, Africa and China.

Initiatives to improve the environmental performance of our operations include energy and water efficiency, raw material efficiency, waste minimisation and resource recovery projects.

In addition, many Weir companies collaborate with suppliers to address environmental considerations throughout the supply chain to our mutual benefit, particularly in areas such as raw materials, packaging and recycling.

We focus our improvement efforts on the areas that have the most environmental and financial impact.

Corporate responsibility  
report (continued)

Environment  
(continued)

In the area of recycling, examples of improvements that our operations have been working on in 2009 include:

**Peru** Weir Minerals extended its existing wood recycling programme to include used plastics, which are donated to a charity (Fundades), who in turn sell it to pay for scholarships for local children.

**Chile** The foundry at Weir Minerals uses only scrap metal recovered from local manufacturers and metal shops and metal from scrap components bought back from local mines after their usage is complete.

**US** Weir Lewis introduced a Single Stream Recycling programme throughout the facility.  
Weir Minerals North America installed a 10,000 gallon reserve tank in the test lab to recycle water instead of having to use fresh water.

**UK** Improvements at Power & Industrial UK have focused on:

- The installation of a mechanical reclamation unit introduced to recycle blast grit.
- The general improvement on segregation of waste for recycling across the division.
- The recycling of aluminium drinks cans, paper and plastic at several sites.
- Encouraging all centres to use second hand pallets.

At Oil & Gas UK, packaging within their facility is monitored on a monthly basis and recorded as part of their environmental improvement plan. The business is targeting a 5% reduction in waste going to landfill by the end of 2010. They have also introduced initiatives including use of a third party recycling company and installing metal scrap collecting hoppers and waste bins to maximise metal scrap coming out of the machine shop for onward recycling. In addition, a waste oil recycling system was built within the facility, equipment wash-down and hydro test water is recycled and colour coded bins and skips are used for recycling.

**Australia** In 2009, Weir Minerals has more than doubled the percentage of waste recycled on site. Improvements include recycling of timber waste for landscape mulch, capture of swarf from the machine shop and recovery of metal waste for re-use in the foundry. A major project is underway to improve the recycling of used foundry sand in construction products.

**Weir Minerals Australia** worked together with the local Community Environment Network in 2009 to gain a grant from the National Parks and Wildlife Service for the regeneration of the creek area surrounding its facility in Somersby. The grant was to preserve the creek's wildlife corridor which contains both endangered flora and fauna. In addition, educational programmes were provided for employees and the local community.



## Environment (continued)

Research and development has a vital role to play in meeting our corporate 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 continue to invest in research and development to improve their performance.

2010 will see ongoing investment in design, research and development in which our corporate responsibility and business objectives are closely aligned.

## Supply chain

The Weir Group sources components, materials and services on a world-wide basis. Our suppliers are an integral part of the Group's business. Relationships with all suppliers are built on total quality practices and principles to achieve best performance, product, delivery, service and total cost.

We recognise that our supply chain activities have a broad impact and that our responsibilities extend beyond our own operations and into those of our suppliers. The Group has, therefore, adopted a Supply Chain Policy to ensure that suppliers to the Group comply with or exceed certain standards in connection with their workforce, legal compliance, health and safety, business ethics and environmental standards. Our key supplier partners are expected to either have accreditation to OHSAS 18001 and ISO 14001 or be able to demonstrate a plan to achieve it within a reasonable amount of time.

We recognise that our corporate 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 1 January 2010, the Group had an average of 71 days purchases outstanding in trade creditors.

The sulphur pumps produced by **Weir Minerals Lewis Pumps** in Missouri, USA, are used in various industrial and manufacturing processes to reduce pollution. For instance, Lewis molten sulphur and sulphuric acid pumps are part of two types of acid production. Both of these reduce pollution: sulphur burning specifically to make acid, which does not involve burning carbon and therefore no carbon dioxide is produced and acid made from sulphur dioxide produced as a byproduct of smelting sulfide ores. Sulphur pumps are also used in removing sulphur from petroleum in refineries, which helps reduce atmospheric sulphur dioxide.

**Weir Minerals Hazleton** in Pennsylvania, USA, participates in the Voluntary Protection Program (VPP) run by the Occupational Safety and Health Administration (OSHA) of the United States Department of Labor. VPP sites are audited on a regular basis on specific safety and health criteria above and beyond standard regulation. Employees from Weir Minerals Hazleton are certified to this standard.

The OSHA also runs a mentoring programme in which current VPP sites can mentor potential VPP sites to improve their safety and health management systems. Weir Minerals Hazleton is involved in this process and is currently mentoring a local supplier to prepare them for their first audit. This has involved site visits and sharing best practice.