ANNUAL REPORT 2023

WEIR

Mining technology for a sustainable future.

Our purpose

We are here to enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world.

2023 Highlights

Orders[1]

£2,585m

0%[2]

Revenue[1]

£2,636m

+9%[2]

Adjusted profit before tax[1, 3]

£411m

+18%

Statutory profit after tax

£229m

+7%

Total incident rate[1,4]

0.42

0.41 in 2022

Revenues from new solutions[1,5]

£154m

+48%

Employee net promoter score (eNPS)[1,6]

48

In the top 25% within manufacturing[7], 51 in H2 2022

Greenhouse gas emissions[1,8]

142,213 tonnes CO_2e

23% reduction in scope 1&2 emissions since 2019

1. Continuing operations.
2. 2022 restated at 2023 average exchange rates.
3. Profit figures before adjusting items (note 2 of the Group Financial Statements).
4. Total incident rate is an industry standard indicator that measures lost time and medical treatment injuries per 200,000 hours worked.
5. Defined as revenue from new products introduced in the last three years.
6. eNPS (employee net promoter score) is an index used to measure employee satisfaction levels.
7. Based on Peakon's Manufacturing sector benchmarks.
8. Market based greenhouse gas emissions. For definition, see page 57.

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Helping our customers deliver the metals and minerals essential for a sustainable future.

Find out more on page 10

One team, delivering innovative mining technology solutions.

Find out more on page 15

Helping miners move less rock, use less energy, use water wisely and create less waste.

Find out more on page 25

Accelerating the path to smart, efficient and sustainable mining.

Find out more on page 29

Visit global.weir to find out more about our purpose, our people and the work we're doing to create a more sustainable future.

Cautionary statement

This Annual Report contains forward-looking statements with respect to the financial condition, operations and performance of the Group. These statements reflect knowledge and information available at the date of preparation of this Annual Report. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The Company undertakes no obligation to update these forward-looking statements and nothing in this Annual Report should be construed as a profit forecast.

Introducing Weir

Our planet's future depends on the transition to renewable energy, and that transition can only happen with the metals and minerals our mining customers deliver.

Introducing Weir
continued

Every mine is different.

Delivering innovative mining technology solutions demands a combination of deep customer insight, world class engineering and materials science, enabled by intelligent automation.

Mining technology for a sustainable future.

Introducing Weir
continued

No one serves more mines than Weir.

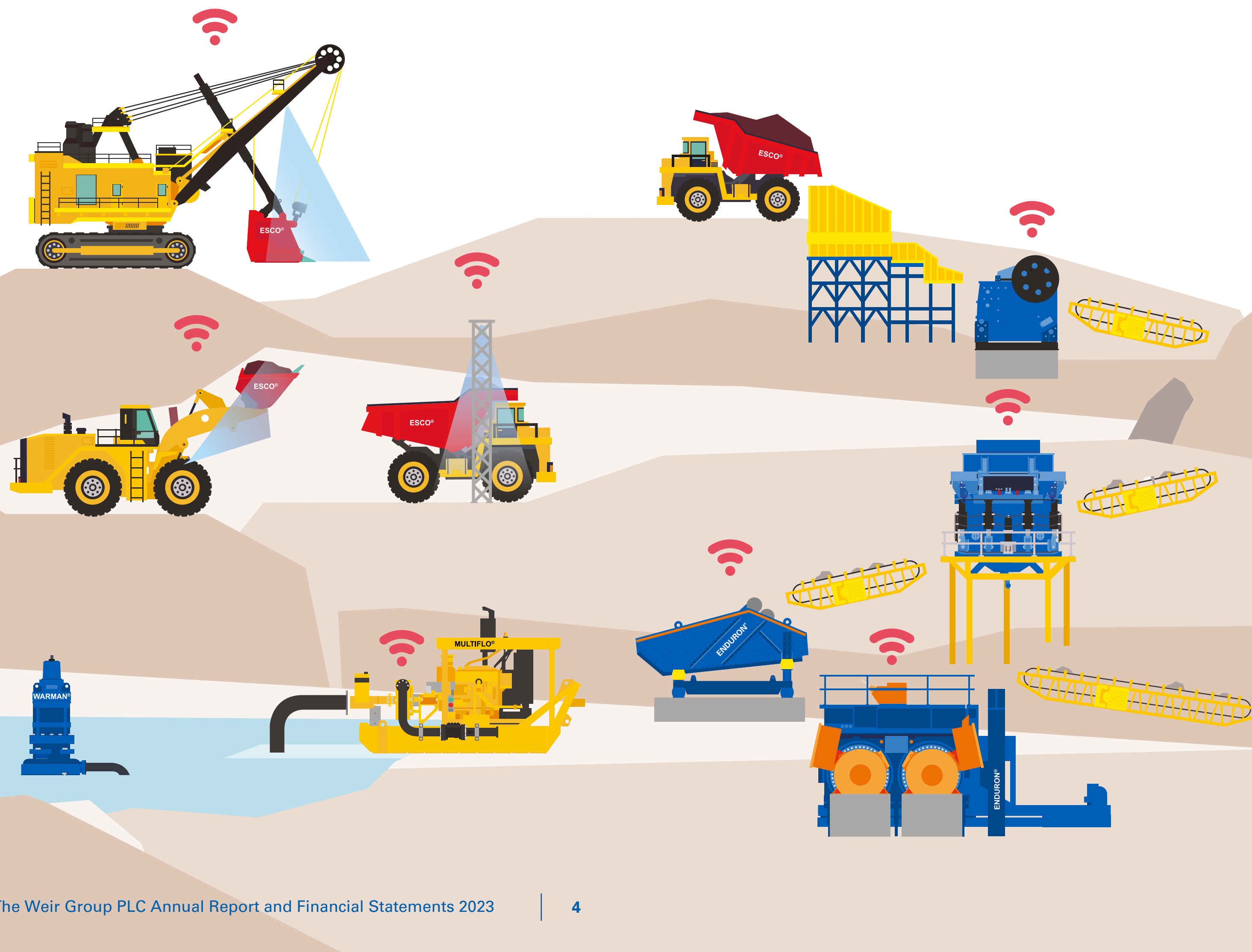
Extraction

Comminution

Boosted by Synertrex® and Motion Metrics™ digital solutions

our brand
ESCO®

our brand
ENDURON®

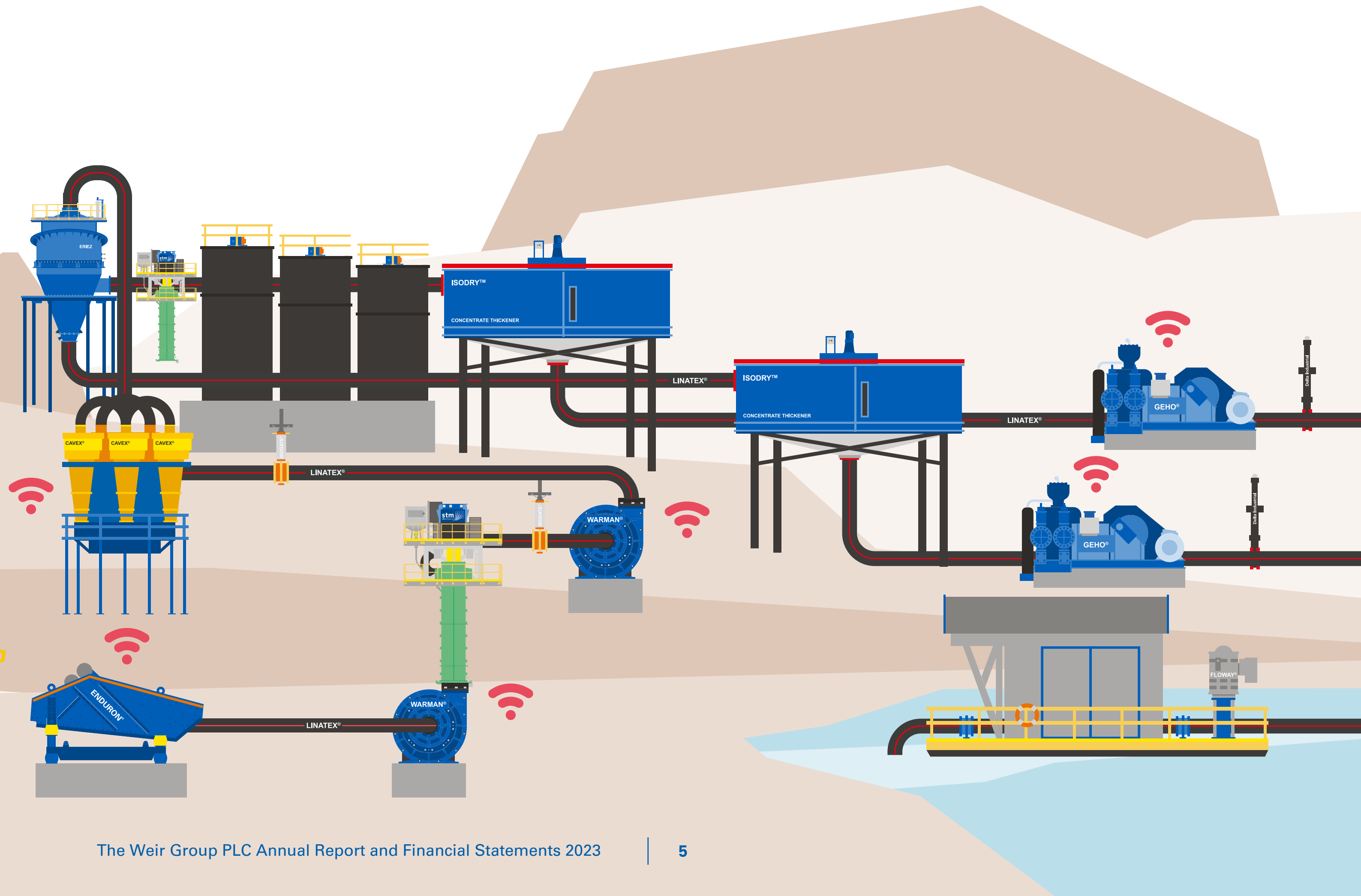


Introducing Weir
continued

Working in close partnership with our customers, we help them to move less rock, use less energy, use water wisely and create less waste – accelerating the path to smart, efficient and sustainable mining.

Mill Circuit	Tailings
our brands	our brand
WARMAN® CAVEX® LINATEX®	**GEHO®**

Boosted by Synertrex® and Motion Metrics™ digital solutions



Introducing Weir
continued

Investment case:
Weir is a focused mining technology leader with a compelling value creation opportunity

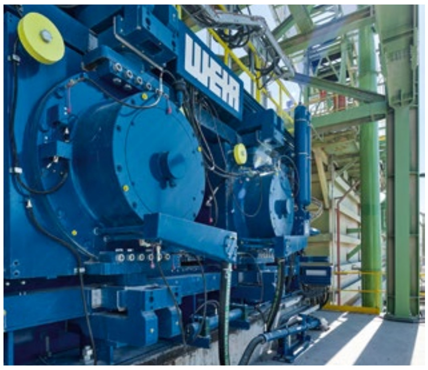
Over the last few years, we have completed our portfolio transformation to become a focused mining technology leader and sold our businesses in other verticals.

We are strongly positioned for long-term sustainable growth

- Mining is expected to offer high growth potential over the decades ahead driven by demand for metals, such as copper, nickel and lithium, that will enable the global transition to net zero.
- Our 'razor/razor blade' business model is highly resilient as around 80% of our revenues come from supplying aftermarket (AM) equipment. This is driven by the tonnes of ore our customers process and is largely inelastic to mining capital expenditure and commodity price cycles.
- Supported by our special culture of customer intimacy and entrepreneurial mindset, we will continue to expand our addressable market over time through organic growth initiatives that will accelerate as the mining industry embraces new technologies.

Find out more

Our markets	See page 16
Business model	See page 22
Our culture	See page 47



With unique capabilities and high barriers to entry

- We use our world class engineering, innovation and manufacturing capability to solve our customers' most difficult challenges.
- We are deeply embedded within our customers' operations and supply chains, with both 'boots on the ground' relationships and strategic global collaborations.
- We have a large captive installed base of trusted mission-critical equipment, underpinned by our intellectual property, leading brands, customer intimacy and vertically integrated regional operating platform. We retain over 90% of the AM opportunity from our installed base.

Find out more

Our technology	See page 30

Our commitments are simple and clear

Growth
Outgrowing our markets

Mid to high single digit % organic revenue growth through the cycle

Margins
Expanding our margins

20% operating profit margin in 2026

Returns
Converting earnings into cash and returns

90-100% free operating cash conversion; focus on growing ROCE

Resilience
Providing resilience and predictability

>7% Minerals AM revenue CAGR since 2011

Sustainability
Delivering for people and planet

Accelerate sustainable mining; deliver sustainable Weir

Prioritising Total Shareholder Returns

Introducing Weir
continued

Serving customers from pit to plant through two Divisions

Minerals Division

Engineering, manufacturing and servicing of processing technology used in abrasive high wear applications in mining and infrastructure markets around the world.

Divisional revenue

£1,937m

Divisional adjusted operating profit[1]

£376m

% Divisional revenue from aftermarket

72%

Find out more

Operating review: Minerals Division See pages 34-35

ESCO Division

Ground engaging tools (GET), attachments, AI and machine vision technologies that optimise productivity for customers in global mining and infrastructure markets.

Divisional revenue

£699m

Divisional adjusted operating profit[1]

£122m

% Divisional revenue from aftermarket

92%

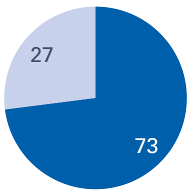
Find out more

Operating review: ESCO Division See pages 36-37

Focused on attractive markets

73%

of revenues from mining applications

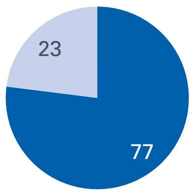


- Mining applications
- Infrastructure & other

Highly resilient through the cycle

77%

of revenues from recurring aftermarket

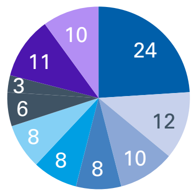


- Aftermarket (AM)
- Original Equipment (OE)

Biased towards future-facing commodities

49%

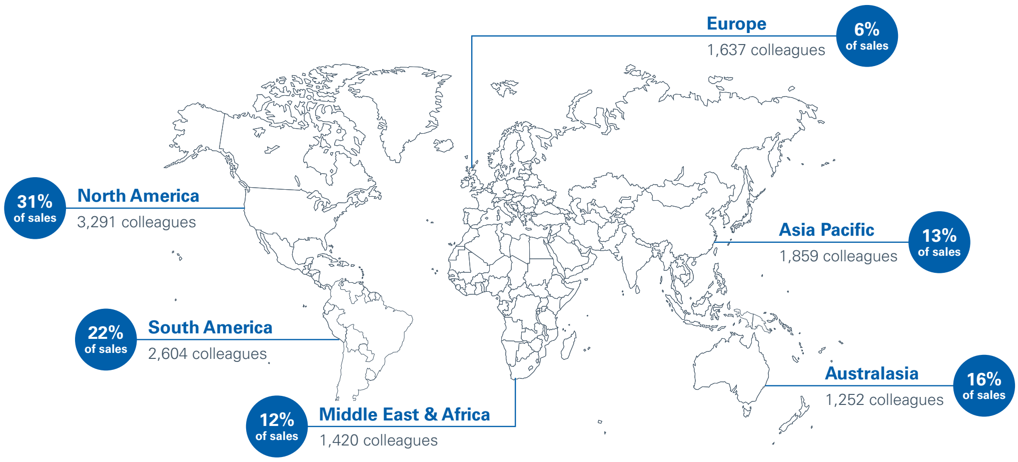
of revenues from copper, iron ore, gold and battery metals



- Copper
- Gold
- Iron ore
- Industrial
- Infrastructure
- Oil sands
- Coal
- Nickel, lithium, cobalt
- Other minerals
- Other

Global presence, close to our customers

We have c.12,000 colleagues in over 50 countries around the world.



1. Profit figures before adjusting items (note 2 of the Group Financial Statements).

Chair’s statement

A compelling **opportunity to create value** for all of our stakeholders.

" We have a great team, committed to our common purpose to enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world.”

Barbara Jeremiah
Chair

Dear shareholder,

I am pleased to report on a year where Weir has made significant strategic progress, executed strongly, and delivered on – and strengthened – our commitments to stakeholders. These achievements are testament to the dedication of all our colleagues around the globe and I'd like to thank them for their contribution to making 2023 another successful year.

Creating value through growth and Performance Excellence

Weir is a great business with a compelling opportunity to create value for all our stakeholders. Our customers see increasing demand for the metals and minerals necessary to enable the global energy transition and the need for the mining industry to scale up and clean up. Our engineering technology is a critical enabler of our customers’ success in supporting this transition. In addition, through our Performance Excellence transformation programme, we are taking action to drive improvements in our own efficiency and effectiveness. I am delighted with the progress achieved in the programme's first full year and, with the foundations firmly in place, we expect to see increasing benefits flowing through in the year ahead.

Connecting with our stakeholders

Spending time with employees and customers is a very important part of our Board agenda. This year we visited:

- Vancouver, Canada – meeting the team at our Motion Metrics AI business and our senior leaders at their annual conference.
- Our facility at Venlo in the Netherlands – touring the operations and the Sustainable Mining Technology Centre.
- Australia – a major market for us and the birthplace of our world-leading Warman® pumps. We toured our operations and visited customers including Fortescue Metals Group to whom we’ve supplied innovative technology for their Iron Bridge project, and Northern Star Resources where we toured the Kalgoorlie Consolidated Gold Mine.

Individually or in small groups, my Board colleagues and I also visited Weir’s operations in the US, Canada, South Africa and the UK this year.

I also met with our major shareholders during 2023 to understand their perspectives on our performance, governance and strategy. It is evident from my discussions that the views of our shareholders are well aligned with our own and I'd like to thank them for their continued support and constructive input.

Our role in supporting engagement and shaping culture

The Board has a crucial role to play in shaping culture and setting the tone. Safety is always our top priority, in our Board meetings and in our virtual and in-person meetings with employees. It has been pleasing to see the engagement across Weir in our Zero Harm Behaviours programme, however, our safety performance is not yet where it needs to be. The programme has laid important foundations that we must build upon in 2024 and as a Board, we will continue our engagement with management on safety and draw on the mining industry experience of our Board members.

During our three site visits this year we hosted our regular 'Tell the Board' and town hall sessions where we heard directly from employees. Safety and business strategy remained key discussion themes, along with inclusion, diversity and equity. The Board always appreciates the candour of these discussions which highlight the challenges experienced by colleagues both in the workplace and with our customers. Raising these issues and sharing experiences is invaluable in helping us focus on how best to create opportunities for success and a sense of belonging for everyone at Weir.

Chair's statement
continued

Barbara and fellow Board members meet with colleagues at a 'Tell the Board' session in Venlo, the Netherlands.

The Board and senior management on a customer site visit at Northern Star Resources Consolidated Gold Mine in Kalgoorlie, Australia.

I'd like to again recognise the great work by our affinity groups – the Global Weir Women's Network and the Weir Pride Alliance. Both have developed and expanded their reach this year and my Board colleagues and I have enjoyed and gained a great deal from our engagements with them. We look forward to seeing these important initiatives develop further in 2024.

Sustainability and technology at our core

Weir is a company founded on over 150 years' of engineering expertise and which has always delivered technologies to tackle the challenges of the time. The Weir of today is no different and the challenge of enabling the transition to net zero is arguably one of the most important and exciting we have ever faced. During the year, the Board was pleased to approve a new technology strategy for the Group, focusing our investment and innovation on sustainable mining solutions. We have a critical role in accelerating sustainable mining as a provider of technology-led solutions.

To support these strategic priorities, as a Board we agreed that we would dedicate additional time and resources and announced, in December, the formation of a new Sustainability and Technology Committee. This new Committee will begin to meet in 2024 and work with our management team to provide both strategic and governance oversight in exploring the future of the mining industry and the implications for Weir's fully integrated business model. I am delighted that Tracey Kerr will chair this Committee on behalf of the Board, given her extensive experience of sustainability and technology while working in major mining organisations.

Board changes

We have continued to refresh the skills, experience and diversity of the Board. In November we said farewell to John Heasley, Chief Financial Officer (CFO) who, after 15 years with Weir, left us to take a new role as Finance Director of Anglo American plc. John has been an outstanding member and valued colleague of the Board during his tenure as CFO, and on behalf of the company and the Board, I would like to thank him and wish him every success in his new role.

I am delighted that Brian Puffer will join the Board as our new CFO from 1 March 2024. Brian is an accomplished finance leader with over 30 years' experience in driving commercial and financial performance. He joins us from his current role as Chief Financial and Risk Officer of BP plc Integrated Supply and Trading.

In October, we welcomed Penelope (Penny) Freer to the Board and are already benefiting from her extensive investment experience and wide-ranging leadership skills across many businesses as we continue to execute our strategy.

At the end of December, Clare Chapman stepped down from the Board after six years with us. Her leadership as Remuneration Committee Chair has been instrumental in the adoption of The Weir Group Share Reward Plan. Penny Freer has succeeded Clare as Chair of the Remuneration Committee.

In December, we announced that Sir Jim McDonald will step down at the end of our Annual General Meeting on 25 April 2024 having served on the Board for nine years. During this time, he has been instrumental in elevating our focus on engineering and technology as a Board. Upon Sir Jim's departure, Dame Nicola Brewer will succeed him as our Senior Independent Director, and Ben Magara will succeed Dame Nicola as designated Non-Executive Director for employee engagement.

Since the year end, Andy Agg joined the Board as an independent Non-Executive Director with effect from 27 February 2024. Andy brings significant financial experience, in light of his role as CFO of National Grid plc. We also announced that Srinivasan Venkatakrishnan (Venkat) will be stepping down from the Board at the end of March.

On behalf of us all, I'd like to thank Clare, Sir Jim and Venkat for their contributions and wish each of them the very best for the future. We also welcome Andy to the Board.

Final reflections

2023 was a good year for Weir; we expect further growth in the year ahead and our longer-term opportunities remain compelling. Consequently, the Board is recommending a final dividend of 20.8 pence per share which equates to a total full year dividend of 38.6 pence per share and represents an increase of 18% on the prior year.

As I look back on 2023, I remain convinced that we have a great team of colleagues, united by the belief that the world needs the essential natural resources our customers mine and process. Our role is to deliver products that allow them to move less rock, use less energy and use water wisely, and to hold ourselves to the highest standards of performance in safety, while constantly reducing our impact on the environment As we do this, we will use the Weir assets – people, operations and intellect – ever more efficiently and intelligently to deliver outstanding results for all of our stakeholders. And I remain confident that the best is yet to come for Weir.

Barbara Jeremiah
Chair

29 February 2024

Find out more

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Board of Directors	See page 73
Nomination Committee report	See page 91
Directors' report	See page 133

Helping our customers deliver the metals and minerals essential for a sustainable future.

Metals such as copper play a crucial role in energy transition and the drive towards net zero, as components at the heart of powering renewable energy systems and electric vehicles.

As the world shifts away from fossil fuels and the demand for critical metals increases, the mining industry is focused on delivering more of these metals with less impact on the environment.

Weir operates at the heart of the global mining industry – delivering innovative solutions that increase efficiency and improve sustainability.

See how we're innovating solutions for the challenges of today and the future.

Visit www.global.weir/a-sustainable-tomorrow

Chief Executive Officer's strategic review

Realising our potential as a **mining technology** leader and enabling a **sustainable future** for all.

"Combined, our market opportunity, technology-focused strategy and Performance Excellence represent a compelling value creation opportunity, and we are delivering on it."

Jon Stanton
Chief Executive Officer

Watch Jon's review of our 2023 peformance
Visit www.global.weir/ceo-review-2023

Another strong year as a mining technology leader

2023 was a year of significant progress for Weir. We met our commitments to stakeholders, advanced the transition to sustainable mining for our customers and took major steps forward in delivering our strategic agenda.

We capitalised on positive conditions in our mining markets and executed strongly, delivering year-on-year growth in revenue and operating profit, significantly expanding our operating margins and meeting our cash conversion target. Throughout the year we supported customers with essential spares and expendables to keep their mines running, and also provided innovative new technologies to make their operations more efficient and sustainable.

Our progress on strategy was a particular highlight with achievements across the four pillars of People, Customer, Technology and Performance in our We are Weir strategic framework.

We built strong momentum in our Performance Excellence transformation programme, realising absolute cost savings of £6m and identifying new opportunities which enabled us to double our previous cost saving target to £60m in absolute savings by 2026. In parallel, we made good progress with our technology focused growth initiatives, launching and commencing field trials of a number of innovative new solutions, including our Cavex 2.0 technology in Minerals and our latest generation GET system in ESCO. In addition, the acquisition of SentianAI has expanded our digital capability and stepped up the roll-out of our process optimisation solutions.

Sustainability remains core to our strategy. While our safety performance was flat year-on-year, our Zero Harm Behaviours programme gained real traction with colleagues at sites across the globe. Achieving validation of our emissions reduction targets by the Science Based Targets initiative (SBTi) in March and the launch of our first avoided emissions (scope 4) study at COP28 were also important milestones.

Our performance in 2023 is a testament to the hard work of Weir colleagues across the globe, and I'd like to thank them for their dedication and contribution through the year.

Going into 2024, notwithstanding complexity in the macroeconomic and geopolitical environment, I'm confident of further progress. Conditions in our mining markets are supportive and we are positioned for another year of growth and margin expansion. Further out, we have a clear strategy to capitalise on the attractive long-term structural trends in our markets, helping our customers to deliver the metals needed for the energy transition, and launching new transformative technologies to accelerate the shift to sustainable mining. In parallel, through Performance Excellence we are optimising our operations and realising our full potential as a mining technology leader. Combined, our market opportunity, technology focused strategy and Performance Excellence represent a compelling value creation opportunity, and we are delivering on it.

Read more about our strategic progress on pages 20-21.

Growth: Ore production trends driving demand for Weir solutions

Throughout the year, activity levels in mining markets were high. Market prices for our main commodity exposures of copper, gold and iron ore were well above the cost curve, and our customers capitalised by maximising ore production. Continued complexities in the permitting and regulatory environment meant large expansion projects remained slow to convert, so customers' capital expenditure was largely focused on developing and improving the efficiency of existing assets.

Chief Executive Officer's strategic review
continued

Ore production trends, coupled with the effect of declining grades and installed based expansion, drove demand for our aftermarket (AM) spares and expendables. Original equipment (OE) demand was primarily driven by orders for small brownfield and debottlenecking projects at existing mines, with strong momentum through the year as customers chose Weir solutions due to their sustainability and performance benefits, coupled with our global service capability. Across the Group, demand was particularly strong in Australasia, with growth reflecting recent market share gains, while from a commodity perspective, order growth was strongest in copper and year-on-year demand decreased in both coal and the oil sands.

In infrastructure markets underlying demand was largely stable through the year, though well below the peak levels seen in the prior year, particularly the elevated levels seen in H1 2022.

On a constant currency basis, year-on-year Group orders were broadly stable.

AM constant currency orders were marginally ahead of the prior year. Growth in demand in hard rock mining and a contribution from pricing, as expected, was partially offset by lower demand from customers in the Canadian oil sands and ESCO's infrastructure customers, together with the non-repeat of Russia orders. As we go into 2024, the impact of these offsetting factors will normalise and we expect underlying growth in hard rock mining to be sustained.

In OE, constant currency orders were down 3% against a strong prior year comparator, which included £33m of orders for nickel expansion projects in H2 2022. In Minerals we converted over 85% of our mill circuit pump trials and won market share with our latest Cavex 2.0 cyclone technology, while in ESCO we delivered strong growth in mining attachments as we continued to gain traction and expand market share.

Revenue[1]

£2,636m

+9%[2]

Revenue for the Group was 9% higher on a constant currency basis. This reflects strong execution, delivery of our record opening order book and price realisation. The Group's book-to-bill was 0.98.

Margins and resilience: 2023 operating margin target exceeded

The operating environment in 2023 was stable. Relative to the prior year, availability of raw materials and freight improved, and input pricing steadied. While some pockets of inflation persisted, particularly across wages and salaries during the first half, our leading market positions and strong brands enabled us to achieve sufficient price increases to protect our gross margins.

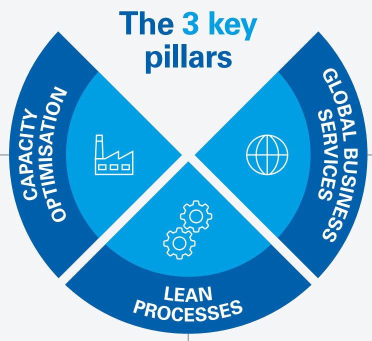
Adjusted operating margin[1,3]

17.4%

+140bps

On a constant currency basis adjusted operating profit grew 18% year-on-year, and adjusted operating margins were 17.4%, exceeding our 2023 target of 17%, and up 140bps on the prior year. Expansion in operating margin reflects strong operational efficiency, the initial benefits from Performance Excellence and a year-on-year reduction in adverse transactional FX movements, partially offset by a movement in Minerals revenue mix towards OE.

Performance Excellence
Taking Weir from good to great and an even better place to work



Optimising service centres and facilities	Driving lean philosophy	Creating Weir Business Services
Closer to customers Better environments Enhanced returns	Eliminating waste and delivering value chain excellence	Excellent customer service Less duplication and simpler processes Clearer career opportunities

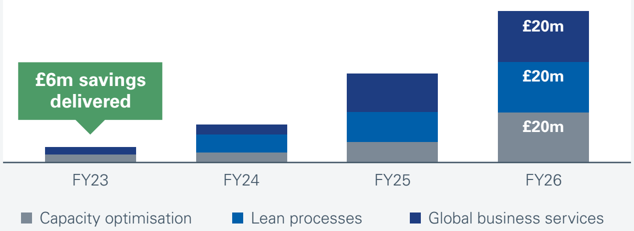
Upgrading our Performance Excellence targets

Old target £10m
New target £20m

Old target £5m
New target £20m

Old target £15m
New target £20m

Revised cumulative phasing of benefits



£60m
Absolute savings benefit in FY26

One-off cost of £90m: phasing biased to initial years

Upgrade to existing initiatives and launch of new initiatives

Chief Executive Officer's strategic review
continued

In December, we announced a new medium-term operating margin target of 20% in 2026. We expect to achieve this through operating leverage from growth and realisation of £60m of absolute cost savings from our Performance Excellence transformation programme. This comprises £20m of savings from each of the three main elements of capacity optimisation, lean processes and the transition of our enabling functions to Weir Business Services (WBS). The one-off cost to achieve the £60m of savings is £90m, with the phasing of the costs biased towards the early years of the programme.

Through the year we made good progress in delivering the initial benefits from Performance Excellence, realising £6m of absolute savings. This includes benefits from capacity optimisation, as we completed projects to consolidate several Minerals manufacturing facilities in the US and optimise our Australian service centre and Latin American distribution footprints. In addition, a number of other capacity optimisation and lean process projects were initiated during the year, underpinned by our recent investments in foundational systems and enhanced operational capability. Our transition to WBS is also progressing well, with the detailed design phase of the project complete and the transition of certain regional services underway.

In the period, an exceptional charge of £29m was recognised relating to Performance Excellence, and the cash outflow for the programme was £14m.

Return on capital employed[1]

18.0%

+280bps

Returns: Significant growth in return on capital employed, with balance sheet flexibility

Reflecting our focus on execution, return on capital employed (ROCE) increased 280bps on the prior year to 18.0%, as we grew revenue, expanded our margins and delivered strong cash generation.

Free operating cash conversion for the year was 85%, firmly within our 2023 target range of 80% to 90%, while the efficiency of our mining focused platform enabled us to reduce working capital as a percentage of sales to 21.3% (2022: 23.7%).

Net debt to EBITDA at the end of December was 1.1x, giving the Group considerable resilience and flexibility to deploy capital to drive shareholder value.

Full year dividend

38.6p

+18%

Reflecting high levels of confidence in our strategy and future prospects, the Board is recommending a final dividend of 20.8 pence per share. In line with our policy to pay out 33% of adjusted earnings per share (EPS), this equates to a total full year dividend of 38.6 pence per share and represents an increase of 18% on the prior year.

Safety and sustainability: First ever avoided emissions study for a mining use case

The safety of our 12,000 colleagues is my top priority, and for everyone in Weir. Our goal is to make Weir a zero harm workplace and so our total incident rate[4] (TIR) of 0.42 (2022: 0.41) was disappointing relative to our ambition. During the year we continued the roll out of our Zero Harm Behaviours programme and, to date, over 8,000 colleagues have completed the first phase of the training.

I've visited several of our sites this year and in every case, the emphasis and ownership for safety came across very strongly. I am encouraged that as we put the learnings from the programme into action in 2024, we will drive forward towards achieving our ambition of zero harm operations.

Total incident rate[1,4]

0.42

2022: 0.41

Beyond physical safety, we have increased our focus on supporting health and wellbeing, including mental health. Our commitment to workplace mental health was recognised in the CCLA Corporate Mental Health Benchmark released in June, with Weir identified as the biggest improver on performance and disclosure.

We have a very special culture at Weir and inclusion, diversity and equity (ID&E) is an important part of that. We took positive steps forward on gender diversity this year, growing the percentage of our employees who are female across all levels of the organisation. Our global affinity groups have continued to drive the debate on key topics and it has been great to see that they have increased their reach and impact.

Listening to our colleagues and acting on their feedback provides valuable insight to help us keep our culture on track. In our most recent all-employee survey, high levels of employee participation were maintained with 87% of colleagues taking part and sharing nearly 63,000 comments. Our employee net promoter score (eNPS)[1,5] – a measure of employee engagement – of 48 puts us in the top 25% within manufacturing[6] and demonstrates a strong improvement from our eNPS score of 18 in our first survey in 2019.

We also made good progress on sustainability. In the first quarter our scope 1, 2 & 3 emissions reduction targets were validated by SBTi, and in the year we delivered a further 6% reduction in our scope 1&2 emissions[7], meaning our cumulative reduction relative to our 2019 benchmark is now 23%. Our progress in this area continues to be externally recognised, as we maintained our place on the prestigious CDP A List for leadership in corporate transparency and performance on climate change.

Furthermore, we published the findings from our first ever avoided emissions study. The results, which have been independently verified, show that by choosing our Redefined Mill Circuit incorporating Enduron® High Pressure Grinding Rolls technology, instead of a traditional mill circuit which uses tumbling mill technology, energy consumption is reduced by over 40% and CO_2 emissions are more than halved per tonne of ore. The study, which we announced at the COP28 summit in December, is the first of its kind for a mining use case and is receiving global interest from a range of stakeholders, including customers, governmental bodies and the finance sector.

In line with best practice, we also updated our double materiality assessment, and key findings have been incorporated into a refreshed sustainability strategy which we launched in early 2024.

Chief Executive Officer's strategic review
continued

Jon with our two Divisional Presidents, Sean Fitzgerald (L) and Andrew Neilson (R) at our Capital Markets Event in London in December 2023.

Jon engaging with a colleague in Alrode, South Africa during a visit to the country in August 2023.

Transformative technology solutions

The findings of our avoided emissions study come at an important time. Metals, such as copper, nickel and lithium, are critical elements of the technologies that will power a low carbon future and it is widely accepted that a substantial increase in the production of these metals is needed for the transition to net zero. In response, the mining industry is actively seeking to adopt new technologies which extract and process those metals in more energy efficient and sustainable ways, alongside increasing the use of renewable power. In my discussions with our customers, it is clear they are looking for more opportunities to work with technology partners like Weir to drive innovation and transformational change in the way minerals are extracted and processed.

Through our technology strategy, we are pivoting our engineering expertise and R&D investment to tackle these challenges with our customers – helping them to move less rock, use less energy, use water wisely and create less waste. We are growing our capability in digital and AI to add intelligent automation to our solutions, boosting the productivity and sustainability performance even further. Our pipeline of short, medium and long-term R&D projects will continue to feed technology-led growth initiatives in our divisions that will accelerate the path to smart, efficient, sustainable mining.

Outlook

Turning now to the outlook. We begin 2024 with a strong order book and positive ore production trends in our mining markets. These trends, coupled with the impact of declining grades and installed base expansion, are driving increased demand for our AM spares and expendables. We are also seeing good momentum in demand for our OE solutions, as customers focus on improving the efficiency and sustainability of existing assets.

In 2024, this continued favourable backdrop in mining, together with softer year-on-year order comparatives in oil sands and infrastructure, underpins our confidence in delivering growth in constant currency revenue, profit and operating margins. Benefits from Performance Excellence will support further margin expansion, and we expect free operating cash conversion of between 90% and 100%.

Further out, the long-term value creation opportunity for Weir is compelling. The fundamentals for our business are highly attractive, underpinned by long-term structural growth trends in our mining markets, and our technology strategy which is focused on enabling sustainable mining. In addition, the benefits of Performance Excellence will drive further margin expansion and underpin our 2026 operating margin target of 20%, while our strong cash generation and balance sheet give us optionality to allocate capital to prioritise growth in total shareholder returns.

Mining technology for a sustainable future

So, to conclude, we've executed well in 2023 and I am excited and confident about the future for Weir. The world needs more transition metals to achieve net zero, but the mining industry needs to extract these using significantly less energy and water, and Weir's technology and people are at the heart of making this happen.

We have an excellent team and a world class business, and we are delivering on the compelling value creation opportunity we set out as a focused mining technology company. Our unique capabilities are enabling us to capitalise on the structural growth in demand for critical metals and the transition to more sustainable mining. In parallel, through Performance Excellence we are optimising our operations and driving efficiencies.

All of which leaves us positioned to be a stand-out performer in our sector and for all our stakeholders in the years to come – moving ahead to now realise our full potential as a focused mining technology leader – and enabling a sustainable future for all.

Jon Stanton
Chief Executive Officer

29 February 2024

Find out more

Our markets	See page 16
Our strategic framework	See page 18
Strategic progress	See page 20
Financial review	See page 38
Technology for sustainable mining	See page 30
Sustainability introduction	See page 42

1. Continuing operations.
2. 2022 restated at 2023 average exchange rates.
3. Profit figures before adjusting items (note 2 of the Group Financial Statements).
4. Total incident rate is an industry standard indicator that measures lost time and medical treatment injuries per 200,000 hours worked.
5. eNPS (employee net promoter score) is an index used to measure employee satisfaction levels.
6. Based on Peakon's Manufacturing sector benchmarks.
7. Market based greenhouse gas emissions. For definition, see page 57.

One team, delivering innovative mining technology solutions, one mine at a time.

Working in close partnerships with mining customers across every continent we know that every mine is different. Climate conditions, geographical location, rock formation, water availability and a host of other factors all influence the efficiency and sustainability of an individual mine.

Our engineers, digital specialists and other experts bring unique insights to mining challenges to design and implement the most effective solutions, day-in, day-out, wherever they are in the world.

See how we're innovating new solutions to solve our customers' biggest challenges.

Visit www.global.weir/innovation

Our markets

The long-term trends in our markets are highly attractive.

The world needs to significantly increase the production of critical metals to enable the transition to net zero. In parallel, our customers must adopt new technologies to extract and process those metals in a more sustainable way.

Combined, these represent a compelling growth opportunity for Weir; one we are well placed to capitalise on.

Outlook for our core commodities

There are strong end market growth drivers across Weir's main commodity exposures of copper, iron ore and gold. Our exposures are set out in the pie chart on page 7.

Copper is a key component of many technologies, particularly those that will enable electrification and the transition to net zero. As such the outlook for copper demand is particularly strong, and is accelerating, as outlined in the section below.

The outlook for core iron ore demand is also solid, driven by population demographics. Furthermore, the increasing shift towards the more sustainable production of steel (so called blue or green steel, manufactured using hydrogen) will require higher grade iron ore. These higher grades require more processing and are present in areas such as Brazil and the Pilbara in Western Australia – both of which are locations where Weir has a strong presence today.

Gold continues to be an investment safe-haven and central banks continue to grow their reserves. Long-term demand is also underpinned by GDP growth, and increasing wealth, particularly in developing economies.

Drivers of demand are also strong for other commodities, such as high grade mineral sands used in the growing technology sector, and phosphate and potash used in the fertilisers that will be needed to support the ever-growing global population.

With a global shift away from fossil fuels, new project activity and capital expenditure in the oil sands market is expected to reduce. During the transition, we expect to continue to support customers with high quality spare parts that enable them to operate existing assets more efficiently and sustainably. Although we expect demand from oil sands to reduce over the longer-term, this is anticipated to be offset as a result of the strong market drivers for our other core commodities as outlined above.

For Weir: Strong demand for our core commodities will incentivise our customers to maximise ore production that, in turn, will drive strong demand for our differentiated mining equipment, spares and expendables.

Climate change action accelerating demand for key electrification metals

Climate change remains high on political, industry and personal agendas. 92% of the world's GDP is now covered by a net zero emissions target[3] and there was consensus at the most recent COP28 summit to transition away from fossil fuel use in energy systems.

According to the Intergovernmental Panel on Climate Change (IPCC)[4], to limit warming to 1.5°C above pre-industrial levels, global greenhouse gas emissions will need to decline by around 45% from 2010 levels by 2030 and continue to net zero by 2050.

Therefore, the world needs to move even more quickly to take action to implement, at scale, technologies to decarbonise and electrify energy supply and transportation. Doing so will create significant demand for metals, such as copper, lithium and nickel, that are essential in these technologies.

An electric vehicle, for example, requires around 4 times the amount of copper as a conventional car. More copper will also be needed as the world transitions to decarbonised infrastructure applications and electrical grid expansion. With this backdrop, estimates suggest that copper supply will need to more than double in the decades ahead[1].

There is also strong projected demand for other battery electrification metals, such as lithium, cobalt and nickel. Lithium demand, for example, is forecast to rise by 20% annually to 2030[5].

This accelerating demand for electrification metals will require major investment in both new mines and also in capacity expansions, as outlined in the chart on page 17. As the chart shows, there have already been announcements relating to around 45% of the required additional investment, and we are starting to see some policy response from governments, in the form of critical minerals policies. However, more support is needed to put permits and finance in place to deliver the vast quantities of metals required for the energy transition.

For Weir: We have strong exposure to these 'future facing' commodities, with the majority of the world's copper today being processed using Weir technology. The significant demand for battery and electrification metals creates a strong tailwind for Weir in the years ahead, accelerating growth in these parts of our business, which over time, will make them a larger overall component of our mix. We continue to invest in differentiated technology solutions to help customers improve productivity and reduce their environmental footprint.

Declining ore grades, ore body development and ore extraction

To meet projected demand, miners are increasing their focus on accessing ore reserves at existing and future mines. However, accessing higher quality deposits is getting harder. While evidence suggests that there are new exploitable reserves for key commodities, in reality, they are in environments that are deeper and more difficult to extract from. Consequently, greater quantities of rock must be excavated and processed to extract the same quantity of ore – using energy and water, and causing processing equipment to wear. The result is more waste rock per unit of ore and increased CO_2 emissions.

For Weir: Increased wear of processing equipment drives demand for our aftermarket spares and expendables. In addition, lower grade ore processing supports the use of our sustainable solutions to deliver efficiency and environmental benefits. Alongside these, we are also developing transformative AI based ore sorting and characterisation technologies. They have the potential to enable miners to select and then move only ore-containing rocks.

Key trends

Copper

>100%

increase in production required by 2050[1]

Iron

c.12x

anticipated growth in demand for green steel by 2030[2]

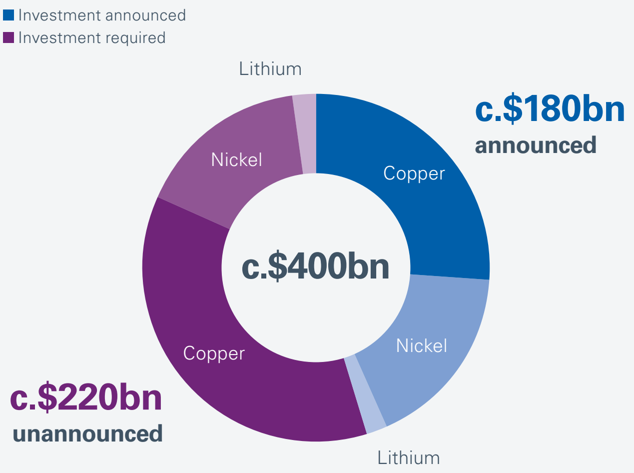
Net zero

92%

of the world's GDP is covered by a net zero target[3]

Our markets
continued

Additional investment required
Required investment to reach net zero* ($bn)



* IEA, World Bank Minerals for Climate Action report, MineSpans - McKinsey Basic Materials Insights

More sustainable mining needed
In parallel with production growth, it is essential that the mining industry adopts more sustainable extraction and processing techniques in order to secure the social licence it needs to meet anticipated demand.

Mining processes today use vast amounts of energy and water, and create a lot of waste. So for the industry to have the environmental and social licence to operate and secure permits for new mines, more sustainable mining is needed.

In extraction, typical ore grades in a new copper mine are around 1%[6], so 99% of rock that is moved and processed ends up as waste, consuming huge amounts of energy and water.

In comminution, the process of making small particles out of large rocks, the mining industry consumes a staggering 3% of global electricity each year[7].

In the mill circuit, the processes by which material is graded and classified are traditionally very imprecise and lack dynamic control. As a result, there is a high degree of recirculating load, yields are held back and cost per tonne elevated, with scope for improvement.

The tailings produced in mining represents the biggest waste stream on the planet. Close to 13 billion cubic metres of tailings are produced each year[8] and must be transported, processed and stored.

For Weir: There is a huge imperative for the mining industry to scale up and clean up if it is to deliver the resources we need to stem global warming. We are engineering new technologies to support the industry's reputation, working with our customers to create smart, efficient and sustainable solutions for their biggest challenges. This includes investment in new AI technology and the use of digital and data. These technologies will play a key role in supporting miners in executing their sustainability roadmaps, providing greater visibility across asset performance and operations, and better monitoring and optimisation of energy and water consumption.

1. IEA, World Bank Minerals for Climate Action report.
2. McKinsey, The Resilience of Steel.
3. https://zerotracker.net/
4. https://www.ipcc.ch/sr15/
5. https://www.mckinsey.com/industries/metals-and-mining/our-insights/australias-potential-in-the-lithium-market
6. https://investingnews.com/daily/resource-investing/base-metals-investing/copper-investing/types-copper-deposits-world/
7. https://www.ceecthefuture.org/resources/mining-energy-consumption-2021
8. The Future of Tailings report; https://promo.mining-journal.com/future-of-tailings-2023/

2023 market review

Mining markets favourable
Ore production trends in mining continued to be strong, despite complexities in the macroeconomic and geopolitical environment. Throughout the year, activity levels in mining markets were high and market prices for our main commodity exposures of copper, gold and iron ore were well above our customers' cost of production.

Miners maximised production from existing assets
Continued complexities in the permitting and regulatory environment meant large expansion projects remained slow to convert, so customers' capital expenditure was largely focused on developing and improving the productivity of existing assets – debottlenecking and driving efficiency in existing processes.

Our customers' focus on maximising ore production also meant they ran existing equipment harder and developed more complex and lower grade ore bodies.

Demand for original equipment was primarily driven by orders for small brownfield and debottlenecking projects at existing mines, with strong momentum through the year as customers chose Weir solutions due to their sustainability and performance benefits, coupled with our global service capability.

Demand for aftermarket spares and expendables was driven by ore production trends, coupled with the effect of declining grades and installed base expansion.

Across the Group, demand was particularly strong in Australasia, with growth reflecting recent market share gains, while from a commodity perspective, order growth was strongest in copper and year-on-year demand decreased in both coal and the oil sands.

A stable operating environment
The operating environment in 2023 was stable. Relative to the prior year, availability of raw materials and freight improved, and input pricing steadied. While some pockets of inflation persisted, particularly across wages and salaries during the first half of the year, our leading market positions and strong brands enabled us to achieve sufficient price increases to protect our gross margins.

Other markets
In infrastructure markets, underlying demand was largely stable through the year, though well below the peak levels seen in the prior year, particularly the elevated levels seen in H1 2022.

2024 outlook
We begin 2024 with a strong order book and positive ore production trends in our mining markets. These trends, coupled with the impact of declining ore grades and installed base expansion, are driving increased demand for our aftermarket spares and expendables. We are also seeing good momentum in demand for our original equipment solutions, as customers focus on improving the efficiency and sustainability of existing assets.

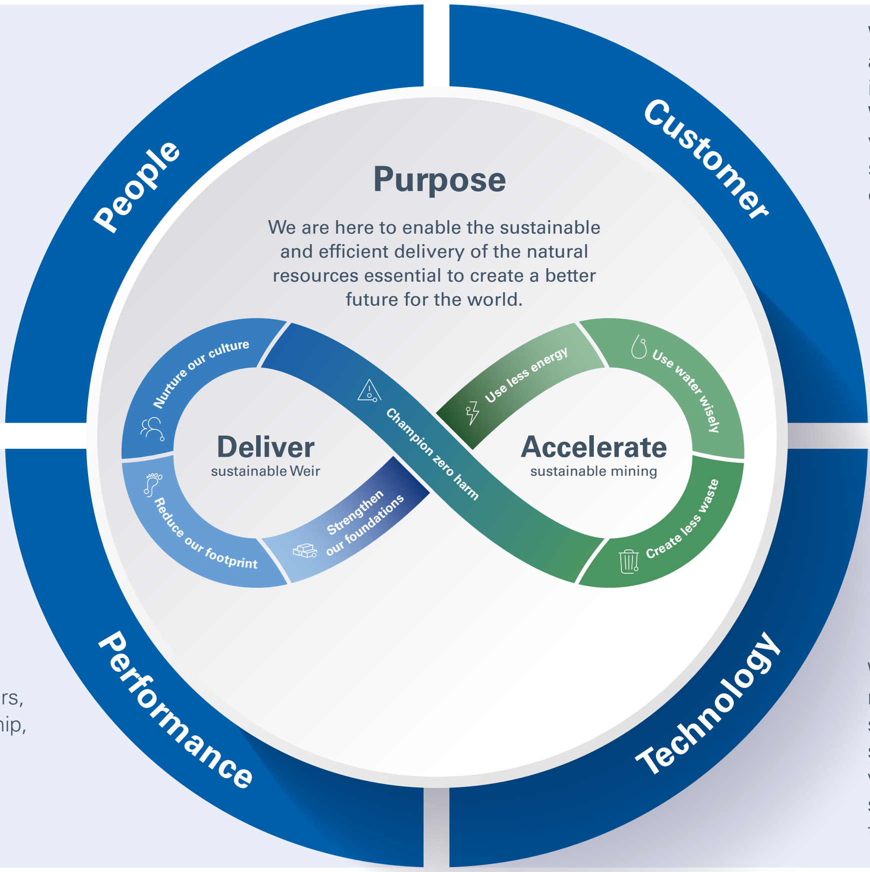
Our strategic framework

Mining technology for a sustainable future.

Our We are Weir strategy for sustainable mining sets out how we deliver excellent outcomes for all our stakeholders.

We are a global family. We are proud of our unique blend of talent, technology and culture. We are here to inspire our people to do the best work of their lives.

We will be the most admired business in our sector. Working in partnership, we deliver distinctive solutions and compelling value.



We deliver excellence for all of our stakeholders, through strong leadership, performance culture and rigorous standards of governance.

We shape the next generation of smart, efficient and sustainable solutions with cutting-edge science and our tradition of innovation.

Our We are Weir strategy centres around four strategic pillars - People, Customer, Technology and Performance - with our purpose and our sustainability strategy at its core.

It also sets out our values and defines our culture, guiding how we behave and how we work.

In addition, it incorporates our business model that drives sustainable compounding growth.

All of which help us deliver excellent outcomes for our stakeholders.

Find out more

Our strategic progress — See page 20
Our sustainability strategy — See page 42

Our strategic framework
continued

Our ways of working

Our values

We believe in...

- Thinking safety first
- Delighting your customer
- Respecting each other
- Doing the right thing
- Aiming high

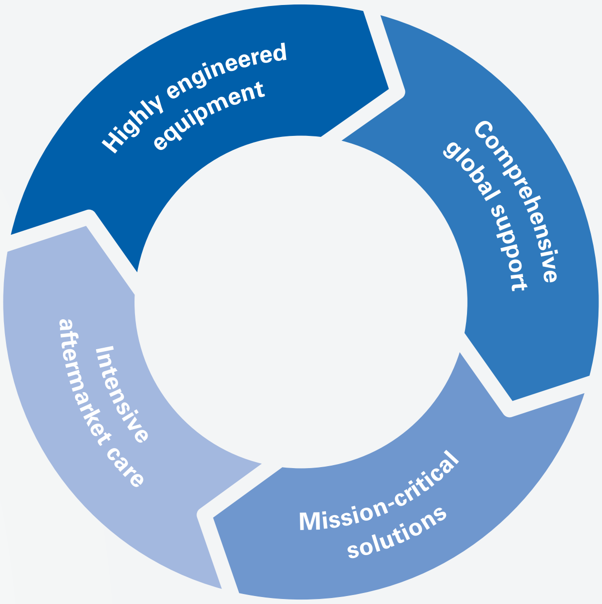
Our culture

We work this way...

- We always seek to improve and innovate
- We care for, challenge and encourage each other
- We're passionately, authentically ourselves
- We work together to enhance our global communities
- We speak up and take ownership for our shared success
- We can't wait

Our business model

We deliver...



This aftermarket-focused model delivers sustainable compounding growth.

Find out more

Our business model See page 22
Our promises See page 6

Our promises

We commit to...

Growth	Outgrowing our markets through the cycle
Margins	Expanding our margins to 20% operating profit margin in 2026
Returns	Converting earnings into cash and returns
Resilience	Providing resilience and predictability
Sustainability	Delivering for people and planet

Strategic progress

People

Our strategic initiatives

- Deliver on zero harm for our people and the environment
- Accelerate our purpose-driven culture and lead in inclusion, diversity and equity
- Create talent and capabilities for the future

Our 2023 performance

Deliver on zero harm for our people and the environment

We maintained a world class safety record this year. However, the number of recordable injuries increased and our total incident rate (TIR) was 0.42 (2022: 0.41). We continue to strive for a zero harm workplace and empower our employees to focus on safe behaviours through our Zero Harm Behaviours Framework.

We were recognised by CCLA Investment Management for making the biggest improvement amongst benchmarked companies in managing workplace mental health from 2022 to 2023.

Accelerate our purpose-driven culture and lead in inclusion, diversity and equity

In August, we ran our eighth global employee survey with excellent participation levels at 87%. Our employee Net Promoter Score (eNPS) is in the top quartile of Peakon's Manufacturing benchmark. We used insights to help improve our female employee experiences and retention. Overall, the number of women at Weir has increased to 19% this year (2022: 17%).

Our employee-led affinity groups have been highly active, nurturing an environment where all employees feel that Weir is a great place to work and belong. We expanded our Global Weir Women's Network with five new chapters and our Weir Pride Alliance made good progress raising awareness and creating a welcoming environment for our LGBTQ+ employees.

Create talent and capabilities for the future

We continued to build leadership capability at all levels, supporting a culture of learning and personal growth, and maximising talent development. We continued building capabilities for the future through partnerships with universities, industry associations and science and engineering outreach programmes.

Our 2024 strategic measures

- Retain our talent
- Succession planning
- Maintain our engagement score in the top quartile of Peakon's Manufacturing benchmark

Our 2024 ESG measures

- Improve our safety TIR
- Improve our female gender diversity
- Improve our CCLA corporate mental health benchmark score

Find out more

Key Performance Indicators	See page 32
Sustainability - Champion zero harm	See page 46
Sustainability - Nurture our culture	See page 47
Directors' Remuneration Report	See page 109

Customer

Our strategic initiatives

- Outgrow our markets through voice-of-customer led initiatives
- Solve our customers' biggest smart, efficient and sustainable challenges
- Show leadership in our industries' pathway to net zero

Our 2023 performance

Outgrow our markets through voice-of-customer led initiatives

We benefited from favourable mining markets and commodity prices which resulted in increased market penetration in key geographies and additional demand for our centrifugal pumps in particular. We will continue to work with our customers to develop transformative solutions for more sustainable mining and leverage key reference installations like Fortescue Metals Group's Iron Bridge mine in Western Australia to demonstrate the cost and sustainability benefits of our comminution solutions and redefined mill circuit.

Solve our customers' biggest smart, efficient and sustainable challenges

We have continued to work with strategic partners, including Eriez and STM Minerals to mature our customer value proposition. These relationships have helped us develop alternative flowsheets that use less energy, use water wisely and create less waste during minerals processing.

Show leadership in our industries' pathway to net zero

We published a pioneering study on avoided emissions that highlights a significant opportunity to reduce energy use and emissions in comminution. The study is the first to use the World Business Council for Sustainable Development's (WBCSD) Avoided Emissions Guidance to study mining processes and the avoided emissions results have been independently assured by SLR Consulting Limited. We shared the details of the study at COP28.

Our 2024 strategic measures

- Execute our strategic growth initiatives
- Capture value from new strategic alliances
- Position Weir as a mining technology solutions partner

Our 2024 ESG measures

- Customer avoided emissions
- Customer water optimisation
- Customer waste impact

Find out more

Key Performance Indicators	See page 32
Sustainability – Accelerate sustainable mining	See page 48
Our emissions strategy	See page 53
Directors' Remuneration Report	See page 109

Strategic progress
continued

Technology

Our strategic initiatives
- Invest in innovating transformational solutions
- Digitally enable everything we do
- Create new business and business models from data & insights

Our 2023 performance
Invest in innovating transformational solutions
Our technology strategy has ensured that our technology development, R&D and engineering resources are prioritised in line with our customers' sustainability challenges – to move less rock, use less energy, use water wisely and create less waste. Revenue from new products increased and we continued to collaborate with customers around the world on transformative flowsheets to make mining more sustainable. R&D investment in the year of £47.3m (2022: £48.1m) was 1.8% (2022: 1.9%) of revenues.

Digitally enable everything we do
We continued bringing our long-term digital vision to life. We invested in Synertrex®, our proprietary digital platform that provides customers with real-time data on the performance of their Weir equipment, resulting in a strong order pipeline and more than 60 sites now Synertrex® connected. In November we acquired SentianAI, an innovative developer of cloud-based AI solutions that optimise performance in minerals processing. The technology bridges to our Synertrex® platform, providing intelligent process optimisation, and accelerates our technology roadmap and digital capability.

Create new business and business models from data and insights
Our combined ESCO/Motion Metrics offer continues to deliver significant safety and efficiency benefits for customers. ESCO's global sales coverage has driven Motion Metrics adoption and opened doors to non-ESCO customers, increasing our share of wallet and expanding our presence. Our field trials are proving the value of our vision-based sensing technology, underpinned by AI, including in other applications in the mine, such as ore sorting and characterisation. These have the potential to radically improve the sustainability footprint of mining.

Our 2024 strategic measures
- Revenue from new products
- Digitise our current business model
- Execute our Enterprise Technology Roadmap to plan

Our 2024 ESG measures
- Progress our priority R&D projects

Find out more

Key Performance Indicators	See page 32
Technology for sustainable mining	See page 30
Sustainability – Accelerate sustainable mining	See page 48
Directors' Remuneration Report	See page 109

Performance

Our strategic initiatives
- Drive clean, lean and agile operations and supply chain
- Deliver high quality, efficient back office functions
- Expand margins and deliver strong cash conversion

Our 2023 performance
Drive clean, lean and agile operations and supply chain
We committed to ambitious emissions reduction targets in 2022 for scopes 1, 2 & 3 and these were approved by the Science Based Targets initiative (SBTi) in March 2023. We continued to drive down CO_2e emissions across our facilities, achieving a cumulative 23% absolute reduction in our scope 1&2 market-based emissions since 2019, keeping us on track to achieve our goal of a 30% reduction by 2030, versus our 2019 baseline.

Our Performance Excellence programme has accelerated our lean journey - our continuous improvement approach to optimise processes and reduce waste throughout our operations. It has delivered efficiency gains and absolute savings of £6m this year. We have completed projects to consolidate several North American manufacturing facilities in Minerals . We have also optimised our Australian service centre and Latin American distribution footprints.

Deliver high quality, efficient back office functions
As part of our Performance Excellence programme, we started the transition to global shared business services – Weir Business Services (WBS) – across our major functions. The detailed design phase of the project is complete. The overall shape of the transformation has been announced internally, and the first regional transition commenced in Q1 2024.

Expand margins and deliver strong cash conversion
On a constant currency basis adjusted operating profit grew 18% year-on-year, and adjusted operating margins were 17.4%, exceeding our 2023 target of 17%, and up 140bps. Free operating cash conversion for the year was 85%, firmly within our 2023 target range of 80% to 90%, while the efficiency of our mining focused platform enabled us to reduce working capital as a percentage of sales to 21.3% (2022: 23.7%).

Our 2024 strategic measures
- Improve our lean processes
- Optimise our capacity
- Functional transformation, including Weir Business Services

Our 2024 ESG measures
- Reduce scope 1&2 CO_2e vs 2019 base aligned to SBTi
- Develop and implement ESG data assurance roadmap
- Further integrate climate risk/opportunity in strategic planning

Find out more

Key Performance Indicators	See page 32
Performance Excellence	See page 12
Sustainability – Reduce our footprint	See page 47
Financial review	See page 38
Directors' Remuneration Report	See page 109

Detailed results for the 2023 strategic measures and ESG measures are shown in the Directors' Remuneration Report on pages 124-125. Further details of the target priorities for 2024 are set out in the Directors' Remuneration Report on page 115. Where not commercially sensitive to do so, we have provided prospective disclosure of the 2024 underlying targets. The result of performance against all targets for all strategic and ESG measures will be disclosed in next year's report.

Business model

Our differentiated, aftermarket-focused business model drives sustainable compounding growth.

In mining, downtime is the enemy of our customers and if unplanned, can cost them millions of dollars per day in lost production.

At the same time, the mining process is highly abrasive, so equipment inevitably wears out, sometimes within a matter of weeks.

Customers therefore look for the premium solution – the one that is the most reliable and has the longest wear life, thereby minimising downtime – a solution that delivers the lowest total cost of ownership.

This is Weir's differentiator.

- We bring world class engineering, innovation and manufacturing capability to deliver highly engineered original equipment and aftermarket products that have the longest wear life.
- We are deeply embedded within our customers' operations and supply chains with local day-to-day relationships increasingly complemented by strategic global collaboration.
- Our intellectual property, leading brands, customer focus and vertically integrated manufacturing base means we benefit from a large captive installed base of trusted mission-critical equipment.

Consequently, Weir benefits from there being a significant barrier to entry for others, as demonstrated by the fact that we capture more than 90% of our global aftermarket opportunity.

Our high capture rate supports our aftermarket focused business model – with each piece of original equipment (OE) generating, on average across the business, 30% of its original value in aftermarket (AM) spares revenue every year, driven by non-discretionary spend on aftermarket products that are essential to keeping ore production going.

So our business model is inherently resilient, driving sustainable compounding growth for Weir and differentiating us from our peers.

Our culture

We always seek to improve and innovate and have a tradition where we care for, challenge and encourage each other. We are passionately, authentically ourselves and work together to enhance our global communities. We speak up and take ownership for our shared successes and can't wait for what the future brings.

Our purpose

To enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world.

Our unique strengths

Core expertise in materials, engineering and data
Our engineers use their deep understanding of materials science, engineering and digital technology to create smart, efficient and sustainable solutions for our customers' biggest problems.

Our unique culture
Weir is a special place to work. People are inspired by our purpose and proud of what we deliver. A sense of belonging and the ability to do meaningful work are important so our people around the world are inspired to do the best work of their lives.

Integrated manufacturing and service facilities
Our vertically integrated supply chain and network of foundries, manufacturing operations and service centres give our customers certainty of supply and ensure we keep our intellectual property in-house.

Unmatched customer focus
We have built a customer service network that is second to none. We have people on the ground where and when our customers need them. Our customers' priorities are our priorities and we provide a reliable and rapid response.

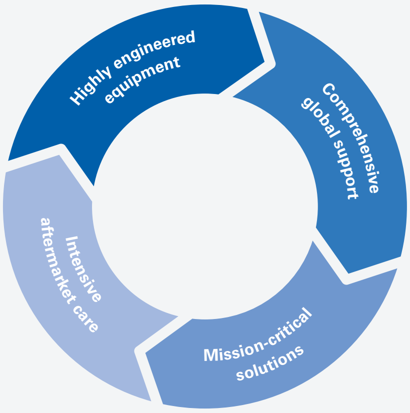
World-leading brands
Our product brands are synonymous with performance, quality and reliability. We draw on decades of technology investment to develop transformational solutions today and for the future.

Financial strength
Through continued careful management, we are focused on maintaining a strong and resilient balance sheet to support future growth.

Supported by our values and our risk management framework

Business model
continued

How we use our strengths



Highly engineered equipment
We produce highly engineered equipment and solutions, designed to solve our customers' toughest operating challenges with the lowest total cost of ownership. We operate across the mine, from pit to processing plant, and have leading market positions and premium brands.

Mission-critical solutions
Our equipment is mission-critical to our customers who rely on our solutions to avoid costly, unplanned downtime. If our equipment were to fail, their production can stop. So that makes us a vital technology partner.

Comprehensive global support
No one serves more mines than Weir and we are operating every day at the very heart of the world's mining processes. Our customers rely on us to provide them with the technology they need quickly and efficiently, supported by our global network of colleagues and service centres.

Intensive aftermarket care
Our technology is used in high abrasion applications, such as moving and crushing rock. Equipment parts wear out, and that generates recurring demand for aftermarket spares and expendables throughout the lifetime of the equipment. This creates a reliable, sustained revenue stream for Weir, throughout the mining cycle.

How we deliver value

For the planet and society
Sustainable and efficient delivery of natural resources essential to create a better future for the world

23%

reduction in scope 1&2 CO_2e emissions since 2019

For our customers
Market-leading technologies and excellent service that helps them run smarter, more efficient sustainable operations

£2.6bn

orders in 2023

For our people and communities
A rewarding place where people are empowered to do the best work of their lives and support local communities

£633m

paid in employee benefits in 2023

For governments
Support for economic growth and development in the countries in which Weir operates

£104m

paid in corporate income tax in 2023

For our shareholders
An opportunity to invest in a low-carbon future through the essential technology driving the global mining industry's transition to net zero

£96m

total dividends paid in 2023

Business model
continued

Our business model drives compounding growth

Sales of OE typically account for around 20% of our annual total revenue. Every OE sale grows our installed base, generating a highly valuable annuity-like aftermarket revenue stream on a recurring basis, as we provide spare parts to the equipment for the life of the mine.

Today approximately 80% of our total revenue comes from aftermarket. It is driven by non-discretionary spend on spare parts that are essential to keep mines running. As a result, our growth is predictable and sustainable.

Our installed base of OE is a huge asset for Weir as it fuels significant aftermarket revenue. We protect it with our ‘boots on the ground’ comprehensive global service approach.

We are also focused on growing our installed base of OE throughout the mining cycle. So even when large projects are slower to convert, we continue to grow the base by providing debottlenecking and small brownfield expansion solutions to existing mines.

Highly resilient through the cycle

By combining installed base expansion with ore production growth, the effects of declining grades and pricing, Weir consistently delivers mid to high single digit through-cycle growth.

The chart below demonstrates this predicable and sustainable aftermarket growth in action – with the graph showing >7% compound growth in the Minerals aftermarket over the last 12 years, and ESCO growing at a similar rate since acquisition.

Throughout various market cycles, including the global mining downturn, which saw capital expenditure fall significantly and commodity prices fall by 50%, our aftermarket has remained highly resilient, continuing to grow and demonstrating its inelasticity to both capital expenditure and commodity price cycles.

This embedded resilience is a major differentiator for Weir and our aftermarket focused model, through the cycle, is proven to be among the most resilient in our sector.

Business model drives compounding growth

Original equipment* **c.20%**

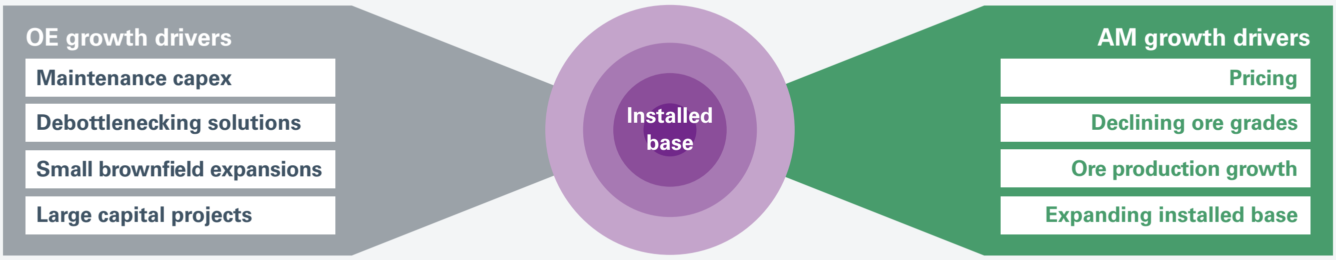
Large installed base of equipment
- Used in high wear applications
- Installed for life of mine c.30 years
- Wear parts replaced frequently

Aftermarket* **c.80%**

Drives aftermarket revenues
- Spare parts and expendables
- Lifetime: weeks/months

Original equipment sales expand installed base

Expanded installed base fuels further AM growth



Predictable and sustainable growth

* Revenue

Highly resilient through the cycle

Aftermarket growth is inelastic to capital expenditure and commodity price cycles

* Based on Weir’s three largest commodity exposures of copper, gold and iron ore

** Minerals AM revenue and ESCO Division revenue – H2 2018 to H2 2023

Helping miners move less rock, use less energy, use water wisely and create less waste.

We've worked closely with Fortescue Metals Group (FMG) to help create the most energy and cost-efficient magnetite ore processing facility in the world at FMG's Iron Bridge mine in Western Australia.

By combining a range of Weir crushing and pumping equipment, including our Enduron® High Pressure Grinding Rolls and GEHO® pumps, in an innovative way, our solution will reduce energy consumption by more than 30%, and carbon emissions by 40% compared to traditional mining technologies. In addition, the technology used means that 13 million tonnes of waste will be captured early and dry, significantly reducing wet tailings waste.

This is a great example of working together with an ambitious customer who shares our passion for using innovative engineering to make mining smart, efficient and sustainable.

See how we're partnering with customers to transform traditional technology.

Visit www.global.weir/iron-bridge-case-study

Stakeholder engagement

Our success depends on building and maintaining **positive relationships** with the people, communities and organisations that have an **interest in our business** and may be impacted by the decisions we take.

These stakeholders are at the heart of our We are Weir strategic framework that sets out our purpose, business model, strategic priorities, values and culture. It makes it clear that we want to be a business that provides excellent outcomes for our employees, customers, shareholders, communities, environment, governments and non-governmental organisations (NGOs), and other stakeholders, such as suppliers.

Information on the Board's approach to stakeholder engagement and activities during the year is included in the Corporate Governance Report on pages 82-83. The key decisions made by the Board during 2023, the stakeholders and strategic factors taken into consideration when making decisions, and the outcomes are also outlined in the Corporate Governance Report, on page 80.

UK Companies Act: section 172 statement:

Our Directors have a duty, both individually and collectively as a Board, to act in the way they consider most likely to promote the success of the Company for the benefit of our members as a whole.

As part of this duty, our Directors are required to have regard to a number of factors, including: the likely consequences of any decision in the long-term; the interests of employees; the need to foster business relationships with suppliers, customers and others; the impact of our operations on the community and the environment; the desirability of maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders. Consideration of these factors and other relevant matters is embedded into Board decision-making, strategy development and risk assessment across the year.

Our key stakeholders, the issues that matter to them, and the results of our engagement with them over the course of this year are set out on pages 26-27 and 81-86. Further explanation of our approach to understanding stakeholder interests and how these impacted the principal decisions taken by the Board during the year is set out on page 80.

Find out more

Our strategic framework	See page 18
Business model	See page 22
Sustainability strategy	See page 42
Corporate Governance Report	See page 71
Principal decisions taken by the Board	See page 80

Employees

Why is this stakeholder group important to us?

Our people are our key asset and a critical driver of our success, so keeping them safe is our top priority. We recognise the importance of listening to, responding to and acting on their feedback as we work to create an environment where they can thrive, do the best work of their lives, and contribute to Weir's success.

What matters to our people?

Our people want to work in an environment that is safe, where their physical and mental health is prioritised. They want to feel that their voice is heard and that everyone is treated fairly and equitably. Ultimately, our people seek a workplace that nurtures their individual success where they can also actively contribute to broader societal and environmental goals. Being paid and rewarded equitably for their work is also important.

How did we engage in 2023?

We ran our regular all-employee engagement survey, giving colleagues the opportunity to feedback on Weir. Employees continued to receive monthly 'CEO Briefings' from Jon Stanton covering strategy and business progress and, in May, we held our annual all-employee town hall. Additionally, colleagues received updates at a divisional and functional level leadership throughout the year. Locally, employees joined regular site-level meetings and toolbox talks. We continued to engage colleagues in our Zero Harm Behaviours Framework and in March 2023, we marked the annual Weir safety day with activities and events held at sites globally. Colleagues continued to engage throughout the year in activities led by our employee-led affinity groups. Details of the Board's approach to employee engagement and activities led by the designated Non-Executive Director in the year are described on pages 81-83.

What were the outcomes of our engagement with this stakeholder group?

We continued to benefit from well-established methods of two-way communication with our people on a local and regional level, while also continually looking at ways we can improve. Local town hall events with management, and toolbox chats allow everyone the opportunity to express their thoughts and concerns on all aspects of life at Weir.

We continue to communicate and act on the results of our all-employee survey on a global and local level, ensuring our people understand the priorities for improvement business-wide and the actions being taken at their place of work to make things better. Colleagues were updated on the progress from the previous survey and what improvements have been made on the topics that were most important.

We underlined our commitment to colleagues' safety and wellbeing with continued roll out of the Zero Harm Behaviours programme. In 2023, over 8,000 colleagues across 140 sites took part in training and workshops, with the aim of encouraging a broader range of safety behaviours expected of everyone, at all times, and which represent the key elements of a broader safety culture. Our approach to employee wellbeing and mental health was also demonstrated in 2023 when we were recognised as the biggest improver on performance among the UK's top 100 companies in the CCLA Corporate Mental Health Benchmark. Case studies showing our approach in action are detailed on our website at global.weir/wellbeing-stories.

Colleagues' learning and development were supported with the launch of several new programmes, including a reverse mentoring programme and a leadership programme for first line leaders.

Stakeholder engagement
continued

Customers

Why is this stakeholder group important to us?
Customers are partners in our success, driving our growth and informing our technology and sustainability priorities, so building and maintaining strong relationships is key. By embedding our sales and engineering teams close to our customers on mines across the world, we develop effective working relationships and gain valuable voice of customer insights, to guide our priorities and actions across all four pillars of We are Weir.

What matters to our customers?
Our customers want a supplier that understands and responds to their challenges with reliable high performance solutions that supports their safety and productivity goals and provides them with the lowest total cost of ownership. In addition they look to Weir as a partner for smart, efficient, sustainable mining technology solutions to help support their social licence to operate and their sustainability ambitions.

Our proximity to our customers is crucial in an industry where downtime and breakdowns can be critical. In addition, our technical expertise and deep understanding of their challenges engenders trusting long-term partnerships that will support the development and commercialisation of innovative solutions that accelerate the path to sustainable mining.

How did we engage in 2023?
Day-to-day, colleagues from Weir continued to support customers across the globe with their productivity and sustainability challenges. In addition, we worked with customers on field trials of our latest solutions and innovations, including our next generation of Ground Engaging Tools (GET) systems and new technologies for ore characterisation. We also continued to work with strategic partners, including Eriez and STM Minerals, to advance our customer value proposition.

What were the key topics and the outcomes of our engagement in 2023?
At Fortescue Metals Group's (FMG's) Iron Bridge site in Western Australia, we started up the world's first dry grinding circuit which will save water and waste and reduce energy by at least 30% compared to traditional milling methods. We continued to develop our network of facilities and services centres so that we remain close to our customers. We opened new facilities in key mining regions such as Salt Lake City in North America and Port Hedland in Australia (supporting FMG). To support technology and innovation, we opened new hubs in the Netherlands and Canada, the latter being our Centre for Excellence for AI. We engaged customers in discussions that informed work on our matured sustainability strategy and refreshed brand strategy.

Shareholders

Why is this stakeholder group important to us?
Our shares are listed on the London Stock Exchange and we raise debt from banks and through listed bonds. Our equity and bonds are owned by investors in the UK, US, Europe and other regions and we engage with and provide information to them through our investor relations programmes and communications.

What matters to our shareholders?
They are concerned with our financial and operational performance, and our business strategy. They want to understand our business and how we create value. Our approach to sustainability and our environmental, social and governance (ESG) performance is also important to them.

How did we engage in 2023?
We held over 280 investor meetings, covering c.50% of our shareholder base and a number of prospective investors. We also commissioned an investor perception study to understand in greater detail key institutional investors' views of Weir. In December we hosted a Spotlight Capital Markets Event on growth and Performance Excellence during which we announced our new operating margin target of 20% in 2026.

What were the key topics and the outcomes of our engagement in 2023?
Key topics included financial performance, long-term strategy and our Performance Excellence transformation programme. In June, the Group completed the issue of £300m five-year Sustainability-Linked Notes and in December, we announced the formation of a dedicated Sustainability and Technology Board Committee.

Suppliers

Why is this stakeholder group important to us?
Our global network of suppliers is critical in supporting robust supply chains that allow us to serve our customers and operate efficiently.

What matters to our suppliers?
They want to understand how to support us through delivering reliable, high quality and competitively priced products and services, and engage with us on innovations and technology developments. Effective collaboration, good communication and transparent partnerships are important to them, and they are concerned with sustainability, compliance and ethical practices.

How did we engage in 2023?
We continued to work positively and collaboratively throughout the year, divisionally and functionally, on tactical matters, as well as through strategic technology and R&D collaborations.

What were the key topics and the outcomes of our engagement in 2023?
Engagement covered a range of topics relevant to our longer-term technology and sustainability ambitions. At a tactical level, we worked with suppliers on quality and improvements to their internal manufacturing processes. We also engaged on health and safety, modern slavery laws and anti-bribery and corruption laws.

Stakeholder engagement
continued

Communities & environment

Why is this stakeholder group important to us?
Contributing to our local communities is core to our sustainable business practices. Our communities serve as integral partners, providing a skilled workforce and fostering innovation. We build relationships through community engagement and recognise that our success is intertwined with the prosperity of local stakeholders. By prioritising communities in which we operate we are promoting long-term resilience and growth for both the company and the communities in which we serve.

What matters to our local communities?
Our communities want us to provide safe and attractive employment opportunities together with investment and support for local initiatives and education. Beyond this, they expect us to demonstrate strong social responsibility, delivering on our sustainability and environmental goals.

How did we engage in 2023?
We believe that our colleagues best understand the needs of their communities at a local level and we engaged with communities throughout the year, led by our sites across the globe. There have been numerous examples of outreach initiatives, educational seminars and support, including financial support, for important areas such as safety, health, diversity and inclusion. Read more on our website about how we connect with our communities.

What were the key topics and the outcomes of our engagement in 2023?
Key topics included sustainability and education. We provided employment to c.12,000 people in over 60 countries worldwide, including through our apprenticeship programmes. We continued to support local initiatives, including health, education and social welfare charities.

Governments & NGOs

Why is this stakeholder group important to us?
We develop relationships with governments and NGOs to ensure we stay abreast of developments in regulatory compliance and responsible corporate practice. It also enables us to contribute to the debate on industry-specific topics relating to sustainable mining. At a local level, we engage on operating frameworks, environmental standards, worker safety and ethical conduct.

What matters to governments & NGOs?
The role of mining in the energy transition and how technology enables that, together with mining's social licence to operate, are a major focus of governments and NGOs at a global and local level. In parallel, understanding the employment opportunities we provide and the future skills we need are also important. They want to know we are an ethical and responsible business and a good employer.

How did we engage in 2023?
We engaged with government, key NGOs, trade bodies and research organisations throughout the year on topics including safety, manufacturing, sustainable mining, education and skills, particularly science, technology, engineering and maths (STEM) skills.

What were the key topics and the outcomes of our engagement in 2023?
We continued to promote STEM education and opportunities, particularly for women and other under-represented groups. Our Young Weir Wise programme, in conjunction with Strathclyde University, welcomed 150 students from 89 schools across Scotland. We shared our industry-first study on avoided emissions at the COP28 summit in December, highlighting the opportunity for significant energy savings in mining.

Weir study highlights significant energy saving opportunity in mining

Weir's Chief Strategy & Sustainability Officer, Paula Cousins, revealing details of the study during a panel discussion at COP28.

In 2023, we completed a study that highlights a significant opportunity to reduce energy use and emissions in comminution, the rock crushing process that is key to minerals extraction, and that consumes c.3% of the world's electrical power each year.

The study is the first to use the World Business Council for Sustainable Development's (WBCSD) Avoided Emissions Guidance to study mining processes, and the avoided emissions results have been independently assured.

Three of Weir's technology combinations were evaluated against a conventional comminution circuit design and all three are shown to yield sizeable benefits versus the traditional circuit.

In the optimal combination, the comminution process consumes around 40% less energy and can avoid up to 50% of CO_2e emissions. Importantly, there is no trade off elsewhere, as the redefined process uses less water too.

We unveiled the findings of the study in December 2023 at a COP28 panel discussion hosted by the Ministry of Economy, Trade and Industry of Japan and moderated by the WBCSD.

Accelerating the path to **smart, efficient and sustainable mining.**

The need for transformative technology solutions in mining is compelling – the world needs more critical metals to achieve net zero and the mining industry needs to extract these with less energy, water and waste.

That scale of innovation needs new ways of thinking. So we're pushing the boundaries – bringing together the best brains to create mining technologies that prove it is possible to deliver the resources needed now, for a low-carbon future.

No one serves more mines than Weir. And with our expertise in engineering, materials science and intelligent automation, we're helping customers scale up and clean up, accelerating the path to more sustainable mining.

See the work we're doing to make mining more sustainable.

Visit www.global.weir/sustainability

Technology for sustainable mining

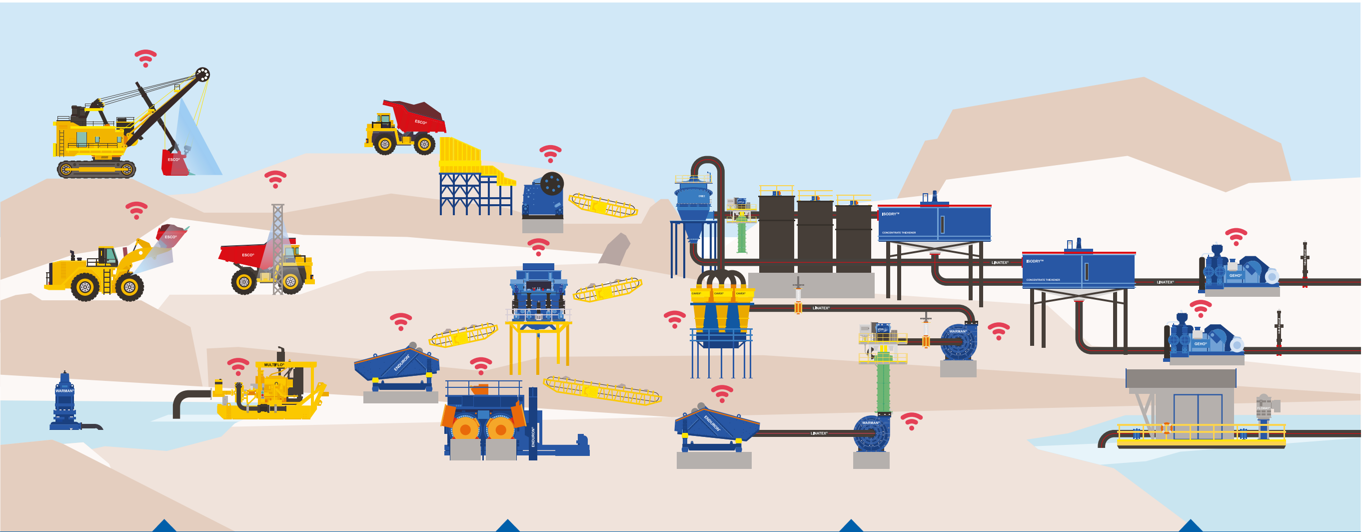
Technology is at the heart of what we do. We are **investing to develop** the next generation of **innovative solutions** to tackle our customers' biggest **sustainability challenges**.

Weir's mining technology operates in some of the harshest conditions on earth and where downtime can cost our customers tens of millions of dollars a day. Our core value proposition is lowest total cost of ownership, or TCO. Our products operate more efficiently, so use less energy and water, and last longer than alternative solutions. As a result, spare parts need to be replaced less frequently.

These characteristics stem from our world-class engineering and materials science, manufacturing know-how and deep customer insight, increasingly enabled by intelligent automation. We have some of the world's leading metallurgists, materials scientists, data scientists and foundry experts in our team, and our exotic alloys and specific foundry processes give our products their extended, best-in-class wear life.

Higher performing, longer lasting products bring inherent sustainability benefits too. Embodied carbon emissions are lower because less metal is being poured, less waste is being created and less carbon is expended in supply chains.

However, given the critical role of mining as an enabler in the transition to net zero and the industry's imperative to scale up and clean up at the same time, we are increasing our R&D investment to deliver innovative transformational technology solutions aligned to our customers' biggest priorities.



Move less rock

Miners want to reduce the effort they expend on processing zero and low grade ore. They want to move less rock by moving only high grade material.

We are developing technologies that identify and select ore with the right mineral content, helping customers to optimise the material entering their processing plant.

Use less energy

Mining is energy intensive and the industry accounts for around 3.5% of total final energy consumed globally[1]. Energy costs money and contributes to CO_2 footprint, so there is a dual impetus for miners to use less energy in their processes.

We are innovating solutions that deliver significant energy savings, helping our customers meet their sustainability goals.

Use water wisely

Water is fundamental to the way minerals are processed. However, in some parts of the world there is not enough, and in some parts there's too much. So miners want to use water wisely.

We are developing tailored solutions that increase water recovery and recycling rates and, where possible, introduce water-free process steps.

Create less waste

Today, over 90% of mined rock ends up as tailings – the waste stream produced in conventional mining processes.

With technologies to tackle the other priorities, mining will create less waste and lower volumes of tailings. In addition, we are working on innovative ways to manage the tailings that are produced more safely and sustainably.

1. https://www.ceecthefuture.org/resources/mining-energy-consumption-2021

Technology for sustainable mining
continued

A technology strategy for growth

Through our technology strategy, we are creating the sustainable solutions that underpin our growth ambition.

Fundamentally, miners want to get more from less. By working closely with our customers and listening to them, we understand their biggest priorities, which we have summarised into five simple themes:

- Move less rock
- Use less energy
- Use water wisely
- Create less waste; and
- Boost with digital.

These themes are the framework for our technology strategy, and we use them to prioritise and allocate our engineering and R&D resources to address our customers' priorities.

With clear customer priorities and a compelling mandate to make mining more sustainable, we continue to target investment in R&D of 2% of revenue, differentiating ourselves further and prioritising spend based on 'voice-of-customer' feedback and projects. These include:

- protecting our core business – through investments in materials science and core engineering capabilities; and
- developing new products and solutions which will address our customer's biggest sustainability challenges.

In parallel, we are also adding new capabilities in areas such as digital, data management and AI. Furthermore, strategic alliances and acquisitions have further accelerated our organic strategy and we continue to build our pipeline of new opportunities.

Our R&D strategy is therefore very clear. We will continue to invest to protect our core value proposition, while increasing spend to address our customers' biggest challenges and drive our future growth.

Transformative solutions deliver compounding benefits

Many of our current growth initiatives are supported by new innovations that already align to one or more of the key customer themes in our technology strategy. Our range of more nascent technologies has the potential to deliver further growth and is similarly aligned.

However, the most exciting opportunity for Weir and our customers comes from integrating technologies in innovative new ways. By packaging technologies together, right across the mine, we can create solutions that will deliver compounding benefits – driving productivity up, and environmental footprint down. Our digital insights ensure processes are optimised, which together with our sustainable hardware solutions, will significantly reduce energy and water consumption, and create less waste.

These transformative integrated solutions are set to be key growth drivers for Weir in the years ahead and will further expand our technology leadership.

Expanding our digital ecosystem capabilities

Digital technology has an important role in helping address the challenges of declining ore grades, production efficiency, and CO_2 emissions for our customers. Ultimately, miners want to optimise their operations to get more from less. So we are boosting the effectiveness of our engineering technology expertise with a digital system overlay to provide added insight and enhanced performance. Our Synertrex® platform offers data driven insights on our equipment, while our Motion Metrics™ machine vision and AI technology provides complementary insight on mine processes.

We continue to make good progress with Motion Metrics, deploying more technology units across every region. This includes at a large iron ore mine in Western Australia where the customer wanted to reduce downtime in the processing plant and further enhance its safety performance.

Our latest generation LoaderMetrics™ and ShovelMetrics™ solutions are being rolled out on all large machines at the mine and the early feedback is very positive.

Complementing our platform with SentianAI

During the year we worked with SentianAI, a Swedish-based developer of AI solutions, on a proof of concept project to optimise the performance of Weir equipment in the minerals processing plant. Then, in November 2023, we brought the SentianAI technology in-house, announcing our acquisition of the business and welcoming the team of highly skilled software developers and data scientists to Weir.

Acquiring SentianAI accelerates our technology strategy and expands our digital capability, enabling us to provide enhanced productivity and sustainability offerings to customers.

Combining digital technologies to boost performance

SentianAI-enabled process optimisation software uses inputs from Synertrex® and also takes inputs from across the broader processing circuit. It makes recommendations on how ore throughput can be increased and on how emissions and energy consumption can be reduced. It can also enable automation, opening the door for us to explore new business models such as performance-based payments and Software as a Service.

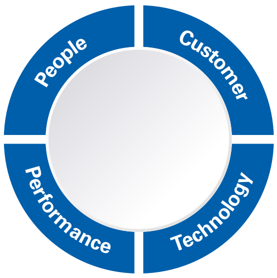
We see long-term growth opportunities from digital technologies. Combining SentianAI advanced software solutions to our Synertrex® and Motion Metrics™ technologies is an exciting development for Weir and our customers, enabling us to provide holistic performance monitoring and optimisation for smart, efficient and sustainable mining.

Key Performance Indicators

We have **financial and non-financial** metrics to **measure** our **performance**.

These metrics are aligned to our We are Weir strategic framework and the majority are linked to executive remuneration.

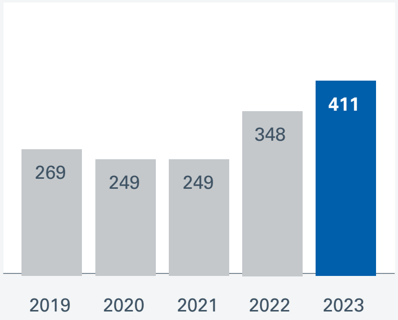
In 2023, 60% of Executive Director annual bonus was directly linked against financial KPIs (adjusted profit before tax and free operating cash conversion), 20% was directly linked to progress against strategic measures and 20% directly linked to ESG measures. Further details are provided in the Directors' Remuneration Report on pages 123-125.



Financial

Adjusted profit before tax[1] £m

F



2023 performance

Continuing operations adjusted profit before tax was £411m (2022: £348m). Continuing operations adjusting items were £90m (2022: £87m). In 2023 these were mainly due to costs relating to Performance Excellence and a charge in relation to the legacy US asbestos-related provision.

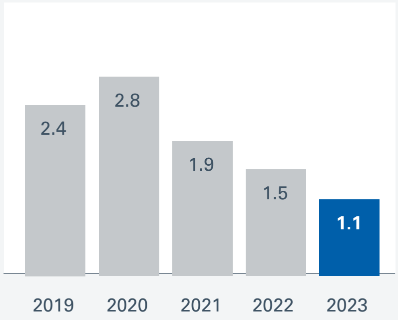
Link to strategy

People, Customer
Technology, Performance

Find out more on pages 38-39

Balance sheet efficiency – Net debt To EBITDA[2]

F



2023 performance

Net debt to EBITDA on a lender covenant basis was 1.1x (2022: 1.5x) compared to a lender covenant level of 3.5x. Within our capital allocation policy we aim to keep net debt to EBITDA between 0.5x to 1.5x, and up to 2.0x for acquisitions, with through-cycle 33% adjusted earnings per share being distributed by way of dividend.

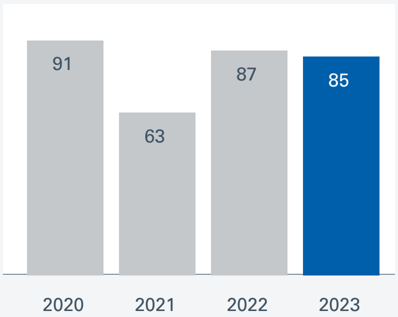
Link to strategy

People, Customer
Technology, Performance

Find out more on page 41

Free operating cash conversion ratio[3] %

F



2023 performance

Free operating cash conversion was 85% (2022: 87%) in line with our target range of 80% to 90% for 2023. From 2024, we are targeting operating cash conversion of 90% to 100% driven by working capital efficiency and maintaining capex and lease costs close to 1.0x depreciation.

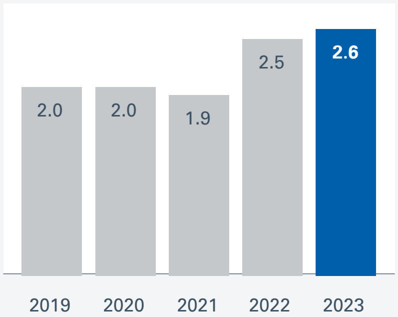
Link to strategy

People, Customer
Technology, Performance

Find out more on page 41

Revenue[1] £bn

F



2023 performance

Continuing operations revenue of £2,636m was up 9% on a constant currency basis. Given our attractive markets and distinctive proposition, we expect to grow ahead of the growth in ore production and deliver mid to high single digit percentage revenue growth through the cycle supported by organic initiatives.

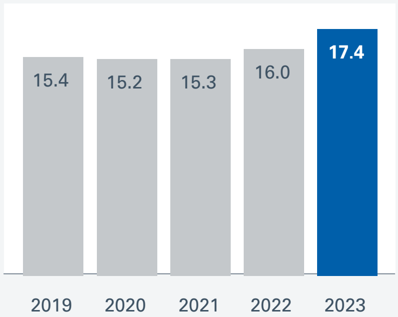
Link to strategy

People, Customer
Technology, Performance

Find out more on pages 38-39

Adjusted operating margin[1] %

F



2023 performance

Continuing operations adjusted operating margins were 17.4%, exceeding our 2023 target of 17% and up 140bps versus 2022. We have a new operating margin target of 20% in 2026. We expect to achieve this through operating leverage from growth and cost savings from Performance Excellence.

Link to strategy

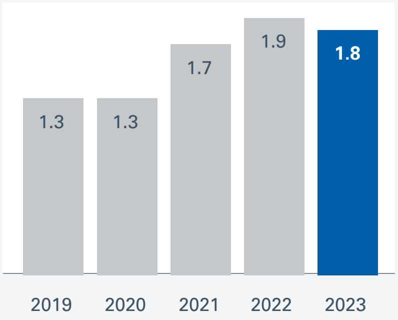
Performance

Find out more on page 39

Key Performance Indicators
continued

Non-financial

R&D investment as a percentage of revenues[1]
S



2023 performance

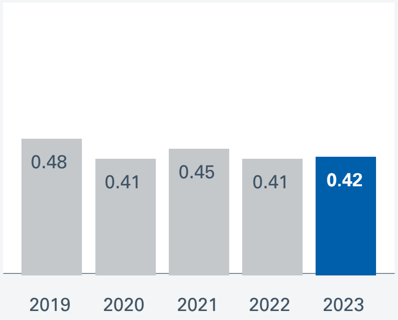
Research & development costs for continuing operations of £47.3m (2022: £48.1m) were 2% lower year-on-year and equated to 1.8% of revenues. We continue to focus our R&D investment on technologies that make mining operations smart, efficient and sustainable.

Link to strategy

Technology

Find out more on pages 30-31 and 166

Safety (total incident rate[4,5])
E



2023 performance

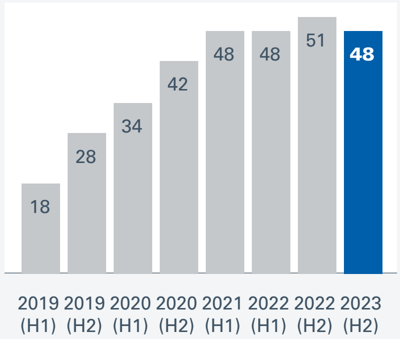
Our total incident rate (TIR) of 0.42 (2022: 0.41) puts us among the safest companies in our sector but is disappointing relative to our ambition of zero harm. We are building good momentum with our Zero Harm Behaviours programme and will continue to embed it in 2024.

Link to strategy

People

Find out more on page 46

Employee engagement (eNPS[6])
S



2023 performance

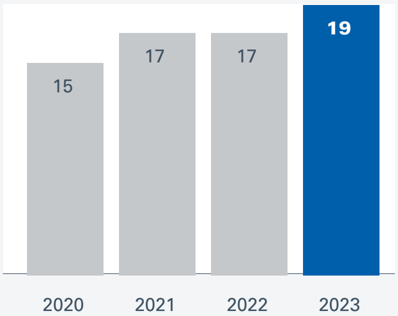
Levels of engagement remained high and our employee net promoter score of 48 keeps us in the top 25% against manufacturing sector benchmarks. Participation levels in our regular all-employee engagement survey remained excellent at 87%.

Link to strategy

People

Find out more on page 47

Inclusion, diversity & equity: Female representation %
E



2023 performance

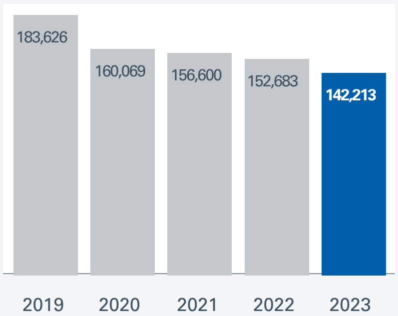
Female representation increased to 19% of employees (2022: 17%) supported by strategic actions including a reverse mentoring programme, a review of global maternity policies to better support our workforce, and listening activities into the female employee experience at Weir.

Link to strategy

People

Find out more on page 47

Greenhouse gas emissions Scope 1&2 CO_2e Tonnes CO_2e
E



2023 performance

Scope 1&2 CO_2e emissions[7] in 2023 were 142,213 tCO_2e, a cumulative reduction of 23% since 2019, driven by many projects at our sites across the world. We are targeting a reduction of 30% in absolute scope 1&2 market based CO_2e by 2030, from a 2019 baseline. This target has been approved by the Science Based Targets initiative (SBTi).

Link to strategy

Technology and Performance

Find out more on pages 47 and 56

Key

F Financial metric

S Strategic metric

E ESG metric

The Key Performance Indicators include a mixture of GAAP measures and those which have been derived from our reported results in order to provide a useful basis for measuring our operational performance. Adjusted results are for continuing operations before adjusting items as presented in the Consolidated Income Statement. Details of alternative performance measures are provided in note 3 of the Group Financial Statements.

1. Continuing operations (2020 restated for SaaS adjustments).
2. Calculation is on a lender covenant basis with net debt at average exchange rates.
3. Total Group (2020 restated for SaaS).
4. Total incident rate is an industry standard indicator that measures lost time and medical treatment injuries per 200,000 hours worked.
5. Total Group for 2019, Continuing operations for 2020-2023.
6. eNPS (employee net promoter score) is an index used to measure employee satisfaction levels.
7. Market based greenhouse gas emissions. For definition, see page 57.

Operating review: Minerals Division

Our Minerals Division is a **global leader** in engineering, manufacturing and servicing the **processing technology** used in abrasive, high-wear mining applications. **Its differentiated technology** is also used in infrastructure and general industrial markets.

2023 Divisional revenue

£1,937m

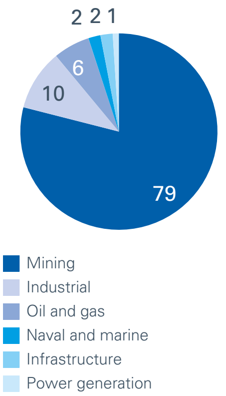
+12%[1]

2023 Divisional adjusted operating profit

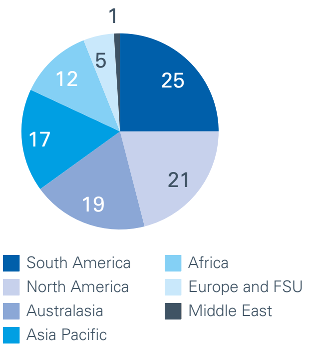
£376m

+18%[1,2]

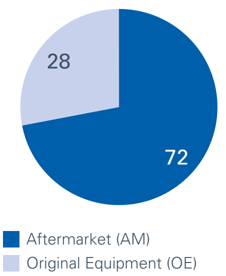
Divisional orders by end market %



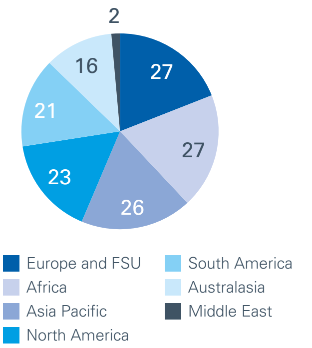
Divisional orders by geography %



Revenue by original equipment /aftermarket %



Number of facilities



1. 2022 restated at 2023 average exchange rates.
2. Profit figures before adjusting items (note 2 of the Group Financial Statements).

2023 strategic review

Minerals delivered a year of strong strategic progress, growing its installed base, significantly enhancing its digital offering, and completing and initiating a number of Performance Excellence projects that will drive efficiency and margin expansion. Progress across all four pillars of the 'We are Weir' strategic framework is outlined below.

People

On safety, TIR for Minerals was 0.34 (2022: 0.27). The Division remains amongst the safest in its sector, and through the Zero Harm Behaviours Programme is reinforcing safety as a priority.

Inclusion, diversity and equity was a key focus in the year, and this is reflected in improved gender diversity across the Division. Other milestones included increased diversity in recruitment and talent pipelines, and the global launch of our Woman in Leadership Programme, in conjunction with the University of Pretoria.

Customers

Comminution is a high growth area of our portfolio, and in the year we saw a significant increase in orders for our AM solutions. This reflects growth in our installed base, and our increased strategic focus on this area. A particular highlight was an order from a large copper mine in South America, where our customer ordered Enduron® rollers for their High Pressure Grinding Rolls (HPGR). The installation will be the first instance of our rollers being fitted to a competitor's HPGR, and enables us to showcase the performance and reliability benefits of our technology. More generally, the pipeline for our HPGR remains strong with a number of projects advancing materially through the year.

We also gained further market share in mill circuit pumps, converting over 85% of our competitive field trials.

Technology

In November we acquired SentianAI, an innovative developer of process optimisation solutions powered by Artificial Intelligence. Coupled with the launch of our Synertrex® intelli-solutions condition monitoring technology, which now spans six product platforms and is active at over 60 mines, the acquisition enhances our overall process optimisation capabilities and positions us to develop new revenue and business models.

Our portfolio of sustainable solutions, which improve water efficiency and reduce energy consumption relative to traditional mining technologies, also gained traction. We grew our sales pipeline for our Redefined Mill Circuit and received initial commercial orders for Coarse Particle Flotation technology, which we access through our partnership with Eriez.

In addition, we launched our Cavex® 2.0 cyclone technology, and invested in upgrades and range expansions for our industry leading Warman® slurry pumps.

Performance

On Performance Excellence, the Division consolidated several of its manufacturing facilities in the US, optimised its Australian service centre and Latin America distribution footprints and initiated the reconfiguration of its elastomer manufacturing in Asia Pacific. Several new 'configure to order' tools were also launched, which will reduce product variation and improve manufacturing efficiencies. These included full launch of our HPGR configurator tool, and phase 1 roll-out of our 'Warman selector' tool.

Among other Performance Excellence projects initiated was the launch of Weir Integrating Network System (WINS), our new lean manufacturing programme. WINS is our proprietary operating system and is enabling us to extend our focus on lean to cover all value streams in our global operations.

On sustainability, in our continued drive to reduce our environmental footprint, we installed solar panels at our facilities in South Africa and transitioned our Australian operations to a green energy tariff.

Operating review: Minerals Division
continued

Weir's HPGR technology sets new standards for sustainable mining

At the Iron Bridge site in Western Australia, our installed High Pressure Grinding Rolls (HPGR) technology is bringing increased uptime and wear life benefits for Fortescue Metals Group. Saving 30% in energy and 40% in carbon compared to conventional comminution flowsheets, the solution is also the world's first completely dry grinding circuit, which helps tackle another important industry issue – waste. In total, 13m tonnes of waste will be captured early and captured dry, reducing the wet tailings requirements for the plant.

See how we're using our core expertise to solve our customers' problems - today and in the future.
Visit www.global.weir/iron-bridge-case-study

Reinvigorating our lean culture at Weir Minerals Salt Lake City

The Weir Integrating Network System, or WINS, is reinvigorating lean processes in the Minerals Division. WINS is outcome-focused and concentrates on eliminating things that waste time, effort or money, cutting out steps that do not create value. Our Salt Lake City facility, which manufactures rubber wear products for hard rock mining customers, was the first to put the new WINS methods into practice and the team is already seeing the benefits in rubber press utilisation and reduced downtime of supporting work centres.

See how we're reducing waste and improving efficiencies in our own facilities.
Visit www.global.weir/salt-lake-city-case-study

2023 financial review

Orders were broadly stable on a constant currency basis at £1,895m (2022: £1,886m), with book-to-bill at 0.98 reflecting strong execution and ongoing strength in mining markets. OE orders decreased 6% year-on-year, relative to a strong prior year comparator which included £33m of large orders for nickel projects in Indonesia. Through the year, we continued to see good momentum in demand for OE for small brownfield and debottlenecking projects, as customers sought to maximise production from existing assets and large projects remained slow to convert. AM orders increased 3% year-on-year, with a contribution from pricing and an increase in volume from customers in hard rock mining, partially offset by reduced orders from customers in the Canadian oil sands and a loss of orders from Russia. Excluding orders from Russia from the prior year comparator, AM orders were up 4%. Contribution from pricing in H2 was lower than in H1, as the pricing environment normalised through the year. In line with prior years, AM orders in Q2 included multi-period orders, and excluding these, AM orders grew sequentially from H1 to H2. For the full year, AM orders represented 73% of total orders (2022: 71%), and mining end-markets accounted for 79% of total orders (2022: 76%).

Revenue increased 12% on a constant currency basis to £1,937m (2022: £1,735m), reflecting strong execution and price realisation. Half-on-half, revenue grew sequentially through the year, as we delivered our record opening order book in H1 and continued to benefit from strength in our mining markets in H2, with orders converting to revenue. Revenue growth in Canada was particularly high, following strong order growth in the Canadian oil sands last year. Partly offsetting this was reduced revenue from Russia, which year-on-year decreased by £38m as we wound down operations. Full year revenue mix moved towards OE, which accounted for 28% of revenue, up from 26% in the prior year.

Adjusted operating profit increased 18% on a constant currency basis to £376m (2022: £318m) as the Division benefited from increased volumes, strong execution and the initial benefits of Performance Excellence. In addition, year-on-year, the Division benefited from a reduction in adverse transactional FX movements of £8m.

Adjusted operating margin on a constant currency basis was 19.4% (2022: 18.3%). The year-on-year improvement of 110bps reflects strong operational efficiency, early benefits from Performance Excellence, and a reduction in adverse transactional FX movements, partially offset by the movement in revenue mix towards OE.

Operating cash flow increased by 8% to £418m (2022: £386m) reflecting growth in operating profit, partially offset by a modest increase in working capital outflow to £26m (2022: £18m). Working capital movements include a reduction in inventory resulting from actions through Performance Excellence, and also a decrease in both receivables and payables in line with phasing of revenue and purchases respectively.

Operating review: ESCO Division

Our ESCO Division is **a global leader** in the provision of Ground Engaging Tools (GET) for large mining machines. **Its highly engineered technology** improves productivity through extended wear life, **increased safety and reduced energy consumption**.

2023 Divisional revenue

£699m

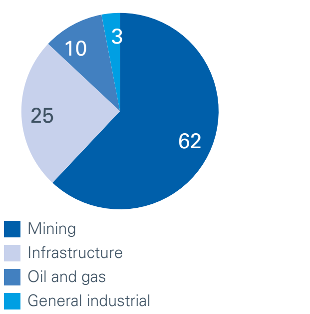
+2%[1]

2023 Divisional adjusted operating profit

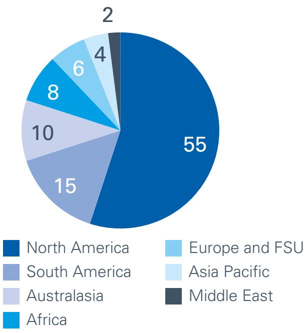
£122m

+11%[1,2]

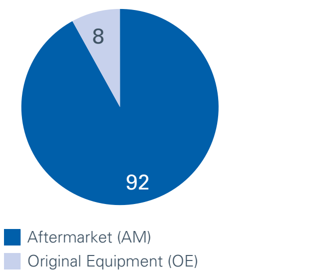
Divisional orders by end market %



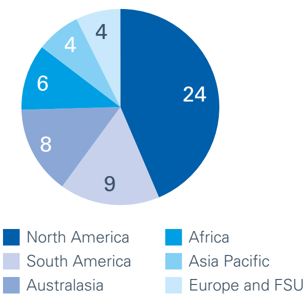
Divisional orders by geography %



Revenue by original equipment/aftermarket %



Number of facilities



1. 2022 restated at 2023 average exchange rates.
2. Profit figures before adjusting items (note 2 of the Group Financial Statements).

2023 strategic review

ESCO made good strategic progress in the year, significantly improving safety performance, delivering substantial growth in mining attachments and advancing its foundry optimisation programme. Progress across all four pillars of the 'We are Weir' strategic framework is outlined below.

People

Safety performance in ESCO was a highlight, with a reduction in TIR to 0.81 (2022: 1.01). This reflects strong focus across the Division and is an important step forward on our journey to delivering our ambition of zero harm.

In addition, we continued to make significant strides with respect to diversity, with improvement in gender diversity at all levels in the Division.

Customers

Throughout the year, the Division made significant progress in growing market share in mining attachments. Year-on-year orders increased by 40%, as customers chose ESCO solutions for their lowest total cost of ownership and productivity benefits. We grew orders in our largest market of North America, and also won key orders in Africa and Australia, reflecting our increased focus and momentum in these regions.

We also won share in our core GET market, delivering positive net conversions, and gained traction with our Motion Metrics digital solutions, growing our sales pipeline and delivering year-on-year revenue growth.

Technology

The development of our next generation GET technology was a major focus in 2023. Results from field trials of the new solution were positive, demonstrating that the technology further enhances our customer proposition of best in class wear life and lowest total cost of ownership.

We also delivered successful phase 1 field trials of our proprietary ore characterisation technology, with the second phase of trials due to commence in the first half of 2024.

In addition, we continued to invest in our materials science capability, developing new alloys and composites to underpin our technology leadership.

Performance

Optimising the performance of its foundry network is ESCO's largest Performance Excellence opportunity, and the Division made good progress in the year. Construction of the new foundry in Xuzhou, China, is now complete and equipment is being commissioned. The first casting from the foundry was poured in February 2024 and, once fully operational, the facility will significantly increase the Division's low cost manufacturing capacity. Progress in our North American foundries was also positive, with year-on-year improvements in both operational and quality metrics.

From a sustainability perspective, the Division took steps forward in reducing its environmental footprint, completing environmental audits across a number of its facilities and establishing work groups that are addressing key findings.

Operating review: ESCO Division

continued

Xuzhou 2 – ESCO's most modern foundry

In line with our growth opportunities, 2023 saw continued progress on the building of ESCO's newest foundry in Xuzhou, China. A $60m investment, it will replace the existing facility in the city which has been in operation since 2006. Once operating at peak capacity, the foundry will produce around 70 tonnes of GET per day. This is about 30% more than the foundry it replaces – so will significantly increase the proportion of the Division's total capacity in its lowest cost location. Furthermore, increased use of automation will improve efficiency and drive down the cost of manufacture at the site. The transition to move operations is already underway and the first pour took place in early February 2024.

See how we're expanding our production capability with state of the art technologies.
Visit www.global.weir/xuzhou-case-study

Customer proximity driving growth in Australasia

Since Weir acquired ESCO in 2018, the Division has pursued a 'direct in mining' strategy to expand sales and its service network. Being on the ground and close to customers, and using our leadership in GET and deep rooted mining knowledge, we are able to cross-sell our portfolio of engineered technology and Motion Metrics™ digital solutions and expand our presence at the mine – all of which provides further productivity and sustainability benefits to our customers. In Australasia we've grown strongly over the past two years, leveraging the quality, reliability and safety of the ESCO brand and our differentiated core GET technology to help us embed ESCO more deeply with customers in the region, with a broader suite of solutions.

See how we're increasing our footprint in Australasia and working closely with our customers.
Visit www.global.weir/weir-esco-australasia-case-study

2023 financial review

Orders decreased 2% on a constant currency basis to £690m (2022: £704m), with book-to-bill at 0.99 reflecting strong execution coupled with high levels of activity in our mining markets. Year-on-year movement in orders reflects growth in mining orders, including a contribution from price, offset by a decrease in orders from infrastructure customers relative to a strong prior year comparator. Contribution from pricing in H2 was lower than in H1, as the pricing environment normalised through the year. In mining, demand was particularly strong for our mining attachments, which is reflected in OE order growth of 41%. Notwithstanding this, AM continues to be the largest part of ESCO accounting for 91% of total orders in the year (2022: 94%). In total, mining end markets accounted for 62% of orders (2022: 62%) and infrastructure accounted for 25% (2022: 26%).

Revenue on a constant currency basis increased by 2% to £699m (2022: £688m) with price realisation and volume increases in mining, partially offset by a decrease in infrastructure volumes. Year-on-year revenues from infrastructure markets decreased by 14%.

Adjusted operating profit increased by 11% to £122m (2022: £109m) on a constant currency basis, as the Division benefited from strong execution and operational efficiencies.

Adjusted operating margin on a constant currency basis was 17.4% (2022: 15.9%), with the year-on-year improvement of 150bps reflecting strong operational efficiency.

Operating cash flow increased by 47% to £137m (2022: £93m) reflecting growth in operating profit and a decrease in working capital outflow to £4m (2022: £33m). Working capital movements include a small reduction in inventory, and a modest increase and decrease in receivables and payables respectively.

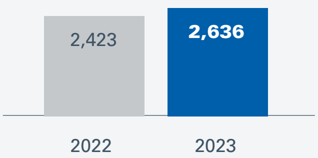
Financial review

We delivered **strong growth** in revenue and operating profit, **margin expansion** and met our free operating cash conversion target. Leverage reduced to 1.1 times and our **balance sheet remains strong**.

Revenue[1]

£2,636m

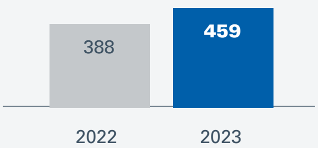
+9%[2]



Adjusted operating profit[1,3]

£459m

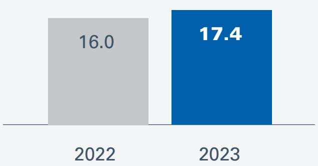
+18%[2]



Adjusted operating margin[1,3]

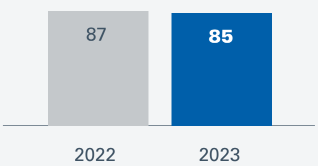
17.4%

+140bps



Free operating cash conversion

85%



1. Continuing operations.
2. 2022 restated at 2023 average exchange rates.
3. Profit figures before adjusting items (note 2 of the Group Financial Statements).
4. Calculation is on a lender covenant basis with net debt at average exchange rates.

Overview

Strong execution through 2023 supported by a record opening order book saw the Group deliver year-on-year growth in revenue and operating profit, significantly expanding our operating margins and meeting our free operating cash conversion target. With leverage reducing to 1.1 times, our balance sheet remains strong with significant liquidity to support our future growth ambitions.

Our business model of vertically integrated operations and market-leading positions ensures that we continue to deliver for our customers while growing margins through operational efficiency, the initial realisation of benefits from our Performance Excellence programme and appropriate price increases despite a slightly adverse revenue mix.

We enter 2024 with a strong order book, continued expansion in our installed base and positive production trends in our mining markets. Combined with our focus on delivering the benefits from our Performance Excellence programme, for which we recently doubled our target savings, we are well placed to progress further towards our cash conversion target of between 90% and 100% in 2024 and our new medium-term operating margin target of 20% in 2026.

Financial highlights

Continuing operations order input was in line year-on-year on a constant currency basis, reflecting continued strength in demand for our solutions. Demand for aftermarket (AM) was stable with growth in mining offset by oil sands and infrastructure. Towards the end of the year we saw a slight strengthening in AM orders with Q4 up 1% year-on-year and 2% sequentially. In original equipment (OE), we saw an overall 3% contraction in orders in comparison to a strong comparator in 2022. Demand was driven by orders for small brownfield and debottlenecking projects at existing mines with momentum continuing through the year.

Continuing operations revenue increased 9% on a constant currency basis, reflecting strong execution, delivery of our record opening order book and price realisation. On a reported basis, revenues increased 7%, impacted by a foreign exchange translation headwind of £49m. Overall book-to-bill was 0.98.

Adjusted operating profit from continuing operations increased by £64m (16%) to £459m on a reported basis (2022: £395m). Excluding a £7m foreign currency translation headwind, the constant currency increase was £71m (18%).

Continuing operations adjusted profit before tax of £411m was an increase of £63m from £348m in the prior year, after a translational foreign exchange headwind of £6m. Adjusted operating margin of 17.4% is 140bps ahead of 2022 on both constant currency and as reported bases. Continuing operations adjusting items increased by £3m to £90m (2022: £87m) with the current year mainly driven by costs associated with our Performance Excellence programme and an increase in US asbestos-related provision.

Statutory profit for the year after tax from total operations of £229m (2022: £214m) reflects strong operational efficiency.

Cash generated from operations increased by £78m to £526m in the year, and reflects an increase in profitability together with an improvement in working capital performance, which saw working capital as a percentage of sales improve to 21% from 24% in the prior year. Free operating cash conversion of 85% (2022: 87%) is in line with our external target of between 80% and 90%. A free cash inflow of £238m funded dividends, exceptional cash flows, and outflows in relation to acquisitions of subsidiaries and disposal of discontinued operations, leaving a net cash inflow of £116m. Favourable foreign exchange retranslations of £2m offset by adverse movements in lease liabilities of £8m and £3m other non-cash movements resulted in net debt decreasing by £107m to £690m. Net debt to EBITDA on a lender covenant basis was 1.1 times[4] compared to a lender covenant level of 3.5 times.

Financial review
continued

Continuing operations orders

Orders[1]

£2.6bn

0%[2]

Orders at £2,585m on a constant currency basis were broadly stable year-on-year. Original equipment orders were £576m and aftermarket orders were £2,009m.

Minerals orders marginally increased year-on-year on a constant currency basis to £1,895m (2022: £1,886m), with a book-to-bill of 0.98. Demand was strong in most regions, particularly Australasia reflecting recent market share gains and a ramp-up in production at recently commissioned lithium mines, however levels of activity in North America were lower than in 2022 as a result of a demand correction in the oil sands market. Order growth was strongest in copper and battery metals. OE orders fell by 6% against a strong 2022 which included £33m of large nickel projects in Indonesia. AM orders grew 3% year-on-year, with a contribution from pricing and an increase in volume from customers in hard rock mining, partially offset by reduced orders from customers in the Canadian oil sands and a loss of orders from Russia. Excluding orders from Russia in the prior year, AM orders increased by 4%. Contribution from pricing in H2 was lower than in H1, as the pricing environment normalised through the year. AM orders represented 73% of total orders (2022: 71%), and mining end-markets accounted for 79% of total orders (2022: 76%).

ESCO orders decreased 2% on a constant currency basis to £690m (2022: £704m) with growth in mining offset by weaker infrastructure markets. Increased demand for mining attachments is reflected in our OE order growth of 41% with OE representing 9% of total orders (2022: 6%). Notwithstanding this growth, AM continues to be the largest part of ESCO, accounting for 91% of total orders in the year (2022: 94%). The Division's book-to-bill for the year was 0.99.

Continuing operations revenue

Revenue[1]

£2.6bn

+9%[2]

Revenue of £2,636m increased 9% on a constant currency basis. Aftermarket accounted for 77% of revenues, down from 80% in the prior year. Reported revenues increased 7% (2022: £2,472m), impacted by a foreign exchange translation headwind of £49m.

Minerals revenue grew 12% on a constant currency basis at £1,937m (2022: £1,735m), reflecting strong execution and price realisation. Half-on-half, revenue grew sequentially through the year, as we delivered our record opening order book in H1 and continued to benefit from strength in our mining markets in H2, with orders converting to revenue. Revenue growth in Canada was particularly high, following strong order growth in the Canadian oil sands last year. Partly offsetting this was reduced revenue from Russia, which year-on-year decreased by £38m as we wound down operations. Full year revenue mix moved towards OE, which accounted for 28% of revenue, up from 26% in the prior year.

ESCO revenue increased 2% on a constant currency basis to £699m (2022: £688m) with price realisation and volume increases in mining, partially offset by a decrease in infrastructure volumes. Year-on-year revenues from infrastructure markets decreased by 14%.

Continuing operations profit

Adjusted operating profit[1]

£459m

+18%[2]

Minerals adjusted operating profit increased £58m on a constant currency basis to £376m (2022: £318m) as the Division benefited from increased volumes, strong execution and the initial benefits of Performance Excellence. In addition, year-on-year, the Division benefited from a reduction in adverse transactional FX movements of £8m. Adjusted operating margin on a constant currency basis was 19.4% (2022: 18.3%), with the 110bps increase driven by factors above partially offset by the movement in revenue mix towards OE.

ESCO adjusted operating profit increased by 11% on a constant currency basis to £122m (2022: £109m), primarily as the Division benefited from strong execution and operational efficiencies. Adjusted operating margin of 17.4% was up 150bps on a constant currency basis (2022: 15.9%).

Unallocated costs are in line with the prior year at £39m.

Statutory operating profit for the period of £368m was £61m favourable to the prior year, with the increase in adjusted operating profit of £64m being partially offset by an increase in adjusting items.

Continuing operations adjusting items

Continuing operations adjusting items increased by £3m to £90m (2022: £87m). Intangibles amortisation decreased to £25m (2022: £36m) primarily as a result of completed multi-year investment activities now being recognised within adjusted operating profit. Exceptional items decreased by £27m to £22m (2022: £49m). Costs of £29m (2022: £3m) were recognised relating to initiatives across all three pillars of our Performance Excellence programme - lean processes, capacity optimisation and global business services. These were partially offset by a net credit of £8m following the reversal of prior year provisions in respect of the wind down of operations in Russia as working capital recoveries have exceeded initial expectations. Exceptional costs in 2022 relating to our Russian operations totalled £44m. Exceptional items also included £1m for acquisition and integration related costs. Other adjusting items of £43m (2022: £3m) are primarily related to adjustments to the legacy US asbestos-related provision following a period of increased claims and the revised claims projections from the latest triennial actuarial review undertaken in the year.

Continuing operations net finance costs

Net finance costs were £48m (2022: £47m) with an increase in finance costs of £15m after a foreign currency translation tailwind of £1m on USD denominated debt. The increase in costs was largely offset by higher finance income in the year, with both being driven by higher interest rates in the year.

Net finance costs (excluding retirement benefit related costs) were covered 10.6 times by adjusted operating profit from continuing operations on a lender covenant basis (2022: 9.5 times), compared to a covenant level of 3.5 times.

Continuing operations adjusted profit before tax

Adjusted profit before tax from continuing operations was £411m (2022: £348m), after a foreign currency translation headwind of £6m. The statutory profit before tax from continuing operations of £321m compares to £260m in 2022, the increase is primarily due to the increase in adjusted operating profit.

Financial review
continued

Results summary

Continuing operations[1]	2023	2022	As reported	Constant currency[2]
Orders[2]	**£2,585m**	£2,590m	n/a	0%
Revenue	**£2,636m**	£2,472m	+7%	+9%
Adjusted operating profit[3]	**£459m**	£395m	+16%	+18%
Adjusted operating margin[3]	**17.4%**	16.0%	+140bps	+140bps
Statutory operating profit	**£368m**	£308m	+20%	n/a
Net finance costs	**£48m**	£47m	+1%	n/a
Adjusted profit before tax[3]	**£411m**	£348m	+18%	n/a
Statutory profit before tax	**£321m**	£260m	+23%	n/a
Adjusted effective tax rate[3]	**27.0%**	26.6%	+40bps	n/a
Adjusted earnings per share[3]	**115.9p**	98.4p	+18%	n/a
Total Group				
Statutory profit after tax	**£229m**	£214m	+7%	n/a
Statutory earnings per share	**88.2p**	82.5p	+7%	n/a
Operating cash flow[3]	**£526m**	£448m	+17%	n/a
Free operating cash conversion	**85%**	87%	-2pp	n/a
Dividend per share	**38.6p**	32.8p	+18%	n/a
Net debt	**£690m**	£797m	+£107m	n/a

The Financial review includes a mixture of GAAP measures and those which have been derived from our reported results in order to provide a useful basis for measuring our operational performance. Adjusted results are for continuing operations before adjusting items as presented in the Consolidated Income Statement. Details of alternative performance measures are provided in note 3 of the Group Financial Statements.

1. Continuing operations.
2. 2022 restated at 2023 average exchange rates.
3. Profit figures before adjusting items. Total operations operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. Total operations net cash generated from operating activities was £394m (2022: £321m).
4. Calculation is on a lender covenant basis with net debt at average exchange rates.

Continuing operations taxation
The adjusted tax charge for the year of £111m (2022: £93m) on adjusted profit before tax from continuing operations of £411m (2022: £348m) represents an adjusted effective tax rate (ETR) of 27.0% (2022: 26.6%). Our ETR is principally driven by the geographical mix of profits arising in our business and, to a lesser extent, the impact of Group financing and transfer pricing arrangements.

A tax credit of £20m has been recognised in relation to continuing operations adjusting items (2022: £45m).

In terms of cash tax, the total Group paid income tax of £104m in 2023 across all of its jurisdictions compared to £93m in 2022. The increase is a combination of increased profitability across the Group combined with an increase in withholding taxes suffered on cash repatriation to the UK, partly offset by cash tax refunds in the US.

Continuing operations profit after tax
The continuing operations adjusted profit after tax is £300m (2022: £255m). The statutory profit after tax for the year from continuing operations is £230m (2022: £213m).

Discontinued operations statutory loss after tax
The statutory loss after tax for the year from discontinued operations was £1m (2022: profit of £1m) related to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division which was disposed of in 2021.

Acquisition of SentianAI
The Group completed the acquisition of Sentiantechnologies AB (SentianAI) on 21 November 2023 for an enterprise value of SEK87m (£7m) less customary debt and working capital adjustments, which resulted in an initial cash consideration of £6m and deferred consideration of £1m, payable in 2025.

Capital expenditure
Net capital expenditure increased by £25m to £83m (2022: £58m), mainly due to the construction of our new ESCO foundry in China.

Lease payments of £31m were in line with the prior year (2022: £31m).

Cash flow and net debt
Cash generated from operations[3]

£526m

+17%

Cash generated from total operations increased by £78m to £526m (2022: £448m) primarily driven by the increase in adjusted operating profit, coupled with an improvement in working capital of £21m (2023: outflow of £28m vs 2022: £49m). The reduced working capital cash outflow reflects an improvement in inventory, only partially offset by receivables and payables. This reflects a combination of phasing of purchases and the initial benefit of actions under our Performance Excellence programme, as well as lower utilisation of invoice discounting facilities. As a result, working capital as a percentage of sales decreased to 21% from 24% in the prior year. Non-recourse invoice discounting facilities, primarily customers supply chain financing facilities, of £33m (2022: £45m) were utilised and suppliers chose to utilise supply chain financing facilities of £32m (2022: £54m). Net cash generated from operating activities is £394m (2022: £321m).

Financial review
continued

Free operating cash flow

£392m

Free operating cash flow increased by £50m to £392m (2022: £342m) resulting in free operating cash conversion of 85% (2022: 87%) (refer to note 3 of the Group Financial Statements). This was in line with our 2023 target of between 80% and 90% and reflected the above noted improvement in cash generation, partially offset by the increase in capital expenditure in the year as we continued to invest in our new foundry in China. We continue to target free operating cash conversion for 2024 of between 90% and 100% driven by working capital efficiency and maintaining capex and lease costs closer to one times depreciation.

Free cash flow (refer to note 3 of the Group Financial Statements) from total operations was an inflow of £238m (2022: £193m). In addition to the movements noted above, this was primarily impacted by an increase in tax payments of £11m, partially offset by lower net finance costs of £5m due to phasing.

Net debt

£690m

Net debt decreased by £107m to £690m (2022: £797m) and includes £117m (2022: £115m) in respect of IFRS 16 'Leases'. The movement reflects free cash inflow of £238m, offset by dividends of £96m, exceptional cash flows of £18m, outflows of £8m in relation to acquisition of subsidiaries and disposals of discontinued operations, an increase in lease liabilities of £8m, other movements of £3m and favourable FX on translation of £2m. Net debt to EBITDA on a lender covenant basis was 1.1 times[4] (2022: 1.5 times) compared to a covenant level of 3.5 times.

In June 2023, the Group completed the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028. These Notes are in addition to the US$800m Sustainability-Linked Notes drawn in May 2021 and due to mature in May 2026. The Group also continued to have access to its US$800m Revolving Credit Facility (RCF) and, in March 2023, exercised the option to extend the maturity date to April 2028, with the option to extend for a further year. As a result of strong cash generation in the year, the Group reduced its RCF by US$200m to US$600m in February 2024. Following these actions, the Group will have more than £700m of immediately available committed facilities and cash balances.

Pensions

The Group has a mixture of defined benefit pension plans and other employee compensation or medical plans in both the UK and North America.

The IAS 19 funding position across these schemes reduced from a net surplus of £15m at December 2022 to a net surplus of £2m at December 2023. This is primarily due to changes in financial assumptions, which resulted in a loss of £13m (2022: gain of £303m), mainly due to the decrease in discount rates over the year compared to increasing discount rates in the prior year, as well as a loss on plan assets of £12m (2022: £224m).

These movements contributed to a charge of £28m (2022: credit of £65m) being recognised in the Consolidated Statement of Comprehensive Income.

During the year the UK Main Plan completed a further pensioner buy-in with the full buy-in premium amounting to £136m, which results in insurance policy assets held for the UK scheme now covering 60% (2022: 39%) of the UK's total funded obligation, reducing the Group's exposure to actuarial movements. In addition, the strength of the funding position of the UK Main Plan means that additional pension cash contributions will reduce by approximately £6m from 2024. Employer pension contributions in the year totalled £13m (2022: £14m).

Asbestos-related provision

A US-based subsidiary of the Group is co-defendant in lawsuits pending in the United States in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. At the end of 2023, there were 1,788 outstanding asbestos-related claims in the US (2022: 1,716).

The US subsidiary has recognised a US asbestos-related provision of £76m (2022: £53m), which reflects the mean value of expected future settlements and defence costs based on the triennial actuarial review, which was completed in December 2023. Insurance cover exists for claims with a pre-1981 date of first exposure and, as a result, a corresponding insurance asset of £15m (2022: £32m) is recognised. The net result is a £61m liability (2022: £21m). A charge of £43m (2022: £3m) has been recognised as an other adjusting item in the year (note 6 of the Group Financial Statements).

Based on the profile of the claims in the actuarial model, external advisers expect the insurance cover and associated limits currently in place related to claims with an exposure date pre-1981 to exhaust during the first half of 2025. Following the exhaustion of the insurance asset, the US subsidiary will be required to fund future settlements and defence costs of c.£7m per annum from mid 2025.

Full details of the provision, plus the related insurance receivable, are provided in note 22 to the Group Financial Statements.

Key accounting and policy judgements

The key accounting and policy judgements are contained within note 2 to the Group Financial Statements on page 151.

Earnings per share

Adjusted earnings per share from continuing operations

115.9p

+18%

Adjusted earnings per share from continuing operations increased by 18% to 115.9p (2022: 98.4p) reflecting the increased profit offset by higher effective tax rate in the year. Statutory reported earnings per share from total operations is 88.2p (2022: 82.5p). The weighted average number of shares in issue was 258.4m (2022: 258.7m).

Dividend

Full year dividend

38.6p

The Board is recommending a final dividend of 20.8p, resulting in a total dividend of 38.6p for the year. If approved at the Annual General Meeting on 25 April 2024, the final cash dividend will be paid on 31 May 2024 to Shareholders on the register as at 19 April 2024.

Sustainability introduction

Maturing from a sustainability roadmap to a **fully integrated sustainability strategy.**

2023 was another year of strong progress against our sustainability roadmap

Highlights include:

- Carbon emissions targets approved by the Science Based Targets initiative (SBTi).
- Climate strategy, progress and governance recognised by our continued inclusion in the CDP climate 'A List'.
- Refreshed climate scenarios for third year of TCFD disclosures.
- Zero Harm Behaviours workshops engaged 8,000+ employees at 140 sites, generating valuable insights and data.
- The CCLA Corporate Mental Health benchmark – UK100 recognised Weir for the biggest improvement in managing workplace mental health.
- Five new chapters of the Global Weir Women's Network established, taking the total to 14, and Group-wide Pride month celebrations in June.
- Positive response to the Group's investment grade Sterling denominated Sustainability-Linked Notes in June.
- Completed a comprehensive double materiality review, leading to an evolution of our sustainability strategy.
- Establishment of a new Sustainability and Technology Committee and ESG data assurance roadmap (see pages 80 and 102 respectively).

We are continuing to listen and evolve

Sustainability continues to elevate in importance for all our key stakeholders, and is increasingly driving associated decisions and actions. As such, it is critical that we listen through our materiality assessment (see page 43), as well as day-to-day management, and use these insights to inform our strategy.

We have used these insights to mature our sustainability strategy

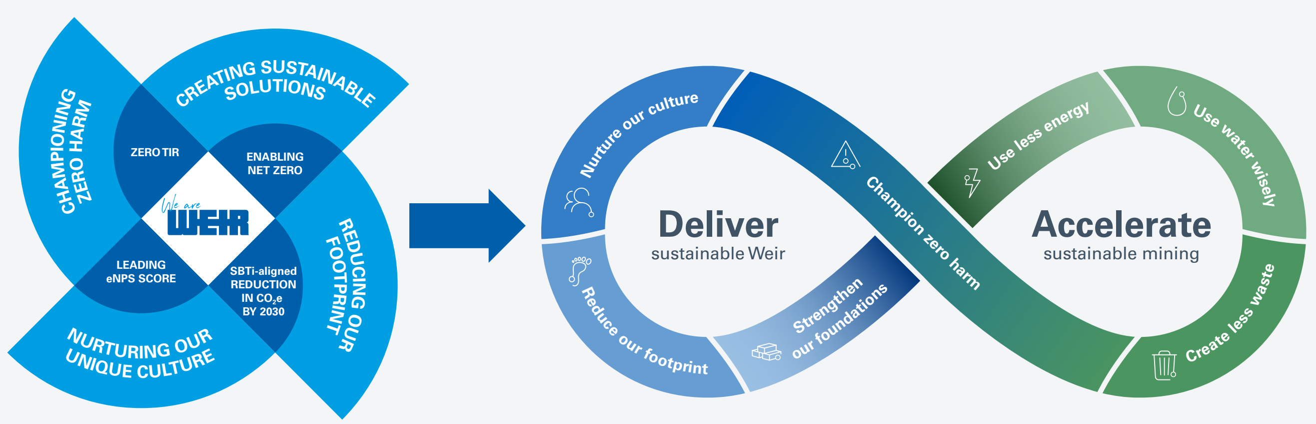
In 2019, we designed our sustainability roadmap to support Weir's purpose to enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world. We purposely chose not to cover all bases or report every ESG metric. Instead we focused on four strategic areas that mattered most to our stakeholders and where we could drive the most positive impact.

Since 2019, we have taken a number of positive steps to mature our sustainability roadmap allowing us to progress to a fully integrated sustainability strategy:

- **Embedding** – We have chosen to embed the execution of our sustainability strategy in both our businesses and functions, instead of building a large centralised sustainability function. Accountability is clear and owned, and the priority ESG outcomes have been linked to employee remuneration since 2020.
- **Integration** – In 2022, we launched Weir's first Enterprise Technology Roadmap (ETR) focused on providing solutions to five strategic customer challenges: move less rock, use less energy, use water wisely, create less waste, and boost with digital (see pages 30 to 31). This has driven further integration of our sustainability and technology strategies.
- **Revalidation** – In addition to our ongoing voice of customer, investor, employee and society channels, in 2023 we updated our materiality assessment adopting a double materiality approach which validated that existing priorities remain relevant. A full summary of our approach and outcomes is on pages 43 to 44.
- **Refocus** – Throughout, we have challenged ourselves regularly to focus on the Group's most strategic areas to enable pace and impact. In 2023, we comprehensively updated our materiality assessment and reframed our sustainability strategy into two concise and complementary areas that carry forward our existing priorities and address topics where priority has increased since 2019 – see more on page 45.

We've evolved our sustainability visual framework to reflect this maturing from a sustainability roadmap to a fully integrated sustainability strategy as shown below.

We have evolved our sustainability roadmap into an integrated strategy



Find out more

Our sustainability strategy See page 45

Sustainability introduction
continued

Double materiality assessment

In 2023 we carried out a comprehensive sustainability materiality assessment, with the results used to inform the evolution of our sustainability strategy described on page 45.

Overview

The assessment considered evolving customer needs and the perceptions of employees, investors and other stakeholders, as well as the emerging regulatory landscape for sustainability reporting. It updated our first materiality assessment conducted in 2019 which informed our previous sustainability roadmap.

With support from an external advisor, we took an approach based on double materiality, a concept proposed by the EU Corporate Sustainability Reporting Directive (CSRD) and supporting standards such as European Sustainability Reporting Standard (ESRS) 1. Double materiality considers impacts the company has on people and planet (inside-out view) as well as the financial risks and opportunities for Weir resulting from those topics (outside-in view).

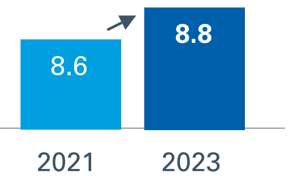
Stakeholder engagement

We conducted desktop research and sought direct inputs from key internal and external stakeholders as outlined below.

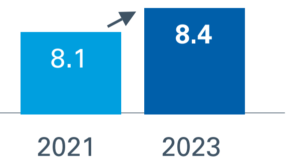
Weir

- One-to-one interviews with members of the Board and Group Executive.
- Responses to a survey open to all employees.
- Outcome validation sessions with both the Group Executive and Board.
- Scoring and text responses to two questions in our global employee engagement surveys.

I believe Weir is committed to being a sustainable business



I feel empowered to take actions to make Weir more sustainable



Customers

- Desktop reviews of customers and peer companies to understand published ESG policies and performance.
- Joint interview sessions with senior customer-facing employees in both our Minerals and ESCO Divisions provided voice-of-customer input. This method was chosen to enable views from a much wider range of geography, commodity sector, role within company, company size and corporate structure than would have been possible with individual interviews.

Sector organisations

- Interviews with industry associations involved in responsible business and the mining sector.

Investors

- ESG-focused questions included in investor perceptions study.
- Ongoing direct engagement with investors on ESG topics involving our Investor Relations and Sustainability teams.

We were encouraged that stakeholders participated actively in this work. This indicates increasing priority on sustainability topics linked to our operations and to mining, as well as a desire to engage with providers of technology solutions to help accelerate sustainable mining.

Topic identification

The stakeholder-driven double-materiality approach aligns with the EU CSRD which, based on current legislation, will apply to us from a Group reporting perspective under the non-EU parent group rules. We also took account of other emerging requirements, including the International Sustainability Standards Board (ISSB), the Taskforce for Nature Related Financial Disclosure (TNFD) and the EU Taxonomy.

Since the universe of potential material sustainability topics is very large, we wanted to maximise strategic value to the business by focusing on the most material topics where we have significant impact, risk or opportunity and the ability to make a meaningful difference.

This 'better not more' approach is aligned with guidance from the Financial Reporting Council. Results are shown in the materiality matrix on the next page.

Key changes since 2019

The assessment revalidated our overall focus on topics relating to environment, protecting our people and culture, with increased urgency around the need to manage key impact areas and to show quantified progress. This includes some sector-specific concerns about the mining industry – increasing critical mineral supply to drive the transition to a low-carbon economy, minimising environmental impact, protecting communities and licence to operate - as well as our role as a technology provider.

Changes since 2019 included:

- Increased focus on downstream water and waste topics. Waste is most significantly driven by mine tailings which has associated impacts on downstream biodiversity and pollution. Circularity of Weir products at the end of life is considered less material but has future potential. These topics align with our Enterprise Technology Roadmap (ETR). See pages 30 to 31.
- More emphasis on responsible upstream supply chain. We recognise this as an area for action and have engaged Division supply chain teams to oversee roll-out of responsible supply chain practices and tools across the group.
- Greater value placed on quantification and the provision of robust ESG data, and recognition of the accelerator effect of emergent regulation. This is aligned with our ongoing focus on digitisation, ESG data assurance, and reporting.

Next steps

Since completing the assessment, we have assessed each high priority topic with respective owners in our Divisions and functions. This has identified less mature areas to accelerate by defining governance, strategies and KPIs, as well as areas where governance can be refined and areas where it is already well developed. During 2024, we plan to further analyse each topic to drive clarity of accountability and purpose.

In addition, we intend to review all lower priority topics identified on the matrix to identify relevant metrics to report. We also aim to continuously improve the integrity of reported data through our ESG assurance roadmap – see page 102.

Sustainability introduction
continued

2023 double materiality assessment

Displayed below is the materiality matrix which shows the material impacts, risks and opportunities (IROs) for Weir identified from our double materiality assessment. Recognising that these topics are all material for Weir, the matrix shows the relative positioning of each topic based on potential financial materiality (i.e. impact on Weir) and impact materiality (i.e. impact by Weir). We have subsequently grouped the topics based on their strategic importance as a means of informing the update to our sustainability strategy.

Materiality matrix

Higher materiality

Higher impact, risk or opportunity requiring strategic response with sustainability KPIs and targets.

1. Product responsibility and innovation: Climate change impacts (downstream)
2. Climate change impacts (own operations)
3. Water consumption (downstream)
4. Waste circularity (downstream)
5. Workforce health and safety
6. Customer health and safety
7. Inclusion, diversity and equity
8. Workforce engagement – talent attraction

Governance topics

Foundational elements expected of all responsible businesses.

9. Data privacy and cyber security (own operations)
10. Responsible business practices (own operations)
11. Customer data and privacy and cyber security
12. Responsible supply chain practices (own operations)

Lower materiality

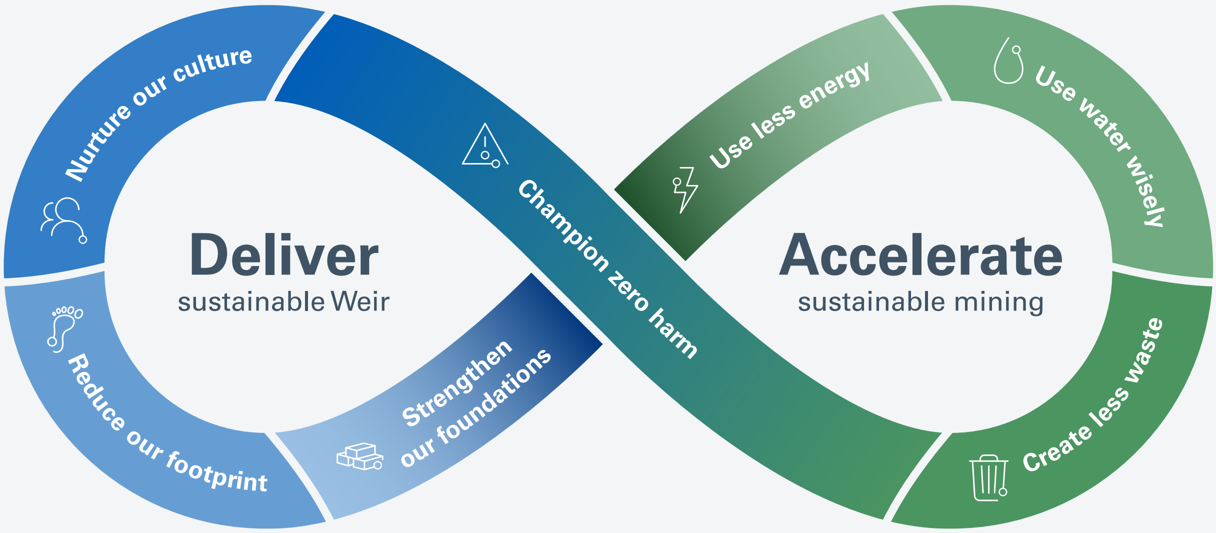
Lower impact, risk or opportunity requiring operational response and reporting.

13. Waste circularity (own operations)
14. Product responsibility and innovation: Biodiversity and land use (downstream)
15. Product responsibility and innovation: Pollution (downstream)
16. Biodiversity and land use (own operations)
17. Water consumption (own operations)
18. Community engagement and impacts

Sustainability introduction
continued

Our sustainability strategy

We've evolved our sustainability visual framework to reflect both our progress since 2019 and the insight from our latest materiality assessment, maturing from a sustainability roadmap to a fully integrated sustainability strategy.



Deliver sustainable Weir

Find out more on pages 46 to 47

Focused internally on Weir's people, operations and ways of working:

- **Champion zero harm** (IRO 5) – keeping our people safe remains a top priority for Weir and all our stakeholders. We address it through our vision for a zero harm workplace where everyone goes home safe and healthy. See more on page 46.
- **Nurture our culture** (IRO 7, 8, 18) – it continues to matter to all our stakeholders that we maintain strong engagement, the ability to attract talent and a strong approach to inclusion, diversity and equity. We are proud of our unique blend of talent, technology and culture and seek to inspire our people to do the best work of their lives. See more on page 47.
- **Reduce our footprint** (IRO 2, 13, 16, 17) – the latest materiality assessment showed that the climate impacts of our own operations is among the most material issues and so we continue to act to reduce our own CO_2e footprint. We are also actively reducing our own waste and water and associated biodiversity impact. See more on page 47.
- **Strengthen our foundations** (IRO 9, 10 11, 12) – governance topics were highlighted as foundational elements expected of all responsible businesses and so we address these through the Strengthen our foundations segment of our strategy. See more on page 58.

Accelerate sustainable mining

Find out more on pages 48 to 49

Focused externally on solving Weir customers' biggest sustainability challenges:

- **Champion zero harm** (IRO 6) – Our zero harm culture is just as important on our customers' sites, both in the safety first behaviours and actions of our people, and our product design and stewardship. We address this through our approach to customer health and safety, see page 58.
- **Use less energy** (IRO 1) – Mining today is energy intensive and the industry accounts for around 3.5% of total global electrical power consumption. Energy is a significant cost for miners and contributes to their CO_2e footprint, so there is a dual impetus for them to use less energy in their processes. We are innovating solutions that deliver significant energy savings, helping our customers meet their sustainability goals. See more on pages 48 to 49.
- **Use water wisely** (IRO 3, 15) – Water is fundamental to the way minerals are processed. However, in some parts of the world there is not enough, and in some parts there is too much. So miners want to use water wisely and reduce pollution risks. We are developing tailored solutions that increase water recovery and recycling rates and, where possible, introduce water-free process steps. See more on page 48.
- **Create less waste** (IRO 4, 14) – Today, over 90% of mined rock ends up as tailings, the waste stream produced in conventional mining processes. With technologies to tackle energy and water use, and for more efficient rock movement, mining will create less waste and lower volumes of tailings. In addition, we are working on innovative ways to manage the tailings that are produced more safely and sustainably. See more on page 48.

Sustainability review

Deliver sustainable Weir

We want to lead by example, starting with our vision for a zero harm workplace where everyone goes home safe and healthy. We are proud of our unique blend of talent, technology and culture and seek to inspire our people to do the best work of their lives. We are acting to reduce our own footprint including CO_2e, waste and water.

To reflect the importance to our strategy of delivering a sustainable Weir, our goals on each topic in this section are aligned to our We are Weir strategic framework and ESG measures linked to remuneration (see pages 18 to 21).

In support of UN Sustainable Development Goals (SDGs)

Champion zero harm

Total Incident Rate (TIR)

0.42

2022: 0.41

Total incident rate (TIR) is our key performance metric to measure operational safety performance. The SHE Management System sets out how we manage SHE risk (see page 59), and our Zero Harm Behaviours Framework helps us continuously improve our safety culture, focusing on personal accountability and providing clear guidance on behaviours to ensure safety at all times.

Outcomes

Our goal is to make Weir a zero harm workplace and so TIR of 0.42 (2022: 0.41) was disappointing relative to our ambition. We have taken some important steps during 2023 which have informed and underpin our improvement strategy for 2024, such as the continued roll out of our Zero Harm Behaviours Framework, with the majority of the 1,500 improvement actions identified from our gap analysis workshops across 140 sites (see page 26) due for completion next year. Other actions include further digitalisation of SHE data to improve data analysis and insights, adding links to other data sources such as our employee global survey results, and extending our SHE learning programme launching 17 new e-learnings and 186 translated modules in the year. This contributed to an increase in training participation with over 23,000 protocol modules and over 58,000 life-saving behaviour modules completed by our employees.

Other areas

- Our SHE Management System is to be followed by all sites and includes SHE Standards and Protocols which are aligned to ISO 14001 and 45001. We also maintain certification to ISO 14001 and 45001 in applicable Weir sites, defined according to a site's risk profile, with an accreditation rate of 65% in 2023.
- Managing environmental risk is key to our operations and our SHE Management System details minimum standards for controlling risks to air, land and water. During the year ended 31 December 2023, there were no significant environmental incidents, penalties or fines reported at sites under our operational control.
- Our Health and Wellbeing Framework underpins the global approach to support our employees' mental health and wellbeing while having the flexibility to be tailored locally to reflect different cultural workplace needs. Our progress on this area was recognised in the 2023 CCLA Corporate Mental Health Benchmark which assessed 100 of the largest UK-listed companies on their global approach to workplace mental health. In 2023 we were the biggest improver, climbing two tiers from tier 4 in 2022 to tier 2, and we have committed to improve our CCLA score further with our new management incentive measure for 2024 (see page 115). Our website includes more information on local initiatives in support of the framework and our policies which highlight our commitment to a supportive culture for workplace mental health.
- Our zero harm culture is equally important in our own facilities and on our customers sites, both in the safety first behaviours and actions of our people and our product design and stewardship (see page 58).

Find out more

Chief Executive Officer's strategic review	See page 13
Strategic progress: People	See page 20
Stakeholder engagement: Employees	See page 26
global.weir/careers/our-zero-harm-behaviours/	
global.weir/careers/health–wellbeing/	

Sustainability review
continued

Nurture our culture

Employee net promoter score (eNPS)

48

2022: 51

Our employee net promoter score (eNPS) is used to measure employee engagement in our global survey. Employee engagement is a critical element of our overall stakeholder and Board engagement approaches, as summarised on pages 26 and 81 to 83 respectively. This is also reflected in our Inclusion, Diversity & Equity (ID&E) Policy where we aim to create a truly inclusive culture in which everyone's voice is heard, and where we care for, respect and encourage each other.

Outcomes

The 2023 eNPS score of 48 puts us in the top 25% within manufacturing, and demonstrates a strong improvement from our eNPS score of 18 in our first survey in 2019.

We maintained a high level of employee participation in the September 2023 survey with 87% of employees taking part and sharing nearly 63,000 comments. This feedback provides useful insight on what we do well and where we could do better, with improved feedback on engagement drivers such as environment and workload in the year. Results and findings were shared and discussed with the Board and Group Executive (see page 81) and then cascaded down by the CEO to all employees, along with examples of best practice on how engagement feedback is being actioned at different levels across the organisation. More information on how our employee engagement is having an impact can be found on pages 81 to 83.

Other areas

- Diversity continues to be an important area of focus for the organisation and female representation increased in 2023 to 19% of employees (2022: 17%). Key strategic actions on diversity in the year include the reverse mentoring programme which focused on listening, learning and gaining insights (see page 83), a review of global maternity policies to better support our workforce (see page 112), and listening activities into the female employee experience at Weir to understand where there are opportunities to improve our structural inclusion. Underpinning our strategy is an exercise to improve the robustness of our diversity data to ensure we can use this insight to help inform decision making and drive change. This will continue in 2024.
- Our ID&E compliance training in 2023 focused on harassment prevention in the workplace for all employees and also all managers, with a completion rate of 90% and 92% respectively.
- We continue to focus community partnership activities on projects with strong community, health and education themes, including initiatives across the globe that support under-represented groups in STEM careers. Total charitable donations in 2023 amounted to £486,715 (2022: £671,776, including a donation to support the people of Ukraine) with examples of local activities available on our website.

Find out more

Chief Executive Officer's strategic review	See page 13
Strategic progress: People	See page 20
Stakeholder engagement: Employees	See page 26
Board engagement	See pages 81 to 83
global.weir/careers/be-you-and-belong/	

Reduce our footprint

2030 SBTi target: absolute scope 1&2 emissions

23%

2022: 17% (reduction vs 2019 baseline)

We have a Science Based Targets initiative (SBTi) approved target for a 30% reduction in absolute scope 1&2 emissions by 2030 from a 2019 base year.

Outcomes

Our absolute scope 1&2 footprint in 2023 is 142,213 tonnes CO_2e, down 6% versus 2022, and down 23% against our 2019 baseline. In line with our Transition Plan summary on page 53, our overall approach to meet our 2030 target focuses on energy efficiency initiatives and increasing low-carbon electricity supply, with renewables now making up 23% of our total electricity supply (2022: 22%), and 9% of our total energy (2022: 9%). Key activity in the year includes continued expansion of renewable electricity supply in Australia, Malaysia and Peru, as well as ongoing energy efficiency improvements.

In 2023, we also carried out a strategic review of our options to deliver our SBTi target. This considered forecasts of likely energy demand across our operations, based on high and low scenarios of future growth, and reviewed options to scale up supply of low-carbon electricity, with a particular focus on markets where commercial supply options are limited. The model also considered opportunities to improve energy efficiency of gas-fired processes to help reduce emissions while the availability of low-carbon supply alternatives remains low. The review concluded that we are on track to achieve our target and proposed a framework to evaluate further steps in the coming years.

We are also focused on options to reduce our natural gas usage, advancements in foundry technology and behaviour improvements which will help us develop our 2050 net zero operations pathways.

Other areas

- Our approach to managing water and waste in our operations is underpinned by our SHE Management System.
- We continue to develop water stewardship programmes in all water-stressed locations, aligning with the Alliance for Water Stewardship Standard.
- The main focus of waste in our operations is on key waste streams of sand, metal scrap, elastomer scrap and dust. For example, in 2023, 80,066 tonnes of scrap metal were reused in our foundries across both Divisions (2022: 90,928 tonnes).
- More information on our approach to water and waste is available on our website.

Find out more

Chief Executive Officer's strategic review	See page 13
Strategic progress: Performance	See page 21
Transition plan	See page 53
GHG emissions tables	See pages 56 to 57
global.weir/sustainability/	

Sustainability review
continued

Accelerate sustainable mining

The need for technology solutions in mining is compelling – the world needs more transition metals to achieve net zero, but the mining industry needs to extract these using significantly less energy and water, so helping customers scale up and clean up is more relevant than ever.

Linked to our Enterprise Technology Roadmap (see pages 30 to 31), we are working to quantify sustainability and financial benefits of our solutions. We are also building relevant goals into our remuneration-linked ESG measures, starting with avoided emissions in 2023 (see page 125), and extending to water and waste in 2024 (see page 115).

Our approach to zero harm for customers is summarised on page 58.

In support of UN Sustainable Development Goals (SDGs)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Use less energy

We have a goal to enable net zero for customers, measured by a sustainability KPI of avoided emissions, through the use by customers of energy efficient solutions. Our target in 2024 is to increase avoided emissions against our 2023 baseline. This target is embedded within our We are Weir strategic framework and linked to executive and bonus eligible employee incentives, as outlined on pages 20 and 115 respectively.

Outcome

During the year, we measured an avoided emissions baseline of 147,995 tCO_2e avoided in 2023. This is based on the use of energy efficient comminution solutions, as described in the case study on page 49.

Mining activities are energy-intensive and we have an opportunity through technology to help miners use less energy, mine more efficiently, save operating costs and reduce emissions. We are focused on expanding quantification of avoided emissions to other products and solutions in our portfolio.

Use water wisely

We have added water to our Accelerate Sustainable Mining strategy and embedded a goal within our strategic framework to define specific milestones for water optimisation in 2024 (see page 115).

Water is fundamental to the way in which minerals are processed, as outlined on pages 30 to 31. We are working to define metrics to track positive water impact resulting from our solutions, including reduced water consumption, as well as increased recovery and recycling. KPIs will be informed by our participation in the Global Water Initiative, a ground-breaking collaboration convened by CEEC International: Coalition for Minerals Efficiency, a leader in mining sustainability, to build a shared understanding, identify gaps, and outline necessary actions to solve water-related challenges and prioritise sustainable practices.

Water is identified as a high priority topic in our sustainability materiality matrix, see page 44.

Create less waste

We have added waste to our Accelerate Sustainable Mining strategy and embedded a goal within our strategic framework to define specific milestones for customer waste impact in 2024 (see page 115).

Challenges relating to waste production in mining are outlined on pages 30 to 31. Safe storage of tailings waste presents a major challenge to the sector and, therefore, waste is identified as a high priority topic in our revised sustainability materiality matrix, see page 44.

Find out more

Chief Executive Officer's strategic review	See pages 13 to 14
Our Strategic Progress	See pages 20 to 21
Enterprise Technology Roadmap (ETR)	See pages 30 to 31
Strengthen our foundations	See page 58
global.weir/AE-study	
global.weir/innovation/transformative-technologies/	

Sustainability review
continued

Case study – Quantifying the avoided emissions benefits of our technology

To accelerate sustainable mining, we take a systems-based approach to technology collaborations to help our customers deliver more from less. Reducing energy use is a major focus for us and for them.

Indeed, the COP28 UN Climate Change Conference in December 2023 saw world leaders agree a global target to double energy efficiency by 2030; and adopting more energy efficient technology in key mining processes can make a significant contribution to achieving this.

A major opportunity to reduce energy use and avoid emissions in comminution

Comminution is the process to crush rock into tiny particles to expose the entrapped mineral so that it can be extracted later in the mining process and it is the most energy intensive stage of a typical mine site process. It is already electrified and is responsible for at least one-third of an average mine's energy use and CO_2e emissions[1] and globally consumes around 3% of the world's electrical power[1].

Our High Pressure Grinding Rolls (HPGR) technology is proven to deliver a step change in energy efficiency over conventional comminution circuits. This is further improved by placing HPGR in innovative combinations with other proven technologies.

During 2023, we carried out a comprehensive study to quantify the benefits in terms of energy and avoided emissions.

Our work shows that HPGR can cut energy use by 40% and avoid 50% of CO_2e emissions, when placed in combination with a vertical stirred mill (VSM) and coarse particle flotation (CPF). Emissions savings are greater than direct energy savings because HPGR uses no metal grinding media, leading to a further saving in embodied emissions. Importantly, there is no trade off elsewhere, as the redefined process uses less water too.

A first use case for mining, independently assured

The findings of the study come at an important time as the mining industry is actively seeking to adopt new technologies which extract and process metals in more energy efficient and sustainable ways, alongside increasing the use of renewable power.

Given its energy intensity, the decarbonisation opportunities in comminution are huge, with the basic comminution process not having changed significantly for many decades. We are collaborating with customers and other partners to redefine the process, using innovative combinations of proven technologies to make significant improvements to efficiency and environmental performance.

Our study is the first to use the World Business Council for Sustainable Development's (WBCSD) Guidance on Avoided Emissions to study mining processes, and the avoided emissions results have been independently assured by SLR Consulting. Three of Weir's technology combinations were evaluated against a conventional comminution circuit design for an archetypal mine processing 15 million tonnes of copper ore per year in Chile.

Circuit 4 – redefining comminution

20% Lower operating cost

40% Energy avoided

50% CO_2e avoided

Third party assured

Four technology configurations compared

Each circuit was based on a 'rock to recovery' system boundary – reducing rock direct from the mine to a size that enables the mineral to be recovered. The four configurations are:

1. Conventional comminution circuit based on a Semi-Autogenous Grinding (SAG) mill and ball mill.
2. Weir HPGR replacing the SAG mill at the initial grinding stage.
3. HPGR, plus VSM, replacing the ball mill.
4. Addition of a CPF unit.

All three Weir technology combinations are shown to yield sizeable benefits versus the conventional circuit. In the optimal combination, configuration 4, the comminution process consumes around 40% less energy and can avoid up to 50% of CO_2e emissions.

Further details of the avoided emissions study are available on our website (see www.global.weir/AE-study).

2023 avoided emissions baseline calculation

To calculate our avoided emissions baseline, we assessed the impact of HPGR-based comminution circuits that became operational during 2023 by comparing them to the expected performance of conventional technology.

The assessment calculated circuit-level savings by applying the findings from our case study above to the key performance attributes of each installation, based on calculated power consumption, design capacity, ore type and location-specific emissions factors. Reference scenarios were defined on a case-by-case basis, using the most likely alternative technology at each site.

2023 baseline: 147,995 tCO_2e avoided

2024 target: increase tCO_2e avoided

Details of our target will be given in our 2024 Annual Report.

We have started to track revenues from solutions contributing to avoided emissions in line with the EU Taxonomy, and propose to report them in future.

	Circuit 1:conventional	Circuit 2: HPGR + BM	Circuit 3: HGPR + VSM	Circuit 4: HGPR + VSM + CSF
Total emissions (tCO2e/y)	175,060	117,618	91,934	85,269
% Energy avoided	0%	30%	38%	43%
% CO2e avoided	0%	33%	47%	51%

Notes on Avoided Emissions:

Calculation Approach: Avoided emissions are calculated according to the World Business Council for Sustainable Development (WBCSD) Guidance on Avoided Emissions, using a year-on-year timeframe and attributional approach with a medium/company-specific specificity level. The use phase only is assessed for both the solution and the reference scenario.

Verification: The 2023 baseline assessment has been externally verified to a limited level of assurance by SLR Consulting (see www.global.weir/AE-2023-baseline). The assurance work included a review of the avoided emissions data and supporting methodology for completeness, accuracy and appropriateness. Previous verification has included limited assurance of our archetypal study (see www.global.weir/AE-study) and a high-level review of cradle-to-grave life cycle assessment data showing that operational emissions represent the overwhelming majority (more than 99%) of emissions across the system life cycle.

Acknowledgements and limitations: We comply with the three eligibility gates of the WBCSD guidance:

i) our SBTi targets and scope 1, 2 and 3 CO_2e emissions are externally reported at www.global.weir/sustainability

ii) the solution aligns to the Intergovernmental Panel on Climate Change (IPCC) mitigation options for energy efficiency and material efficiency/ demand reduction; and to EU Taxonomy activities: installation, maintenance and repair of energy efficiency equipment

iii) the solution has a direct and significant decarbonising effect. Avoided emissions are reported separately from our greenhouse gas inventory and we do not claim them as a contribution towards climate neutrality. Potential negative side effects have been assessed and there is no trade off elsewhere, as the redefined process consumes less water and does not generate more waste. Application of this technology is likely to be in situations - greenfield mine sites, or brownfield expansions - where production is likely to increase. However, global mineral production is driven by market demand, which is not sensitive to the emissions profile of production. We therefore consider rebound effects to be minimal.

1. CEEC International, 2021: Mining Energy Consumption: https://www.ceecthefuture.org/resources/mining-energy-consumption-2021

Sustainability review: TCFD

We continue to embrace and embed TCFD reporting

We believe that companies should be transparent about how they plan to mitigate and be resilient in the face of climate change and enable a just transition. The disclosures set out in the narrative on pages 51 to 55 are consistent with the four recommendations and eleven recommended disclosures set by the Task Force on Climate-related Financial Disclosures (TCFD). The table below also provides references to where you can find more information on our climate-related actions throughout our Annual Report. In preparing our disclosure, we have taken into account the 2021 TCFD Annex (where appropriate).

Pillar/description	Recommendation	Reference points[1]
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	**Governance section – page 51** Governance framework – page 78 Principal decisions made by the Board – page 80 Compliance Scorecard – page 101 ESG measures (Audited) – page 125
	Describe management's role in assessing and managing climate-related risks and opportunities.	**Governance section – page 51** Governance framework – page 78
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	**Strategy section – pages 51-52** **Risks and opportunities – pages 54-55** Risk management – page 62
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**Strategy section – page 51** **Transition Plan – page 53** **Risks and opportunities – pages 54-55** Sustainability strategy – page 45 Viability statement – page 70 Financial Statements: Basis of Preparation – page 150
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Strategy section – page 52** **Risks and opportunities – pages 54-55** Enterprise Technology Roadmap – pages 30-31
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	**Risk management section – page 52** Strategy section – page 52 Risk management – page 62
	Describe the organisation's processes for managing climate-related risks.	**Risk management section – page 52** Strategy section – page 52 Risks and opportunities – pages 54-55 Risk management – page 62 Technology principal risk – page 65 Market principal risk – page 67
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	**Risk management section – page 52** Risk management – page 62 Risk management roles & responsibilities – page 63 Climate principal risk – page 67
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**Metrics and targets section – page 53** Key Performance Indicators – page 33 Sustainability review – pages 47-49 Transition Plan – page 53 Risks and opportunities – pages 54-55 ESG measures (audited) – page 125
	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	**Metrics and targets section – page 53** Sustainability review – page 47 Transition Plan – page 53 Scope 1, 2 & 3 annual GHG emissions – pages 56-57
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**Metrics and targets section – page 53** **Transition Plan – page 53** Sustainability review – pages 47-49

1. Bold = TCFD consistent disclosure; Standard = additional information

Sustainability review: TCFD
continued

Governance

The climate-related governance structure for 2023 is summarised below and aligns with the underlying Group model on page 78. As announced on 19 December 2023, the Board has established a Sustainability and Technology Committee (see page 80). Further information on its role in governance of climate-related risks and opportunities will be included in our Annual Report next year.

Board

The Board is informed about and considers climate impacts across a range of integrated business processes such as:

- Setting performance objectives and monitoring implementation and performance: The Board approved our SBTi validation plan in 2022 which included the amendment of our emission targets to align with the SBTi framework and receives periodic updates on Group performance against those targets during the year from management. These Group targets are incorporated within Board-approved annual KPIs underpinning remuneration, with performance monitored at each Board meeting. In 2023, KPIs included three climate-related items (see page 125).
- Reviewing and guiding strategy: The Board undertakes an annual deep-dive session on sustainability led by our Chief Strategy and Sustainability Officer (CS&SO), including an update on our climate-related strategy. In 2023 this focused on our materiality matrix update and associated plans of action (see page 80). As a result, the Board also consider climate-related issues when setting annual budgets and business plans and overseeing major capital expenditure, acquisitions and divestments.
- Reviewing and guiding the risk management process: Climate has been identified as a principal risk for the Group with updates provided to the Board via the Risk Committee two times a year.

In addition, the Audit Committee is informed about and considers climate-related matters through their work to oversee the impact of climate on the financial statements. Its review of results of the scope 1&2 Compliance Scorecard responses (presented by management) also enables the Audit Committee to monitor and oversee progress against goals and targets for addressing climate-related issues (see page 101).

Chief Executive Officer (CEO)

The CEO reports directly to the Board and is responsible for planning Group climate-related objectives and strategy for Board approval, along with ensuring the effective delivery of Group strategy.

Chief Strategy and Sustainability Officer (CS&SO)

The CS&SO is the Group Executive member with management responsibility for climate-related matters and reports directly into the CEO. This includes developing and implementing climate transition plans, assessing and managing climate-related risks and opportunities, and integrating climate-related items into Group strategy. The CS&SO provides climate-related updates to the Board and is informed about climate-related issues through input from their specialist internal team, as well as various Group working groups and third party advisers.

Sustainability Excellence Committee

The Sustainability Excellence Committee is the primary management-level committee responsible for overseeing climate-related matters. It is chaired by the CS&SO and includes CEO, CFO and Presidents of each Division. The Committee has responsibility for supporting the development of the climate transition plan, setting and monitoring climate-related Group targets as well as assessing climate-related risks and opportunities. The work of the Committee is reported to the Board by the CEO and by CS&SO in the dedicated Sustainability session described above. The Committee is supported by, and receives reports from, working groups which comprise management representatives from across the Group, with responsibility to deliver and report against their climate-related priorities. These reports then allow the Committee, including the CEO and CS&SO, to monitor climate-related issues over time.

Strategy

Risks and opportunities identified

The risks and opportunities table on pages 54 to 55 outlines the Group's most material financial risks and opportunities, and considers their potential impact on financial performance and position in the future. We also track other identified climate-related risks and opportunities that currently have a potential financial impact that is less than our materiality threshold, which includes carbon pricing risk and cost of capital opportunity from our 2021 and 2023 Sustainability-Linked Notes and Revolving Credit Facility. Risks and opportunities are prioritised based on their strategic importance and potential financial impact.

Our risk assessment materiality threshold is defined in accordance with set financial thresholds on page 55. In this context, our materiality threshold is a gross risk or opportunity of 5% of current year operating profit. Our time horizons, also on page 55, are in line with our Risk Assessment Criteria and align to the time horizons used in our strategic planning cycles. We recognise that climate-related issues often manifest themselves over the medium and longer terms, and this is reflected in our own medium and long term horizons of 3 to 5 years, and +5 years respectively. We have not identified any potential climate-related issues that could have a material financial impact on the Group arising in our short-term (0-3 year) time horizon.

Risks and opportunities process

We assess the impacts of physical and transition risks and opportunities identified in our risk management process, as outlined on page 62, to quantify financial impact and compare to materiality thresholds above. These assessments are validated annually as part of our strategic plan with Divisions asked to confirm those risks and opportunities that are of most relevance to them, and have the most significant potential financial impact on their plans. We also annually review the financial impact of all climate-related risks and opportunities to consider factors that may change their materiality status, such as the EU Carbon Border Mechanism Adjustment for our carbon pricing risk, and the potential interest savings from our 2023 Sustainability-Linked Notes. Outputs are reported into the Sustainability Excellence Committee and Group Executive. There were no changes to our risks and opportunities in the year.

Impact on business, strategy and financial planning

Our Sustainability Strategy is outlined on page 45. We are already adapting our strategy to address climate-related risks and opportunities, including through:

- 'Deliver Sustainable Weir' with focus on reducing our scope 1&2 footprint as well as management of waste, water and biodiversity within our own operations.
- 'Accelerate Sustainable Mining' with focus on the impact of our equipment to use less energy, use water wisely and create less waste. This is linked to our scope 3 and avoided emissions workstreams.

Note 2 to the Group financial statements (page 150) outlines how we have considered potential climate impacts in our financial statements. This is further evidenced by the financial commitments within our Transition Plan on page 53. The outputs from our scenario analysis described on the next page have also been used in our viability assessment (see page 70).

Climate-related issues are considered in the financial planning processes in a number of ways:

- Validation of risks and opportunities through the annual 5-year strategic planning process with Divisions, along with an assessment of related strategic initiatives. We actively track for indicators of a faster global transition requiring additional investment allowing us to deploy capital flexibly where needed.
- Our ten-year operations CO_2e forecasting model provides an aligned view of the impact of planned production, facility and energy changes to help plan future capital requirements.

Sustainability review: TCFD
continued

- As noted on page 49, we have developed a new annual target for avoided emissions for 2024 which will also be embedded and managed through the financial planning process.

Overall, there is no material impact to current financial performance and both capital and operating expenditure needs to meet our 2030 CO_2e targets have been assessed and built into our strategic plans.

Scenario analysis and resilience of our strategy
We have used scenario analysis to assess risks in greater depth and assess resilience, working with Willis Towers Watson (WTW) to model our physical and transition risk scenarios as outlined below:

- **Physical risk:** After identifying risks in the 2020 TCFD review, as described in the Risk Management section, we modelled potential increases in extreme weather risk under two physical climate scenarios: less than 2 degrees of warming, applying physical climate scenario RCP 2.6; and 4 degrees of warming, applying RCP 8.5. We assessed financial exposure in terms of the maximum foreseeable one-off loss for facilities most at risk to flood risk beyond 2040, based on potential costs of damage and business interruption at facilities most exposed. The potential impacts are considered material and are included in our risk and opportunity disclosure on page 55.
- **Transition risk**: After the 2020 TCFD review, we conducted detailed quantitative scenario analysis in 2021 to quantify risks and opportunities related to markets for key minerals from the transition to a low-carbon economy. The analysis was then updated in 2023 for three different scenarios:

i. Business as usual (BAU) is based on market expectations derived from the International Energy Agency (IEA) Stated Policy Scenario, with temperatures exceeding +2°C by 2100 vs pre-industrial levels.

ii. 2DS considers a transition to a low-carbon economy in line with the Paris Agreement, based on IEA's Sustainable Development Scenario (SDS), assuming an orderly global transition limiting warming to well below 2°C by 2100. The scenario achieves net zero emissions by 2050 in developed nations and global net-zero by 2070 through a forced (pushed by policy), but economically optimised, trajectory constrained to a carbon budget.

iii. An additional 1DS scenario with the same parameters as 2DS but faster transition limiting warming to 1.5°C by 2100 and global net zero emissions by 2050.

Our analysis highlighted accelerated movement in commodities in the 2DS and 1DS scenarios, driven by technology changes such as electrification, growth in battery storage and electric vehicles, as well as the shift away from fossil fuels. It considered consequent impacts on Weir's business in terms of revenue trends from customers operating in each commodity. The analysis assumed no actions in our business strategy to mitigate the impact of declining commodities or leverage the opportunity from future facing minerals under the faster transition scenarios, and so can be deemed a worst case. Outcomes are shown on page 54.

Overall, we believe our strategy is resilient and that we are well positioned to address emerging climate-related risks and opportunities and meet our target to grow faster than our markets. Our global network has wide reach and flexible capacity to meet changing customer demands under all three considered scenarios and we have invested in recent years to expand capacity in key growth markets. We are meeting customer demands for new technology through our Enterprise Technology Roadmap (see pages 30 to 31). And we are optimising our operations to drive up energy efficiency, increase renewable energy and protect against physical risks.

Risk management
Group principal risk
Climate is included in the Group's principal risk register due to the wide implications on the Group's performance and reputation (see page 67). This risk was first added as a principal risk in 2019 and was previously called 'Environmental Sustainability'. It was identified and assessed in accordance with the Group's Risk Management policy on page 62, before being updated in 2021 to incorporate the outputs from our TCFD assessments (see below). The principal risk is managed at a Group level with the CS&SO assigned as the Group Executive principal risk-owner. Updates to the risk are managed through the risk process outlined on page 63.

Identification and assessment of climate-related risks
Our 2020 TCFD review was designed to identify and assess climate-related risks as follows:

- **Physical risk:** As a business with operations across the world, we are exposed to risks of extreme weather events disrupting our facilities or supply chain networks. We performed scenario analysis to identify risks related to physical impacts of climate change – such as direct damage to property or ability to supply customers. The assessment concluded that we are exposed to physical risks with a potential to cause business interruption, in particular flood risks at facilities. Further information is on page 55.
- **Transition risk**: The first step of our approach was to identify plausible transition risks, over a time horizon of 10 years. Transition risk types considered followed those prescribed by the TCFD framework, covering market, reputation, technology and regulatory factors, including existing and emerging regulatory risks. We identified a shortlist of 12 topics in a survey of Senior Management within each Division and assessed risks and opportunities for each in greater detail through an approach aligned with Weir's risk assessment criteria summarised on page 62, including in-depth interviews and workshops with subject matter experts and an assessment of likelihood and potential impact of each risk and opportunity. We also considered any existing or potential responses. The review highlighted markets as the most material risk and technology as the most material opportunity, so these were reviewed in more detail, with scenario analysis performed to quantify potential impact of the market risk (further information opposite). We have also, where possible, further assessed and validated the impact of other transition risks, such as the financial quantification of our carbon pricing exposure.

Our 2020 TCFD review allowed us to identify and assess climate-related risks in isolation first, before subsequently considering their relative significance alongside other, non-climate related risks. The 2020 TCFD review ultimately informed the Group's principal risk on climate, as well as identifying links to other principal risks, enabling a more fully informed and integrated risk management process

Managing climate-related risks
The disclosure on pages 54 to 55 set out the actions to mitigate our material climate-related risks. As noted on page 51, climate-related risks are prioritised based on their strategic importance and potential impact in line with financial materiality thresholds. Other climate-related risk exposure continues to be monitored through our Strategic Plan process as outlined on page 51.

In terms of making decisions to mitigate, transfer, accept or control climate-related risks, we followed a similar risk management approach as outlined on page 62, considering the severity of each risk (using the impact and likelihood outputs from TCFD assessment) and the effectiveness and efficiency of internal controls. In 2021, we updated our climate principal risk to embed further climate-related mitigating actions. This process also highlighted links to our technology and market principal risks, on pages 65 and 67 respectively, which incorporate climate-related actions to mitigate overall Group exposure, such as R&D investment to develop more sustainable technologies.

Sustainability review: TCFD
continued

Metrics
Key climate-related metrics and targets
The primary metrics we consider when assessing and managing climate-related risks and opportunities are as follows:

- Scope 1&2 emissions (see page 56)
- Scope 3 emissions (see page 57)
- R&D as a % of sales (see page 33)
- Avoided emissions (see page 49)

These metrics link to our key climate-related targets and commitments as summarised in our Transition Plan summary opposite. In 2023, this list was extended to include targets and metrics for avoided emissions (see page 49). Scope 1, 2 and 3 and avoided emissions are subject to limited assurance reviews undertaken by third party assurance providers.

2023 measures
We embed climate-related measures within our remuneration policy to drive strategic action to improve our overall performance of the key metrics above. Our 2023 climate-related measures are summarised in the Remuneration Report on page 125, and include the following:

- Continued reduction in scope 1&2 emissions versus the 2019 baseline; and
- Developing our avoided emissions targets and growing green revenues and progress priority R&D projects. In 2023 we established our avoided emissions baseline and set a 2024 target. Over time, we expect this to impact our future scope 3 emissions as we drive customer uptake of more energy efficient products with reduced emissions (see Transition Plan section opposite).

Other metrics
In addition, we consider a range of financial and operational metrics when assessing climate-related risks and opportunities in line with our strategy. These are included in our risks and opportunity disclosure on pages 54 to 55 and Sustainability Review on page 47. Although we recognise these metrics' connection to climate, we do not currently use these as our key metrics for the assessment and management of climate-related issues.

Additionally, we provide a more detailed emissions breakdown within our CDP disclosure and we separately report energy consumption in operations and product fuel economy data in our Sustainability Accounting Standards Board (SASB) disclosure. Both of these are available in the Sustainability section of our website*.

As noted on page 43, we are continuing to evolve our metric and target framework and are taking actions to strengthen quality and governance of underlying data. In our 'Accelerate sustainable mining' section on page 48, we outline our approach to developing metrics around downstream water and waste in line with our updated materiality assessment and Sustainability strategy on pages 43 to 45.

*Links to website:
- CDP and SASB reporting can be found on our website at www.global.weir/sustainability/sustainability-performance-and-reporting;
- Transition Plan can be found at www.global.weir/Transition-plan.

Transition Plan summary
The summary below sets out key elements of our Transition Plan in line with TCFD requirements. The plan is published in full on our website*.

Scope 1&2 emissions – c.0.5% of our footprint
This category includes emissions from our operations within our management control, including energy used in manufacturing and other facilities. One challenge for Weir is that we manufacture a high proportion of products in our own foundries and therefore recognise a higher proportion of emissions in scopes 1&2 than if we were to export emissions to scope 3 by contracting out manufacturing.

Our scope 1&2 targets are as follows:

- SBTi approved 2030 Target: 30% reduction in absolute CO_2e vs 2019 baseline (aligned to SBTi well below 2 degrees)
- 2050 Target: Net Zero Operations

The 2030 emissions reduction will continue to be achieved through:

- Energy efficiency initiatives, with a focus on emissions hot spots, particularly our foundries.
- Low carbon electricity supply, including on-site renewable generation, green contracts, power purchase agreements and, where necessary, Renewable Energy Certificates (RECs).
- Purchase of offsets is not part of our transition plan to 2030.

Annual capital expenditure and operating costs required to deliver the plan have been assessed at around £0.5m to £1m across the period, and are considered non-material to our business plan. We remain well on track to meet our 2030 targets, having achieved 23% reduction in 2023 vs 2019 – see GHG Emissions data on page 56.

For 2030 to 2050, net zero requires economically viable low-carbon alternatives to natural gas and other fuels to be used within our facilities. We continue to explore technology and energy supply options (see page 47) and have not yet quantified unabatable emissions or potential offsets required beyond 2030.

Scope 3 emissions – c.99.5% of our footprint
The overwhelming majority, 98%, of Weir Group's end-to-end carbon footprint is attributable to downstream value-chain scope 3 emissions, specifically the use phase of our long-lifespan products and solutions on our customers' sites. Our scope 3 target is therefore focused on our downstream footprint:

- SBTi approved 2030 target: 15% reduction in use of sold products vs 2019 baseline.

We have a compelling shared goal with our customers to reduce our scope 3 footprint. Through our technology strategy (pages 30 to 31), we develop new or improved technologies to improve energy efficiency in key mining processes. We have also developed our avoided emissions value proposition to drive take-up by customers (see page 49).

Due to inherent uncertainties in calculating scope 3, we take a continuous improvement approach to review our processes and data and disclose any restatements in a timely and transparent manner.

Delivering against our 2030 target depends substantially on external factors beyond our direct influence or control, notably the rate of adoption of low-carbon energy by our customers and grid decarbonisation, given that the majority of our equipment is already powered by electricity. Our scope 3 target is based on emissions factors for customers purchased electricity aligned to the IEA Stated Policy Scenario. However, our scope 3 footprint continued to rise in 2023 (see page 57) due in part to business growth and sales to countries with high electricity emission factors. This illustrates that achieving our 2030 scope 3 target will depend on continued action to decarbonise electricity grids. We continue to engage externally in favour of energy efficiency and the low-carbon energy transition, as described on page 49.

The main cost to support our plan is R&D investment which is already core to our business strategy (see page 33).

Sustainability review: TCFD
continued

Description	Categorisation	Impact	Summary
Both risk and opportunity			
Risk 1 **Changing customer behaviour** Decreased revenues due to reduced demand for products and services from declining mining sectors **Category:** Transition – market	**Time horizon**[1] Short / Medium / **Long** **Likelihood** Unlikely / **Moderate** / Likely **Magnitude**[2] **Low** / Medium / High	**Potential financial impact**[3] **Risk:** c.£120m per annum revenue under 2DS scenario; c. £210m per annum under 1DS **Opportunity:** c.£70m per annum revenue under 2DS scenario; c. £310m per annum under 1DS **Cost of response** £47.4m costs per annum **Metric –** Commodity as % of revenue: **Risk commodities** - coal, oil sands and iron ore 24% (2022: 26%; 2021: 25%) **Opportunity commodities** - copper, nickel and lithium 28% (2022: 26%; 2021: 23%)	Longer-term trends in demand patterns for key minerals are projected to change during the transition to a low-carbon economy. Weir sells products and services to customers producing fossil fuels and certain minerals that are due to decline during the transition (coal, oil sands and iron ore), as well as future-facing commodities that are due to increase (copper, nickel, lithium and cobalt). We describe on page 52 our analysis of forced commodity market scenarios, constrained by carbon budgets. In 2022 and 2023, we compared the commodity market forecasts in our 5-year strategic plan with those in the 10-year climate scenario analysis. We found that our 5-year planning assumptions broadly align with the BAU scenario, particularly for the biggest commodities with most material impact on risks and opportunities. We noted greater variation between external data sources for timelines beyond 5 years and for commodities with a smaller impact on our revenue. Overall we considered that BAU is largely built into our existing plans. The financial impact for both the risk and opportunity is, therefore, the difference in revenue between BAU and the 2DS and 1DS scenarios per annum by 2033. The assessment indicated that overall net revenue impact in 2033 would be about -£50 million under the 2DS scenario, with a revenue downside of £120 million for risk commodities and upside of £70 million for the opportunity commodities. Under the 1DS scenario, this switched to a net opportunity of around £100 million, due to the £210 million downside in coal, oil sands and iron ore, being outweighed by a greater upside of £310 million in copper, nickel, lithium and cobalt. ESCO is proportionately more exposed to downside risks. The potential impact would develop over a number of years, not as a one-off event, and the potential financial impact does not take account of mitigating actions, so can be deemed worst case. We monitor ongoing commodity related data with recurring annual cost of £0.1m. Actions in our strategic plan mitigate the impact of declining commodities and leverage the opportunity from future-facing minerals in line with the BAU scenario, with contingency plans to manage a faster transition. We are well placed to manage transition risk due to long planning cycles in the mining sector, flexibility within our network, active tracking of market signals and ongoing resilience testing. In addition, our R&D capital allocation targeting 2% of annual revenue means we continue to provide compelling offers relevant to customer needs to scale up future facing commodities, meet iron ore demand from the low-carbon steel sector and manage assets in declining sectors as efficiently and sustainably as possible. R&D in 2023 totalled £47.3m.
Opportunity 1 **Changing customer behaviour** Increased revenues due to greater demand for products and services from growing mining sectors **Category:** Transition – market	**Time horizon**[1] Short / Medium / **Long** **Likelihood** Unlikely / **Moderate** / Likely **Magnitude**[2] **Low** / Medium / High		

Sustainability review: TCFD
continued

Description	Categorisation	Impact	Summary
Risk 2 **Increased severity and frequency of events** Impact of flood (coastal, fluvial, pluvial, groundwater) **Category:** Physical – acute	**Time horizon**[1] Short Medium **Long** **Likelihood** **Unlikely** Moderate Likely **Magnitude**[2] **Low** Medium High	**Potential financial impact**[3] £30m one-off cost **Cost of response** £0-0.1m per annum cost **Metric** We track our exposure through our financial impact and monitor disruption at our sites, of which there were no major incidents in the year.	As a business with operations across the world, we are exposed to risks of extreme weather events disrupting our facilities or supply chain networks. As outlined in the Strategy section on page 52, we modelled potential increases in extreme weather risk under scenarios for <2°C and +4°C of warming and then assessed the maximum foreseeable one-off loss, based on potential costs of damage and business interruption at facilities most exposed to flood risk under a +4°C scenario beyond 2040. Analysis identified an aggregate one-off loss range across the Group of between £0-30m, reflecting a combination of replacement of physical assets and gross profit exposed to climate risks. The results were shared across the Group's operations, to reinforce both the appropriateness of our existing physical risk mitigation strategies and inform decisions on future risk initiatives and expansion plans. We continue to monitor disruption of climate-related physical incidents at our sites, with no significant events in 2023. In case of such events occurring, the Group maintains robust business continuity plans and specific insurance protection to mitigate against the extent of any operational impact that may occur. The loss range identified as part of the scenario analysis reflected potential gross losses before taking into consideration the Group's controls environment. Through a combination of existing physical defence measures and business continuity plans, cross Divisional manufacturing capacity and the applications of insurance, the net loss forecast would reduce to a low figure. We therefore categorise the magnitude of impact as low. The cost of response reflects third-party loss control engineering advice to assist facilities identify risks and develop mitigation solutions.
Opportunity 2 **Development and/or expansion of low emission goods and services** Increased revenues due to greater demand for products and services **Category:** Products and services	**Time horizon**[1] Short **Medium** Long **Likelihood** Unlikely Moderate **Likely** **Magnitude**[2] **Low** Medium High	**Potential financial impact**[3] £50m per annum revenue **Cost of response** £47.4m of cost per annum **Metric** 2023: 1.8% (2022: 1.9%, 2021: 1.7%)	We target mid-to-high single digit growth above market per year, driven by four factors: sustainable solutions, integrated solutions, expanding our product range and geographic expansion. A 5% revenue uplift on annual continuing operations revenue of c.£2bn would deliver increased annual revenues of around £100m per annum, from the four factors combined. We have assumed 50% of this uplift in our calculations. Weir continues to target at least 2% of revenues investment on R&D in line with our technology strategy on pages 30 to 31. Our focus on sustainable solutions creates a compelling value creation opportunity as we link our goals directly with our customers, focus investment to accelerate the technology transition in mining, and quantify avoided emissions through our avoided emissions initiative to unlock value for customers. The cost of response reflects R&D in 2023 of £47.3m, as well as recurring expenditure for the avoided emissions workstream of £0.1m.

1. Our Risk Horizons as defined in our Risk Assessment Criteria are: up to 3 years – short; 3 to 5 years – medium; 5+ years – long
2. Our Risk Assessment Criteria for the magnitude impact of gross risk are based on operating profit: >20% profits – high; 10-20% profits – medium to high; 5-10% of profits – moderate ; 0-5% profits – low Impact Score.
3. Potential financial impact is shown as increase or decrease in revenue or cost. Risk 2 also includes estimated profit impact.

Sustainability review: GHG emissions

Total annual GHG emissions

We have provided below our GHG emissions, as required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, and have reported the requirements of the Streamlined Energy & Carbon Reporting (SECR) framework. In 2023, we identified and implemented energy efficiency measures across our business, which included manufacturing efficiency improvements, behavioural change, process upgrades and selecting energy efficient technology, such as LED lighting. Our total identified and implemented energy savings from projects implemented in 2023 are estimated to be 9,094,471kWh (2022:13,192,524kWh).

Scope 1&2 annual GHG emissions

	UK & Offshore area annual GHG emissions (tCO2e)			Global annual GHG emissions (tCO2e)			Global GHG emissions intensity (tCO2e per £m revenue)		
Location-based Emissions	**2023**	2022	2019	**2023**	2022	2019	**2023**	2022	2019
Scope 1 emissions: fuel combustion and operation of facilities (continuing operations)	**2,445**	2,532	3,602	**65,184**	66,697	67,547	**24.7**	27.5	33.7
Scope 2 emissions: purchased electricity, heat and steam (continuing operations)	**3,053**	3,450	4,951	**94,606**	106,136	121,807	**35.9**	43.8	60.8
Scope 1 emissions: fuel combustion and operation of facilities (continuing and discontinued operations)	**2,445**	2,532	3,745	**65,184**	66,697	81,834	**24.7**	27.5	31.1
Scope 2 emissions: purchased electricity, heat and steam (continuing and discontinued operations)	**3,053**	3,450	5,010	**94,606**	106,136	138,788	**35.9**	43.8	52.8
Total scope 1&2 (continuing and discontinued operations)	**5,498**	5,982	8,755	**159,790**	172,833	220,622	**60.6**	71.3	83.9
Total scope 1&2 (continuing operations)	**5,498**	5,982	8,553	**159,790**	172,833	189,354	**60.6**	71.3	94.6
Total scope 1&2 (discontinued operations)	**0**	0	202	**0**	0	31,268	**0.0**	0.0	49.9
Market-based Emissions									
Scope 2: purchased electricity, heat and steam market-based emissions (continuing operations)	**82**	218	275	**77,029**	85,986	116,079	**29.2**	35.5	58.0
Scope 2: purchased electricity, heat and steam market based emissions (continuing and discontinued operations)	**82**	218	275	**77,029**	85,986	133,537	**29.2**	35.5	50.8
Total scope 1&2 (market-based); continuing and discontinued operations	**2,527**	2,750	4,020	**142,213**	152,683	215,371	**54.0**	63.0	81.9
Total scope 1&2 (market-based); continuing operations	**2,527**	2,750	3,877	**142,213**	152,683	183,626	**54.0**	63.0	91.7
Total scope 1&2 (market-based); discontinued operations	**0**	0	143	**0**	0	31,745	**0.0**	0.0	50.7

	UK & Offshore area annual energy use (kWh)			Global annual energy use (kWh)		
Energy	**2023**	2022	2019	**2023**	2022	2019
Energy consumption used to calculated emissions; continuing and discontinued operations	**27,935,581**	31,486,927	39,590,603	**537,267,104**	563,507,645	678,666,543
Energy consumption used to calculated emissions; continuing operations	**27,935,581**	31,486,927	38,601,875	**537,267,104**	563,507,645	578,199,219

Annual GHG emissions from foundries

	Annual GHG emissions (tCO_2e)			Proportion of global (continuing operations) annual emissions (%)			GHG emissions intensity (tCO_2e per tonne of metal poured)		
	2023	2022	2019	**2023**	2022	2019	**2023**	2022	2019
Scope 1 emissions: fuel combustion and operation of facilities	**39,903**	40,695	45,151	**25.0**	23.5	23.8	**0.4**	0.4	0.4
Location-based scope 2 emissions: purchased electricity and heat	**67,663**	78,094	85,019	**42.3**	45.2	44.9	**0.7**	0.8	0.8
Market-based scope 2 emissions: purchased electricity and heat	**53,087**	58,842	80,452	**37.3**	38.5	43.8	**0.6**	0.6	0.8
Location Total	**107,566**	118,789	130,170	**67.3**	68.7	68.7	**1.1**	1.2	1.2
Market Total	**92,990**	99,537	125,603	**65.4**	65.2	68.4	**1.0**	1.0	1.2

Sustainability review: GHG emissions

continued

Scope 3 total annual GHG emissions

Scope 3 category – continuing operations only	Evaluation status	2023 tCO_2e	2022 tCO_2e*
1. Purchased goods & services	Relevant, calculated	**527,382**	659,775
2. Capital goods	Relevant, calculated	**12,064**	9,149
3. Fuel & energy related activities	Relevant, calculated	**38,267**	41,601
4. Upstream transportation & distribution	Relevant, calculated	**90,803**	141,282
5. Waste generated in operations	Relevant, calculated	**16,964**	17,457
6. Business travel	Relevant, calculated	**17,941**	14,029
7. Employee commuting	Relevant, calculated	**8,145**	8,631
8. Upstream leased assets	Relevant, calculated	**97**	0
9. Downstream transportation & distribution	Relevant, calculated	**82**	78
10. Processing of sold products	Not relevant, explanation provided	**0**	0
11. Use of sold products	Relevant, calculated	**43,343,096**	38,639,264
12. End of life treatment of sold products	Relevant, calculated	**881**	1,061
13. Downstream leased assets	Relevant, calculated	**10,040**	7,530
14. Franchises	Not relevant, explanation provided	**0**	0
15. Investments	Relevant, calculated	**4,726**	6,248
Total		**44,070,488**	39,546,105

Methodology and Notes

For commentary on our progress against scope 1&2 and scope 3 emissions targets, see our Transition Plan Summary on page 53.

Scope 1&2

In calculating our Location GHG emissions we have followed the principles of the 'GHG Protocol: Corporate Accounting and Reporting Standard' (revised edition) and emissions are reported based on an operational control approach. We have used emission factors from the UK Government's annual 'GHG Conversion Factors for Company Reporting' for each year and other region-specific factors where available to calculate our Scope 1&2 Location footprint. In calculating our Market Based Emissions we have followed the principles of the GHG Protocol: Corporate Accounting and Reporting Standard' (revised edition), the GHG Protocol Scope 2 Guidance (an amendment to the GHG Protocol Corporate Standard) and emissions are reported based on an operational control approach. Scope 2 emissions are reported in line with the GHG Protocol's dual reporting guidance. The location-based method calculates emissions using the average emission intensity of local electricity grids which provide electricity to Weir's facilities. The market-based method captures the impact of Weir's contractual arrangements to procure renewable or low-carbon energy and energy attribute certificates. We have used emission factors from the UK Government's annual 'GHG Conversion Factors for company Reporting' for each year and other contractual, market, residual or location based emissions factors where available to calculate our Scope 1&2 Market footprint. We report on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our Consolidated Financial Statements. We do not have responsibility for emission sources that are not included in our Consolidated Financial Statements. Reported Scope 1 emissions cover emissions from liquid fuel and gas - used for heat, transportation and process and refrigerants. Scope 2 emissions cover emissions generated from heat, steam and purchased electricity for own use, calculated using both the location and market-based methodologies. Our continuing operations consist of our Divisions (Minerals and ESCO) and Group functions. Our discontinued operations comprise our Oil & Gas Division which was sold in February 2021.

In line with SECR, energy consumption data has been provided for the UK & Offshore and globally, this data was used in the creation of our GHG emissions. Our Foundry GHG emissions are provided globally and do not contain any discontinued operations so no differentiation is required. Revenue for 2019 and 2022 are based on 2023 average exchange rates. 2022 constant currency revenue is disclosed in note 4 of the Group Financial Statements. 2019 constant currency revenue is £2,002m (continuing operations) and £626m (discontinued operations). For our foundries, the scope 1 proportion of Global (continuing operations) annual emissions is a proportion of total Location Based GHG emissions. Therefore the % shown in the Market-based Total row does not equal the sum of the scope 1 and Market-based scope 2 rows.

Our scope 1&2 GHG emissions data have been externally verified to a limited level of assurance by SLR Consulting. The assurance work covered an understanding of processes for management, reporting and performance improvements as well as a review of underlying data sources, year-on-year performance trends, calculation accuracy and consistency with best practice guidelines, consolidation of data and the calculation methodologies used for market-based scope 2 emissions.

***Scope 3**

2022 category 11 is restated to reflect changes in methodology and data as outlined below. In calculating our scope 3 emissions we have followed the principles of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions (version1). Prior to calculating scope 3 emissions, categories were screened for relevance using the protocol criteria. Those listed as 'not relevant' above were all considered to make no contribution to Weir's scope 3 emissions. It is not always possible to distinguish upstream and downstream transport so categories 4 and 9 should be considered in aggregate.

The method used for our most material category Use of Sold Products has been to calculate the energy usage of machines sold in 2023 based on power consumption across their assumed lifetime (20 years) whilst considering utilisation, load and motor efficiency. It is anticipated that this method will enable a ±20% estimation of total Weir product electrical power consumption. Applicable emissions factors were then applied to this data (sources: IEA 2023, DEFRA 2023, NGAF 2023 and US EPA 2023), by country, to calculate CO_2e across the assumed lifetime of the products. For diesel-powered products, we used fuel consumption data to estimate diesel use and applied DEFRA 2023 emissions factors to calculate CO_2e. Emissions relating to on-site maintenance services are excluded. We intend to quantify these emissions and estimate them to be a very small (0.01% of category 11). All other categories have been calculated using spend, tonnage, distance and headcount methods with the most appropriate emissions factors applied.

In line with the GHG Protocol we continue to review our reporting in the light of any changes in business structure, calculation methodology and the accuracy or availability of data. As a result, we have re-stated 2022 scope 3 category 11 emissions to reflect changes in methodology and data for Use of Sold Products. Due to recognised inherent uncertainties in calculating scope 3, we have adopted a continuous improvement approach. We will continue to review our processes and disclose any restatements in a timely and transparent manner. This review will include reassessment of our 2019 baseline.

Our Use of Sold Products emissions category is the most material part of our scope 3 footprint and we have had this externally verified to a limited level of assurance by IBIS ESG Consulting. The assurance work included a review of the Use of Products Sold data and supporting methodology for completeness, accuracy and appropriateness.

Sustainability and non-financial reporting

Strengthen our foundations

In line with our materiality assessment, we have established a priority in our sustainability strategy to Strengthen our foundations, see page 45. This addresses governance-related factors from our updated materiality assessment (see pages 43 to 44) that ensure a consistent and responsible approach to running our business and engaging with our value chain.

Responsible business practices

Responsible business practices are managed by our compliance function, led by the General Counsel and Chief Compliance Officer, who has a mandate to design and govern our Code of Conduct and the Group's compliance frameworks relating to bribery and corruption, antitrust and competition, human rights and modern slavery, data privacy, and trade sanctions and export control. You can also read more about how the Directors have regard to various matters under section 172 of the Companies Act 2006, including the desirability of the Group maintaining a reputation for high standards of business conduct, in the Strategic Report on page 26 and in the Governance Report on page 80.

We seek to maintain high standards of corporate governance across all areas of sustainability, as outlined in more detail on our website. Below are specific areas of compliance reporting that summarise key events in the year.

Code of Conduct

We are dedicated to doing business in an ethical and transparent manner. This commitment has driven our legacy for more than 150 years. The Group's Code of Conduct ('Code') provides direction and a framework for how we expect our people to conduct themselves on a day-to-day basis. Every year, we provide refresher Code training to all our employees and contingent workers, and in 2023, 94% of all employees completed the training.

To assure adherence to policies and procedures and that these remain robust, Internal Audit performs (i) annual Code audits (including employee expense reviews) at selected Group locations and (ii) an annual audit of the items logged in the Group's Gifts & Hospitality Register. Further information on the work by Internal Audit on this area can be found on page 99.

Ethics Hotline

The Group provides informal and formal channels to raise concerns regarding unethical behaviour. Most employee concerns are resolved by their managers or the local Human Resources function, but employees may raise a concern through the Weir Ethics Hotline, which is a 24-hour, multilingual service accessible via telephone or online with the option of reporting anonymously.

The Compliance function works closely with the business to ensure that matters raised via the Ethics Hotline are investigated in a fair and impartial manner consistent with the Group Investigation Protocol. During 2023, and as part of ongoing efforts to re-enforce the availability of the hotline, the Compliance function produced new, updated hotline posters, and coordinated with the Human Resources function to post the posters in employee common areas across the Group's global facilities.

Human Rights

We respect the human rights of all those working for or with us, and of the people in the communities where we operate. In accordance with our Human Rights Policy, we will not do business with companies, organisations or individuals that we believe are not working to comparable human rights standards or are engaged in forms of modern slavery. Further information can be found in our Modern Slavery Statement on the policy page of our website.

The Compliance function developed a human rights related training module focused on the risks of forced labour and modern slavery, and delivered this training to designated high risk roles within the Group. The training was rolled out in late Q4 with 83% of designated employees having completed the module by the end of the year. Also in 2023, the Compliance function continued to spearhead a global human rights risk assessment of the Group's operations and supply chain. Both the Minerals and ESCO Supply Chain functions are directing their key suppliers to report risk-related information about their operations via a third-party ESG software tool. The results will drive additional process improvements in managing our supply chain.

We report on outcomes for safety on page 46, and Inclusion, Diversity & Equity on page 47.

Anti-Bribery and Corruption

We are aware of the risk of bribery and corruption for companies that operate globally and for our company specifically, and through our Code of Conduct and Group Anti-Bribery and Corruption Policy (ABC Policy), we have a zero tolerance towards bribery and corruption by Group personnel and third parties working on our behalf. We regularly provide reminders or training to key employees about bribery and corruption risks. These efforts are supplemented by our Gifts and Hospitality Policy and Agent and Business Partner Policy.

For third-party risk, our risk-based due diligence and management programme enables the Group to work only with third parties that meet our company standards and expectations for compliance.

Customer health and safety

Embedded within our SHE Management System is our Product Stewardship standard to ensure a process is in place that a cohesive and consistent approach toward Product Stewardship and that the Product Risk Assessment Manual and process is communicated and embedded.

Responsible supply-chain practices (own operations)

We source raw materials, components and services across the globe. Our suppliers play a critical role in our business and our relationships with them are based on achieving the best performance, product delivery, service and total cost in an ethical and sustainable manner. Therefore, we expect our suppliers to reflect the same values and behaviours. All suppliers must abide by the minimum standards set out in the Group Supply Chain Policy.

Data-privacy and cyber-security (own operations and customer)

The Group's main risk as it relates to privacy is with respect to the protection of personal information of its employees. In 2023, the Compliance function delivered training on privacy risks and responsibilities to designated roles, and also refreshed the Group's privacy-related policies and requirements. 91% of designated employees completed the training.

Our cyber-security strategy is managed through the IT governance framework with oversight from the Board through the annual update of the strategy (see page 79). During the year we ran cyber-security education and awareness campaigns, with 94% of all employees completing mandatory cyber-security training. Further information on our approach to cyber-security is on page 69.

Find out more

Ethics & governance principal risk	See page 68
Information security & cyber principal risk	See page 69
Audit Committee Report: Main activities of the Audit Committee	See page 99
global.weir/sustainability/our-governance-and-policies/	

Sustainability and non-financial reporting
continued

Non-financial and sustainability information statement

The table below sets out our key policies and standards that govern our approach and due diligence, along with references to outcomes and additional information included elsewhere in the annual report. Further information to support our disclosure can also be found on the following pages:

- The required information about the business model can be found on pages 22 to 24.
- Information about medium-term Key Performance Indicators that are aligned to our We are Weir strategic framework and the Group's remuneration policy can be found on pages 32 to 33.
- Our climate-related financial disclosures can be found on pages 50 to 55.
- Our principal risks are summarised on pages 64 to 69.

Policy	Reporting Requirement	Summary of areas covered	Section of Annual Report
Sustainability Strategy		Sets out our strategic priorities in relation to sustainability, covering areas such as champion Zero Harm, reduce our footprint, nurture our culture and strengthen our foundations around governance-related factors.	Page 45
SHE Management System[1]		Sets out how we manage safety, health and environmental risk focusing on areas such as product or service quality, environmental performance, and employee safety, health and wellbeing.	Page 46
Zero Harms Behaviour Framework		Provides guidance on behaviours to help improve our safety culture with a focus on personal accountability for all team members.	Page 46
Inclusion, Diversity & Equity Policy[1]		Sets out our policy and ambitions in relation to inclusion, diversity and equity across Weir.	Page 47
Board Diversity Policy[1]		Sets out the approach to diversity on the Board of Directors of The Weir Group PLC.	Page 95
Health & Wellbeing Strategic Framework[1]		Sets out framework for employees to access a wide range of resources in support of their broader health and wellbeing, including mental wellbeing, at any time.	Page 47
Code of Conduct[1]		Outlines the ethical and legal standards to which Weir Group holds its employees and stakeholders, covering a range of areas including anti-bribery and corruption, competition (anti-trust) law, conflicts of interest and use of Group property and resources.	Page 58
Human Rights Policy[1]		Covers our main responsibilities in the areas of employee rights and the risk of human rights violations in our supply chain.	Page 58
Modern Slavery Statement[1]		Sets out how we identify, assess and manage modern slavery risks across our operations and supply chain.	Page 58
Supply Chain Policy[1]		Sets out the minimum standards we expect our suppliers to abide by with respect to areas such as business ethics and legal and regulatory compliance.	Page 58
Anti-Bribery and Corruption Policy and Standard[1]		Prohibits bribery and corruption, whether by Weir or any third party who acts on behalf of the Group, and sets expected ethical business behaviours.	Page 58
Gifts and Hospitality Policy[1]		Supplements the Code of Conduct by further describing the requirements and process for providing business courtesies to customers and other third parties.	Page 58
Agent and Business Partner Policy[1]		Covers how to protect the Group from engaging with third parties who, in the course of representing or working for the Group, could undertake improper activities such as offering or accepting a bribe or engaging in other misconduct.	Page 58

1. These policies are available on our website: global.weir/sustainability/our-governance-and-policies/.

Employees | Environment | Social matters | Human Rights | Anti-corruption and anti-bribery

Employee numbers

As at 31 December 2023 there were 11,914 people, excluding contingent workers, employed by the Group of whom 2,269 were female, 9,628 were male, and 17 did not disclose their gender. As at 31 December 2023, there were nine Directors of The Weir Group PLC Board, five of whom were male and four were female. Excluding the Executive Directors, there were 91 males and 16 females in our senior management team, as defined by the Companies Act 2006. For further diversity-related disclosures, including our disclosures for the purposes of the UK Listing Rules, Corporate Governance Code and FTSE Women Leaders and Parker Reviews, refer to the Nomination Committee report on pages 95 to 97.

Risk management

We operate in a complex global environment where the **effective management of risk** is fundamental to the delivery of our strategic objectives. Our global risk management system is designed to provide both the **necessary level of oversight and a consistent framework** in which our Group operations can take advantage of attractive opportunities whilst ensuring we are not exposing the organisation to excessive risk.

Main activities during 2023

- Continued roll out of our Zero Harm Behaviours programme with 8,000 employees across 140 sites participating in behavioural safety gap analysis to determine safety maturity, identify improvement areas and develop local action plans to continue to drive cultural change.
- Deep dive data analytics on female insights from our global employee engagement surveys to better understand perceptions, barriers versus perceived barriers and highlighting best practice.
- Further maturing of our crisis readiness with the support of external crisis management consultancy and strategic communication advisers.
- Elevated geopolitical risk monitoring utilising third party intelligence.
- Double materiality assessment completed and ESG data assurance roadmap in progress and climate scenarios refreshed.
- Generative AI programme mobilised, successfully implementing secure technology foundations and a solution to improve development coding.

Areas of focus 2024

- Implementation and embedding of developed site specific behavioural safety improvements plans.
- Continue to embed our ID&E strategy, including the launch of a new senior ID&E steering committee to further promote and advance the linkage with our overarching business strategy.
- Continue to evolve our horizon scanning capabilities with the development of a systematic approach to the identification and assessment of emerging risks and opportunities.
- Further integrate climate risk and opportunity in strategic planning.
- Complete and begin to execute our ESG data assurance roadmap.
- Continue to manage the risks associated with the implementation of generative AI as we scale it across the business to generate the greatest return on investment.

Risk agenda

During the year, the Board has reviewed the effectiveness of the systems of risk management and internal control and conducted a robust assessment of both the principal and emerging risks potentially affecting the Group in line with the risk appetite statement.

The risk appetite statement is the level of risk that the Board is willing to take or tolerate to achieve our strategic objectives.

It articulates what is an acceptable level of exposure, relative to the amount of reward we are seeking, and helps to determine how much control or mitigating actions may be required.

The Group's risk appetite statement, which is detailed on page 61, considers several different dimensions which balance commercial performance with managing our business in a sustainable and compliant manner.

Our appetite may vary from area to area, for example, it may be higher where we are prepared to tolerate more risk to achieve a specific outcome, such as entry into new countries which offer growth opportunities.

The key principles underpinning the Group's risk appetite are:

- Risk appetite needs to be measurable, involving the use of appropriate Key Risk Indicators (KRIs).
- Risk appetite is not a single fixed concept.
- There must be a range of appetites for the different risks that the Group faces.
- Risk appetite must be integrated within the control culture of the Group.
- Appetite must consider differing views at a strategic, tactical and operational level.
- The defined risk appetite has been signed off by the Board.

Compliance with the risk appetite statement is monitored through the Group's functional and frontline controls and monitoring and oversight controls.

The Board will continue to review and update the risk appetite statement annually to ensure it remains consistent with the Group's strategy and environment in which we operate.

All these activities meet the Board's responsibilities in connection with Risk Management and Internal Control set out in the UK Corporate Governance Code 2018.

Details of the review of the internal control and risk management systems undertaken during the year are contained in the Audit Committee report on page 101.

Risk management
continued

Risk appetite statement
The Group is strategically positioned in markets with good long-term growth prospects. We will pursue ambitious growth targets, and we are willing to accept a higher level of risk to increase the likelihood of achieving or exceeding our strategic priorities, subject to the parameters below.

Sustainability

Risk	Risk appetite	Risk parameters
Safety, health & wellbeing	We will not undertake or pursue activities that pose unacceptable hazard or risk to the health and wellbeing of our people or the communities in which we operate or the broader environment.	(i) No tolerance for breaches of Weir Group SHE Charter (ii) Target zero harm through continuous improvement (iii) Adherence to our Health & Wellbeing Framework (iv) Active community and environmental engagement.
People	We will support, develop and reward our people in keeping with local market conditions and will encourage behaviour in line with our values and purpose.	No tolerance for breaches of (i) We Are Weir framework (ii) Weir Code of Conduct (iii) Group and Divisional HR policies.
Climate	We will evaluate and consider material climate transition and physical risk in all major strategic decisions and take adaptation and mitigation actions to minimise their impact.	We will monitor and maintain each of the following risk parameters within risk appetite: (i) Physical (ii) Policy & legal (iii) Technology (iv) Market (v) Reputation.
Ethics & governance	We have no tolerance for breaches of external legal governance frameworks or internal control systems.	No tolerance for breaches of: (i) Legislative/statutory requirements (ii) Weir Code of Conduct (iii) International sanctions (iv) Delegated authority levels (v) Group & Divisional policies.

Growth

Technology	We will ensure that we invest appropriately in R&D to both: (i) Defend our core products to protect our installed based aftermarket annuity model and (ii) Grow our innovation technology solution offerings, focused on addressing our customers most strategic challenges.	Investment of R&D resources will be consistent with our purpose and company values.
Market	We will primarily operate in mining and infrastructure markets and accept the associated cyclicality, but will seek to minimise this risk as far as possible.	Focus growth and investment on businesses that demonstrate a high aftermarket and offer a technology differentiator.
Country presence	We are prepared to enter new countries that offer opportunities for growth consistent with our overall strategy. We will not enter, or will exit, countries that present a high risk of harm to our people, damage to our reputation, or breach of international sanctions.	No tolerance for breaches of: (i) Legislative/statutory requirements (ii) Weir Code of Conduct (iii) International sanctions (iv) Delegated authority levels (v) Group & Divisional policies.
Organic growth	We will rigorously pursue Divisional organic growth strategies to meet our market growth objectives.	Investment of resources will be consistent with Divisional strategies and expected mid to high single digit % revenue growth through cycles.
Capital allocation & returns	We will encourage capital expenditure in pursuit of our growth ambitions subject to Internal Rate of Return (IRR) hurdles and capital structure targets.	Local country cash flow projections for investment appraisal purposes discounted at country specific rates to account for risk weighted returns.
Capital structure	We are prepared to use leverage in pursuit of our growth agenda and will actively seek low-cost debt to fund the Group but, recognising cyclicality in our end markets, will maintain significant headroom against our financial covenants.	We will seek to maintain the ratio of net debt/EBITDA between 0.5 and 1.5 with up to 2.0 for M&A (current financial covenants 3.5 times) and will retain adequate headroom within our debt facilities at all times.

Margins

Returns & profitability	We will not pursue growth at all costs; however, we expect high margins, strong returns on capital and working capital discipline together with cash generation.	Short-term margin dilution is acceptable in gaining market entry but, over the cycle, we aim for 20% operating margin in 2026. Targeting free operating cash conversion of 90-100% in 2024.

Resilience

Information security & cyber	We have no tolerance for material cyber security incidents that impact our ability to operate as a business, damage our reputation or lead to financial penalties.	No tolerance for breaches of Group cyber security policies or Group security and education training.

Returns

Mergers & acquisitions	We will actively pursue M&A opportunities that enhance our strategic platform subject to meeting investment criteria.	Post-tax returns should exceed our cost of capital within three years of the acquisition.

Risk management
continued

Risk management

The Group's risk management and internal control frameworks remain a core element of its Governance model. Our Risk Management Policy defines how we expect risks to be identified, assessed and managed throughout the organisation.

Risks are assessed and quantified in terms of impact and likelihood of occurrence, both before and after control mitigation. Assessing the gross risk before control mitigation allows the business to review the relative impact of the existing controls by comparing the gross and net risk assessment. Also, it allows the business to avoid expending resources on mitigating controls and actions, which have a negligible impact on the risk assessment.

The impact of risks is quantified across a range of factors including financial; strategy; reputation; people and property; ability to perform services; regulation; safety, health and environment; investors and funding. The Risk Management Policy includes defined criteria for each risk impact all the way up to Group level assessments, thereby providing an integrated bottom-up and top-down approach to risk management.

Ultimately, the Board is responsible for the Group's risk management and internal control framework. It has set out the decisions, and hence the level of risk, which can be delegated to the Group Executive and Divisional and operational company management without requiring escalation. This is articulated in a series of Group policies and delegated authority matrices, as well as the parameters within the approved risk appetite statement. The Board and Committee structure can be viewed on page 78.

The bottom-up risk reporting approach requires key risks identified and reported at project level to be escalated to the operating company management, which in turn may be escalated to Divisional management, and ultimately to the management-level Risk Committee and the Board. This is achieved through risk dashboard reports, which are maintained at Divisional and Group levels. The dashboards provide a summary of the major gross risks at each respective level, as well as a summary of the key controls and actions and resulting net risk, and any further risk mitigation actions required.

The Risk Committee has oversight of the Group risk dashboard, along with a routine review of key controls identified to manage each risk and the sources of controls assurance.

The Board obtains assurance over risks and risk management through the internal control framework. More information on the internal control framework can be found within the Corporate Governance Report on page 90 and within the Audit Committee report on pages 98-108.

Group Risk Committee

The primary purpose of the Group's Risk Committee is to assist the Board in its oversight of the effectiveness of the risk management framework. It performs its role through:

- Having an overview of the key risk issues identified across the Group.
- Ensuring that the Group risk dashboard remains relevant on an ongoing basis.
- Reflecting the Group's risk appetite against those identified risks.
- Overseeing and, where necessary, directing the effective design and operations of the Group's governance, risk management and internal control framework.
- Ensuring that there is adequate enterprise wide processes and systems for identifying and reporting emerging risks.

The Group Risk Committee met three times during 2023 and was chaired by the Chief Financial Officer, supported by Head of Risk. The full responsibilities of the Committee are captured on page 63.

Emerging risk

The proactive management of emerging risk and opportunity is regarded as a key priority for the Group, which will only continue in importance given the ever evolving global operating environment.

By their nature, emerging risks are deemed different from our identified principal risks due to their characteristics of ambiguity, uncertainty, volatility and difficulty to define and quantify.

There is an acknowledgement however, that they have the potential for both significant strategic impact and opportunity to create competitive advantage.

To promote agility against these threats and continue to strengthen our resilience, the Group's current approach to the identification and evaluation of emerging risk is via a combination of horizon scanning, scenario planning, risk workshops, cross functional collaboration and the use of external industry insights and thought leadership narrative and perspectives.

Adopting this process allows the Board to remain alert to both the internal and external emerging risk landscape and respond and adapt accordingly.

An example of an emerging risk and opportunity identified by the Group would be that of generative AI.

While not currently captured as a stand-alone principal risk, components of this emerging exposure are already recognised in our digital and cyber security risk mitigation strategies in recognition of the pace of change.

Find out more

Risk appetite statement	See page 61
Corporate Governance Report	See page 71
Audit Committee report	See pages 98-108

Risk management
continued

Risk management roles and responsibilities

The key roles and responsibilities for risk management are set out below.

	Group	Risk management responsibilities
THIRD LINE OF DEFENCE	**Board** Overall responsibility for the Group's risk management and internal control frameworks, and strategic decision within the Group.	• Annual review and ongoing monitoring of the effectiveness of the risk management and internal control frameworks. • Annual review of the Group's risk appetite. • Assessment of the Group's principal and emerging risks. • Twice a year receive a report from the Risk Committee that sets out the current assessment of each principal risk, the effect of mitigating controls on each risk, the direction of travel of each risk versus the prior year, the extent to which each could potentially impact the Group's strategic goals and any relevant findings relating to significant control failings or weaknesses which have been identified. • Taking decisions in accordance with the delegated authority matrices.
THIRD LINE OF DEFENCE	**Audit Committee** Delegated responsibility from the Board to review the effectiveness of the Group's risk management and internal control frameworks.	• Annual assessment of the effectiveness of the risk management and internal control frameworks. • Review of reports from management and internal and external auditors. • Review of the results from the six-monthly self-assessment compliance scorecards.
SECOND LINE OF DEFENCE	**Group Executive** Executive committee with overall responsibility for managing the Group to ensure it achieves its strategic objectives.	• Managing risks that have the potential to impact the delivery of the Group's strategic objectives. • Monitoring business performance, in particular, key performance indicators relating to strategic objectives. • Taking strategic decisions in accordance with the delegated authority matrices. • Escalating issues to the Board as required.
SECOND LINE OF DEFENCE	**Risk Committee** Management committee responsible for governance of the Group's Risk Management Policy and framework.	• Review of the design and operation of the Group's Risk Management Policy and framework. • Identification and assessment of the key risks facing the Group, identification of the key controls mitigating those risks and identification of further actions where necessary. • Identification and review of emerging risks and opportunities • Review of the Divisional risk dashboards, considering the appropriateness of management's responses to identified risks and assessing whether there are any gaps. • Reporting key Group and Divisional risks to the Board.
SECOND LINE OF DEFENCE	**Chief Executive's Safety Committee** Safety committee with responsibility to set and monitor the Group's SHE principles, priorities and actions.	• Executive Committee representation to drive improvements in our safety performance throughout the Group. • Champion the Group's Safety, Health and Environmental (SHE) Charter, reinforcing our commitment to maintaining a zero harm workplace. • Ensure the strategy for SHE improvements is comprehensive, risk-based, deliverable and balanced and built on best practice from peers, customers and suppliers.
SECOND LINE OF DEFENCE	**Management Committees** Several management-led committees, some of which are known as Excellence Committees. These committees cover a wide range of subject areas relevant to the Group and delivery of its strategy objectives including safety, sustainability, technology, and inclusion, diversity and equity.	• Monitoring the management of key risks across the Group associated with the respective remits of the Management Committees. • Monitoring performance and compliance with Group objectives, policies and standards related to the respective remits of the Management Committees. • Taking decisions in accordance with the delegated authority matrices. • Escalating issues to the Group Executive as required. • Reviewing the results from relevant assurance activities. • Design and administration of the Group's compliance programme covering core areas including anti-bribery, anti-corruption, anti-trust, privacy, trade controls and human rights.
FIRST LINE OF DEFENCE	**Divisional management** Responsible for managing the businesses within the Divisions to ensure Divisional strategic objectives are achieved and there is compliance with Group policies and standards throughout their Division.	• Identifying and managing risks that have the potential to impact the delivery of the Division's strategic objectives. • Monitoring performance and compliance with Group objectives, policies and standards within the Divisions and with regard to the outputs from the Excellence Committees. • Taking decisions in accordance with the delegated authority matrices. • Escalating issues to the Group Executive as required. • Reviewing the results from relevant assurance activities.
FIRST LINE OF DEFENCE	**Operating company management** Responsible for ensuring company objectives are achieved and business activities are conducted in accordance with Group policies and standards.	• Identifying and managing risks that have the potential to impact the delivery of their company's strategic objectives. • Monitoring performance and compliance with Group objectives, policies and standards within their company. • Taking decisions in accordance with the delegated authority matrices. • Escalating issues to Divisional management and Excellence Committees as required. • Reviewing the results from relevant assurance activities.

Principal risks and uncertainties

As in any business, there are **risks and uncertainties** that could impact the Group's ability to achieve its strategic objectives. Our risk management and internal control frameworks are designed to make this less likely by clearly identifying and seeking to mitigate the key risks.

The Board has conducted a robust assessment of the company's emerging and principal risks, alongside the risk appetite statements set out on page 61, meeting the Board's responsibilities in connection with risk management and internal control requirements in the UK Corporate Governance Code 2018. Each of the principal risks is assigned an owner from among the Board or Group Senior Management team, and a detailed review of each principal risk has been completed in the year.

The Group's risk dashboards were reviewed, and validity of the existing prior year principal risks were reassessed, and consideration was given as to whether any new principal risks have emerged, or certain risks are no longer considered to be a principal risk. This review resulted in changes being made to the principal risks in 2023.

The identified principal risks were subjected to a detailed assessment based on the following considerations:

- Potential severity of each risk relative to the Group's stated risk appetite.
- Existence and effectiveness of actions and internal controls that serve to mitigate the risk.
- The overall effectiveness of the Group's control environment, including assurance and any identified control weakness.
- The extent to which each of the principal risks could impact the Group's viability in financial or operational terms, due to their potential effects on the business plan, solvency, reputation or liquidity.

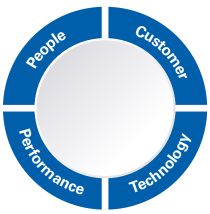
The principal risks set out on pages 64 – 69 are those that we believe to have the greatest potential to impact our ability to achieve the Group's strategic objectives, or which have the greatest potential impact on the Group's solvency, liquidity or reputation.

Find out more

Our strategic framework	See page 18
Viability statement	See page 70

Key

Strategy



Impacted

Not impacted

Risk trend

Increasing

Decreasing

No change

Viability statement

V Viability statement

Political & social V

Description
Adverse political action, or political and social pressures, in territories in which we operate may result in strategic, financial or personnel loss to the Group.

Risk trend
No change

Risk owner:
Chief Legal Officer and Company Secretary

Why we think this is important

Given the global nature of the Group's operations, we are exposed to an ever-changing political and social landscape where recent tensions are anticipated to persist and spread with the potential to threaten both energy and food security, increasing the risks of conflict and cyberattacks.

Adverse events may occur in the territories in which we operate that may require us to act swiftly to continue to protect our people and property and adjust to regulatory changes that have the potential to impact our competitiveness or have a negative impact on our return on capital employed.

How we are mitigating the risk

Ongoing active monitoring of sanctions and political developments.

Positive proactive engagement with a range of governments/elected representatives and trade and industry bodies allows the Group to contribute to policy decisions and address specific concerns.

Our strategic planning process allows for a regular review of market attractiveness while also assisting in the forecasting of potential political and social instability in the regions in which we operate. A combination of risk horizon scanning and third party intelligence sourced from risk consultants allows the Group to maintain flexibility and develop appropriate contingency and exit strategy plans.

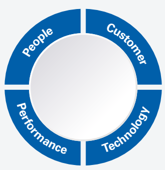
Key changes during 2023

In the face of continued global fragmentation and geopolitical uncertainty the Group continued to build its resilience throughout the year, while also keeping an eye on opportunities that may emerge from such volatility.

In response, the Group deployed a number of key risk initiatives which included the enhancement and strengthening of our crisis response protocols and elevated geopolitical risk horizon scanning, splitting the findings between near-term exposures and longer-term strategic risks in recognition of their varying potential velocity.

Given the ongoing levels of uncertainty this risk remained high on the Group's radar.

Impact on strategy



Principal risks and uncertainties
continued

Technology V

Description
Failure of the Group to embrace technology, innovate and continue to develop and invest in both our core and next generation solutions and services for our customers, leaves the Group's market-leading positions and ability to deliver on growth ambitions exposed.

Risk trend

Risk owner:
Chief Strategy & Sustainability Officer

Why we think this is important

We need to continue to drive innovation across the Group through investment in talent and collaboration with research partners, thus ensuring there is a sustainable and evolving product offering leveraging new and adjacent technologies.

Failure to achieve this could give rise to:

- An inability to give sufficient priority to outer horizon technology leading to an under investment/delayed development to meet our medium to long-term performance goals.
- Failure to identify and mitigate potentially disruptive technology trends as they appear in mining or adjacent industries.
- Failure to leverage our deep customer/market insights to develop products and solutions that meet the most strategic needs of our customers and other stakeholders.
- Failure to adapt our business model to capture economic value/prevent economic loss from technological advances.
- Failure to leverage new technology to reduce costs/improve our own operational performance.
- Failure to develop, attract and retain the talent and strategic R&D partnerships.
- Failure to capture climate transition opportunity/ mitigate risk via our technology offering.

How we are mitigating the risk

Continued investment in our technology strategy aligned on smart, efficient and sustainable priorities. Targeting R&D minimum spend of 2% of revenue.

Use of new emergent technologies radar software/process with embedded AI scanning capability to assess potential risks and opportunities.

Strong governance around intellectual property and new material/product launches.

Evolving WARC (Weir Advanced Research Centre) model with strategic international research, academic and technology scanning partnerships and funding.

Uplift in our AI capability with the integration of Motion Metrics and SentianAI.

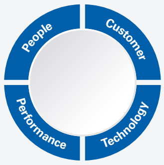
Key changes during 2023

Development of Enterprise Technology Roadmap (ETR) focused on five customer facing themes (see page 30).

Increased technology-specific C-suite engagement with customers and key account management.

The impact and likelihood of this risk is assessed to have remained constant during the year.

Impact on strategy



Value chain excellence V

Description
Failure to achieve value chain excellence improvements and the associated reduction in costs and enhanced capital efficiency.

Risk trend

Risk owner:
Divisional Presidents

Why we think this is important

An effective and efficient value chain is fundamental to the Group in maintaining its competitive advantage and continuing to create and deliver for its customers.

Failure of the Group to drive improvements in its value chain management presents the following risks:

- Loss of opportunity to meet our customers' needs in terms of product volume, quality and delivery, resulting in a loss of reputation and sales.
- Failure to optimise our inventory inhibits the Group's investment strategy and creates slow-moving and absolute inventory, ultimately impacting our operating profit and cash conversion.
- Failure to effectively manage inflationary increases in procurement costs as commodity prices increase leads to a reduction in our cost competitiveness and/or margins.
- Failure to develop organisational capability to sustain and improve operational performance results.

How we are mitigating the risk

Regular KPI monitoring of the value chain throughout the organisation.

Value Chain Excellence initiatives operate throughout the Group to drive improvements, including expanding production in best cost countries.

The Group's forward purchase commitments are being closely monitored to manage inventories at levels appropriate to market conditions.

Our credit risk management procedures are under continuous appraisal and review.

We regularly monitor market activity to ensure we remain competitive.

Improved demand planning and forecasting, including sales and operations planning.

Realising value from shared service initiatives.

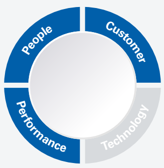
Key changes during 2023

Through our Performance Excellence initiative we have a clear pathway to optimise and transform our business creating a lean and efficient Weir, reducing our cost base and driving margin expansion.

Since its launch last year, we have built great momentum over the course of 2023 with the scope of existing projects expanding, and a number of new projects having been identified which will all contribute to our operating margin target.

Our value chain excellence risk was deemed unchanged over the course of the year.

Impact on strategy



Principal risks and uncertainties
continued

Safety, health & wellbeing V

Description
Failure to adequately protect our people and customers from harm presents a significant threat to the physical and mental wellbeing of the Group's existing and available workforce, leading to a resultant impact on productivity and our ability to meet customer demands and expectations.

Risk trend

Risk owner:
Chief People Officer

Why we think this is important

Thinking safety first is one of the core values within our We are Weir framework and we are 100% committed to achieving zero harm at Weir with policies and processes in place to ensure the continued health, safety and physical and mental wellbeing of all employees, customers and third parties.

How we are mitigating the risk

The Group's SHE Charter sets out the guiding principles, priorities and actions, each of which play a vital role in supporting our shared vision of achieving a zero harm workplace where everyone goes home safe and healthy.

The Weir SHE Management System establishes a common set of standards and expectations for addressing risk throughout our operations globally.

The Weir Health & Wellbeing Framework is designed to support the broader health and wellbeing of all employees, ensuring that everyone knows that 'It's ok not to be ok'.

This framework provides access to a wide range of resources focusing on key areas of culture and leadership, safety and environment, mental wellbeing, digital wellbeing and financial wellbeing.

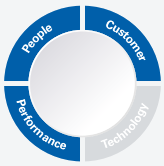
Key changes during 2023

During 2023, over 8,000 employees across nearly 140 of our sites undertook a behavioural safety gap analysis to determine safety maturity level, identify areas for improvement and determine local action plans to drive cultural change.

Using methodology from The Keil Centre, employees attend workshops led by trained Zero Harm facilitators. The process was overseen by the SHE Excellence Committee, with insights and outputs reviewed by the CEO Safety Committee.

The impact and likelihood of this risk was assessed as remaining unchanged from the prior year.

Impact on strategy



People

Description
Failure of the Group to build an ever more inclusive, diverse and equitable culture and adopt new ways of working that give rise to an inability to attract and retain the very best workforce.

Risk trend

Risk owner:
Chief People Officer

Why we think this is important

Our people represent our biggest asset and so the ability of the Group to attract, develop and retain talent and build capability at the pace required is fundamental to the delivery of the Group's strategic objectives.

Our ambition to foster an inclusive, diverse and equitable workforce that increasingly reflects the diversity of the markets in which we operate is key to creating a purpose-driven culture where we can all do the best work of our lives.

How we are mitigating the risk

Promotion of the Weir Group values and behaviours, Code of Conduct and HR policies sets the standards and expectations for all our staff, reinforcing our stated commitment to attracting and retaining the very best people.

High performer assessments are undertaken to identify and develop our very best talent.

Succession plans are in place and periodically reviewed for all of our key management.

Personal development plans are set and reviewed for the effective development of all our staff.

We continue to offer competitive compensation and benefits packages.

Key changes during 2023

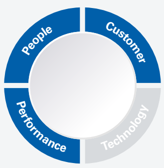
To further support the development of our high performance culture and organisational capability, the Group implemented a range of new initiatives in 2023.

In the areas of inclusion, diversity and equity we undertook deeper listening and insight analysis including gender focus groups, ongoing allyship building, expansion of affinity groups, launch of a second reverse mentoring programme and continued support for under-represented groups in STEM.

In the pursuit of our agenda to build a sustainable workforce which allows employees to grow, we expanded the scope of our talent development cycle to now include 900 people in order to provide the visibility of our diverse talent pipeline through the organisation.

Over the course of the year, our people risk was assessed as remaining stable.

Impact on strategy



Principal risks and uncertainties
continued

Market V

Description
Changes in key mining markets, including commodity prices and macroeconomic conditions, have an adverse impact on customers' expenditure plans. Fundamental market structure changes could alter the long-term economics of the business.

Risk trend

Risk owner:
Chief Financial Officer

Why we think this is important

Risk of a short-term market contraction due to heightened inflationary environment, corresponding monetary response and geopolitical tensions persisting and spreading could give rise to a negative impact in logistics flow and supply/demand dynamics in the commodity space.

Cyclical nature of the Group's end markets, including continued exposure to oil sands, giving rise to structural downturns and resultant pricing and operational pressures.

Risk of credit markets tightening, limiting access to capital limiting M&A opportunities.

Risk in China's post-Covid growth proving slower than global expectations despite government stimulus packages.

How we are mitigating the risk

Our aftermarket-focused business model and enhanced focus on technology to reduce cost and improve efficiency combine to mitigate the risk of future downturns.

The Group's strategic planning process utilises extensive market intelligence to assist in forecasting opportunities and dips in markets.

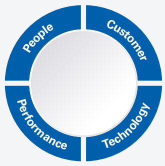
Key changes during 2023

Despite the inflationary and high interest rate environment persisting into 2023 the Group continued its journey of growth and margin expansion.

Key risk initiatives underpinning this performance included (i) the Group completing the issue of new five year UK Sustainability-Linked Notes securing long-term liquidity and diversifying from bank debt and (ii) continued investment in enhanced technology as a key differentiator.

Reflecting these key mitigation initiatives, our market risk was assessed as remaining flat.

Impact on strategy



Climate V

Description
Failure to adapt to and mitigate climate change and the associated impact on our current or future business.

Risk trend

Risk owner:
Chief Strategy & Sustainability Officer

Why we think this is important

Failure to adapt, manage and embrace the challenges and opportunities presented by climate change could have a significant impact on Weir, our people, our customers and our supply chains.

Physical risk exposures, both acute and chronic, can be characterised by extreme weather events including floods, heatwaves, storms and rising sea levels that could threaten not only our own operations, but also exacerbate geopolitical tensions should these events lead to forced migration in certain regions.

The world's climate challenge and transitioning to a low-carbon economy brings with it significant opportunity for the Group. However, failure to innovate and deliver smarter, more efficient and sustainable solutions for our customers and, at the same time, effectively manage our own footprint, could give rise to a number of risks ranging from political and legal challenges, shifts in market demands and changes in customer or community perceptions.

How we are mitigating the risk

Sustainability strategy developed via extensive multi-stakeholder materiality assessment encompassing Environmental, Social and Governance (ESG) areas (see pages 42-45).

CO_2e reduction strategy prioritised and being executed in both our own operations and those of our customers and supply chain.

Deliver sustainable Weir – Reduce our footprint priority with Science Based Target (SBTi) aligned scope 1&2 CO_2e reduction target being delivered via combined efficiency improvements and renewable supply optimisation. (see pages 46-47).

Accelerate sustainable mining — Use less energy priority with SBTi aligned scope 3 CO_2e reduction target and avoided emissions approach (see pages 48-49).

We are continuing strong engagement with stakeholders in this area.

Key changes during 2023

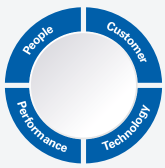
Approval of the SBTi aligned scope 1, 2 & 3 targets that we set in 2022.

Third party limited assurance of our emissions extended to include scopes 1,2,3 and avoided emissions.

Climate scenarios analysis refreshed and extended to include 1.5°C scenario, and reflected in our further enhanced TCFD disclosures that underpin our strategy (see page 52).

The impact and likelihood of this risk was assessed as remaining unchanged from the prior year.

Impact on strategy



Principal risks and uncertainties
continued

Digital V

Description
Failure to exploit 'digitalisation' opportunities impacting the Group's ability to meet evolving customer expectations.

Risk trend

Risk owner:
Chief Information Officer

Why we think this is important

To meet the needs of our customers, the ambitions of the business and the expectations of an increasingly digital world, Weir must prioritise and accelerate its digital evolution.

Failure to do so will negatively impact Weir's market position along with our ability to attract the people, skills and investment needed as a premium mining technology business.

If we fail to implement a holistic, digitalised ecosystem and culture quickly and effectively, competitors, who successfully embed digitalisation, will benefit and increase their market share.

How we are mitigating the risk

Having established our Future Back Digital Vision & Roadmap and Digital Steering Group in the prior year, 2023 has seen significant progress throughout the Group in the delivery of planned customer digital propositions and enabling technology.

In addition we established a digital and data job family, and digital and data community of practices to optimise our digital fitness, our digital capabilities and manage digital talent and retention.

Aligned to the Digital Roadmap, both Group and Divisions have collaborated across the strategic planning processes to ensure appropriate prioritisation of investment.

Key changes during 2023

2023 saw the launch of our digital experience platform (Weir global website and customer portal platform) with an executive digital summit held to ensure alignment on the digital architecture and foundations needed to enable the delivery of our digital product roadmap.

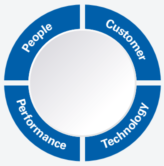
We continued to invest in technology for sustainability mining through the maturing of investment in our Motion Metrics business.

Acquisition of SentianAI to further enhance our digital product capabilities and customer offering.

In 2023 we piloted generative AI to improve digital development and will continue to invest in 2024.

Over the course of the year, this risk was assessed as remaining stable.

Impact on strategy



Ethics & governance V

Description
Interactions with our people, customers, suppliers and other stakeholders are not conducted with the highest standards of integrity and in accordance with Group policies and procedures, which devalues our reputation.

Risk trend

Risk owner:
Chief Legal Officer and Company Secretary

Why we think this is important

We are unwilling to accept dishonest or corrupt behaviour from our people, or external parties working on our behalf, while conducting our business.

If we fail to act with integrity, we are at risk of:

- Reputational damage leading to a loss of business opportunity.
- Increased scrutiny from regulators.
- Legal action from regulators, including fines, penalties and imprisonment.
- Exclusion from markets important for our future growth.
- Failure to meet required social standards to maintain licence to operate in our communities.

We expect all areas of the business to do the right thing and conduct business in compliance with applicable laws, Weir Group policies and procedures, and the highest ethical standards.

How we are mitigating the risk

The Weir Code of Conduct, supplemented with Group policies on related topics, provides a clear framework for how we expect our business will be conducted.

Regular training and re-enforcement of principles is provided using a range of mechanisms including, town hall-style sessions and online and induction training.

Our risk management and internal control frameworks are continually monitored for effectiveness.

Internal Audit's remit includes regular review of the anti-bribery and corruption and financial controls across the Group.

The Group Compliance function designs and administers our global compliance programme and assists Internal Audit in monitoring adherence to enhance global focus on compliance.

An Ethics Hotline is available to all members of staff and the public. Reports are investigated on a timely basis and summary reports provided to the Group Executive and Board.

Key changes during 2023

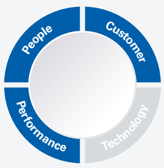
The Group delivered Code of Conduct, competition law and modern slavery/forced labour training modules to a wide range of personnel across the organisation, thus reinforcing our behavioural expectations and raising awareness of key compliance risks.

The Group also took a number of different actions to re-enforce the availability of the Ethics Hotline as a tool to report concerns about inappropriate behaviour.

The Group continued the work to enhance its sanctions and trade control controls, and this work will continue in 2024 including by providing bespoke training to designated high risk roles.

Risk remained stable across the year.

Impact on strategy



Principal risks and uncertainties
continued

Information security & cyber V

Description
Failure to adequately protect Weir from cyber-enabled fraud and other information security risks that can lead to operational disruption, reputational damage, regulatory fines and/or financial impacts.

Risk trend

Risk owner:
Chief Information Officer

Why we think this is important
Weir's global operations are heavily reliant on IT systems, tools and infrastructure. As the scale, frequency and impact of cyber attacks continue to evolve and increase, we recognise the significant risk this poses to Weir and its people, and take appropriate steps to mitigate these threats.

Weir is part of an integrated, complex supply chain, with each member of the supply chain managing the risk of exposing each member of the supply chain to their vulnerabilities.

Natural language processing and generative AI tools (e.g. ChatGPT) are rapidly improving in capability in the public domain, leading to the risk of misuse of those tools by cyber criminals to develop the next generation of hacking capability.

How we are mitigating the risk
We have an IT governance framework that underpins our technology operations. The IS&T Risk and Assurance Board provides assurance and oversight of our security posture across the business, approves policy control and assessments in relation to cyber risk and information technology/operational technology security.

Security incidents are managed by the cyber security operations team and serious incidents are reported to the Group Executive. Internal and external audits also take place regularly, providing additional governance and resilience to our controls, as well as highlighting opportunities to make further improvements.

We run cyber security education and awareness campaigns throughout the year to ensure colleagues are equipped with the knowledge and confidence they need to use technology safely and securely.

Our technology enterprise architecture and cyber security strategy roadmap continue to deliver improvements across the business that will help reduce the impact of any future cyber incidents.

Key changes during 2023
Updates to the cyber security strategy is now presented to the Board on an annual basis.

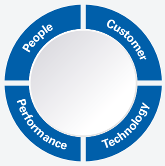
Our cyber security strategy continues to deliver ongoing security enhancements to ensure the business maintains a resilient response to cyber threats, including a three-year rolling plan of cyber security initiatives.

Over the course of the year, we have continued to improve our cyber security positioning which included the development and implementation of a new exceptions management policy to support in the management and control of exceptions being requested for cyber security policies.

In 2023 we rolled out mandatory data labelling, which supports technically enforcing our Data Classification and Labelling and Data Policy.

Over the course of the year, our information security & cyber risk was assessed as stable.

Impact on strategy



Competition V

Description
Increasing presence of low-cost competitors with improving quality in our end markets leads to significant pricing pressure and margin deterioration. Disruptive technologies, or new entrants with alternative business models, could also reduce our ability to sustainably win future business, achieve operating results and realise future growth opportunities. Continuing threat from third party replicators.

Risk trend

Risk owner:
Divisional Presidents

Why we think this is important
Continued presence of low-cost competitors with improving quality in our end markets leads to significant pricing pressure and margin deterioration.

Alternatively, increased competition forces a continual release of longer wear life products, resulting in maintaining market share, but cannibalising our sales volumes with difficulty in realising commercial benefits.

How we are mitigating the risk
Horizon scanning for competitor threats, including patent searches and applications.

Technology solutions with differentiation on engineering expertise, aftermarket service and total costs of ownership.

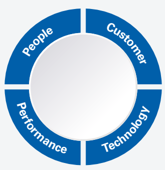
Continued development of operational efficiency and improvement plans.

Continued investment in core product design, process and materials that provide high value.

Key changes during 2023
Continued focus on improving sustainability and efficiency of our existing operations, combined with technology investment, including the acquisition of SentianAI, served to accelerate our technology roadmap and expand our digital capabilities.

Over the course of the year, this risk was assessed as remaining stable.

Impact on strategy



The Strategic Report covering pages 1-70 of this Annual Report and Financial Statements 2023, has been approved by the Board of Directors in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

On behalf of the Board of Directors

Graham Vanhegan
Chief Legal Officer and Company Secretary
29 February 2024

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the viability of the Group, taking into account the Group's current position and the potential impact of the principal risks documented on pages 64 to 69 of the Annual Report.

Assessment period

The Directors have determined that a three-year period to 31 December 2026 is an appropriate period over which to provide its viability statement. The Group's key markets are by nature cyclical and therefore, while the Group operates a five-year strategic planning process, market cyclicality and the related lack of visibility over commodity prices in particular indicate that a period of three years is appropriate. We believe that this approach presents the Board and readers of the Annual Report with a reasonable degree of confidence over this longer-term outlook.

Risk assessment

The Board considered the longer-term prospects of the Group as a mining technology leader and carried out a robust assessment of the principal risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity.

While the review has considered all the principal risks identified by the Group on pages 64 to 69, the following risks were focused on for enhanced stress testing:

- Market volatility, modelled by applying downturn scenarios and major customer shocks;
- Technology, digital, competition and value chain excellence, modelled by significant loss of market share and pricing pressure in key markets;
- Value chain excellence, information security & cyber, and safety, health & wellbeing, modelled by major site shutdown scenarios and significant disruption to operations as a result of a cyber incident or pandemic;
- A regulatory shock scenario in response to the ethics and governance or safety, health & wellbeing risks;
- Climate, modelled by major site shutdown scenarios as a result of severe weather and potential downside impact on mining revenues from certain commodities as a result of changes in markets driven by climate action; and
- Political & social risks, modelled by a major economic shock and the impact of supply chain and commodity inflation.

While the Group has delivered strong financial results in the current year and enters 2024 with a strong order book, supportive mining markets and a clear strategy to capitalise on the attractive long-term structural trends in our markets, macroeconomic and geopolitical uncertainty persists. Recognising these uncertainties and the potential impact on our operations, the Directors have also considered the longer-term prospects for the Group as part of the overall consideration of viability.

It is acknowledged that a significant change in macroeconomic conditions or the geopolitical landscape would cause short-term disruption. However, these risks are mitigated by resilience of the Group's aftermarket-focused business model, the geographical spread of the Group and the strong supply chain processes in place. These would allow the Group to adapt and remain viable.

The impact of climate change on our operations has also been carefully considered. The Group has made commitments to longer-term targets to align with SBTi requirements and has conducted scenario analysis to assess risks and opportunities related to the transition to a low-carbon economy. There continue to be no indicators that climate change and the steps taken to achieve these targets will impact the viability of the Group.

Process and key assumptions

The Strategic Plan, prepared bottom-up annually and approved by the Board, is used as the basis for the viability modelling and is supplemented with due consideration of current trading. The key assumptions underpinning the Strategic Plan include continued strong demand for minerals such as copper, gold and battery metals such as nickel driven by global population growth, industrialisation and electrification. This translates into supportive commodity prices, long-term economic growth and increasing demand for our new, more sustainable solutions technology.

The output of this plan is used to perform debt and headroom profile analysis, which includes a review of sensitivity to 'business as usual' risks, such as profit growth, working capital variances and return on capital investment. The base case has been stress tested to reflect:

i. a severe but plausible downside scenario; and

ii. a highly unlikely more severe scenario.

The resulting scenarios were modelled to include a series of individual one-off 'shocks' which represent the principal risks identified above, in combination with commodity price-based market downturn scenarios. The assessment took into consideration the potential impact on the Group's profits and cash flows and resulting impact on banking covenants.

The analysis indicated that the Group would be able to comply with its current banking covenants, which are shown in note 31 within the Group Financial Statements, and maintain sufficient liquidity headroom within its existing lending facilities under both scenarios. The outcome of the modelling is supported by the following factors:

- The geographic spread of the Group's operations helps minimise the risk of serious business interruption or catastrophic damage to our reputation;
- While the Group remains exposed to some cyclicality from the markets in which it operates, it continues to have a strong balance sheet that helps support significant liquidity;
- The Group's ability to flex its cost base and preserve cash, as demonstrated in 2020 with the swift actions taken in response to Covid-19, and seen in earlier downturn years;
- While climate change actions may give rise to changes in certain of the Group's markets, our aftermarket-focused and technology-differentiated business model, together with a commodity mix biased to commodities critical to supporting decarbonisation, gives the Group good protection against downside risk and the ability to benefit from opportunities in other markets; and
- The Group's ability to secure funding, demonstrated via securing the issuance of five-year £300m Sustainability-Linked Notes in 2023, and a one-year extension to our Revolving Credit Facility (RCF) to 2028. In February 2024, the Group opted to reduce the RCF facility from US$800m to US$600m following strong cash generation in 2023. The combination of funding activity and strong cash generation provides the Group with improved levels of liquidity over an extended maturity profile.

These factors are considered critical in protecting the Group's viability in the face of adverse economic conditions and/or the additional risks highlighted.

Review process

The Audit Committee, on behalf of the Board, have reviewed the underlying processes and key assumptions underpinning the viability statement. While this review does not consider all of the risks that the Group may face, the Board considers that this stress testing-based assessment of the Group's prospects is reasonable in the circumstances of the inherent uncertainty involved.

Confirmation of viability

Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2026.

Introduction from the Chair

Our governance framework is designed to ensure we have the processes and resources in place **to meet our strategic objectives.**

"The Board strives to ensure that we understand the views of all of the Company's stakeholders and that we take those views into account in our decisions."

Barbara Jeremiah
Chair

Dear shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2023.

Strategic focus and our governance framework

The Board and its Committees have had another busy year, continuing to consider themes and issues impacting all areas of our strategy and business model. Our governance framework, described in more detail on page 78, promotes robust corporate governance processes and ensures we have the necessary resources in place for the Group to meet its strategic objectives and measure performance against them. You can read more about some of the Board's most important decisions in 2023, including the decision to establish a new Sustainability and Technology Committee, on page 80.

Stakeholder engagement

The Board strives to ensure that we all understand the views of the Company's stakeholders and that we incorporate those views into our decision-making process. This year we undertook a range of investor and shareholder meetings on a variety of different topics, and we look forward to further dialogue with you at our Annual General Meeting (AGM) on 25 April 2024. The Board also maintains a variety of effective engagement channels with our employee population across the world, as described in more detail on pages 81 to 83. Additionally, we have also spent time engaging with other stakeholders across our business. You can read more about our stakeholder engagement on pages 84 to 86, and how these engagement processes informed some of the Board's most important decisions in 2023 on page 80.

Board changes

We made several changes to Board and Committee membership during 2023 and early 2024, bringing in new perspectives and useful experience to enrich our discussions and support delivery of our strategy. I was delighted to welcome both Penny Freer and Andy Agg as new Non-Executive Directors in October 2023 and February 2024 respectively, and we look forward to welcoming our new Chief Financial Officer Brian Puffer, on 1 March 2024. You can read more about Penny, Andy and Brian's appointment processes in the Nomination Committee report on pages 91 to 97.

We also said goodbye to Ebbie Haan, Mary Jo Jacobi, John Heasley and Clare Chapman during 2023. As announced on 27 February 2024, Srinivasan Venkatakrishnan will be stepping down on 31 March 2024. Following the AGM in April, Sir Jim McDonald will also be stepping down after serving nine years on the Board. I would like to express my thanks to each of them for their valuable contributions to the Board over the course of their respective tenures.

Board effectiveness

At the end of 2023, the Board and its Committees were evaluated with assistance from Lisa Thomas of Independent Board Evaluation to ensure that we continue to operate as effectively as possible and to offer opportunities for further enhancements in 2024. You can read more about the effectiveness review process, as well as an update on progress against our objectives from 2022 and our points of focus for the year ahead, on page 89.

On behalf of your Board, I confirm that we consider that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position, performance, business model and strategy.

Barbara Jeremiah
Chair

29 February 2024

Governance at a glance

Navigating our Corporate Governance disclosures

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Remuneration Committee report, including Directors' Remuneration Report	109 to 132

Compliance with the UK Corporate Governance Code

The Company is subject to the UK Corporate Governance Code, published by the Financial Reporting Council in 2018. The UK Corporate Governance Code is available on the FRC’s website: www.frc.org.uk. **The Board considers that the Company has, throughout the year ended 31 December 2023, applied all of the principles and complied with all of the provisions of the Corporate Governance Code.** This Annual Report as a whole explains how the Company has applied the principles and complied with the provisions of the Code. The table below offers a guide as to where the most relevant information can be found for each principle.

Principles of the UK Corporate Governance Code

1. Board leadership and company purpose	Pages
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5. Remuneration	
P. Remuneration policies and practices	109 to 132
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Board of Directors

Barbara Jeremiah (72)

N*

Chair

Nationality: American
Independent: Yes
Date of appointment: Non-Executive Director since 1 August 2017, Senior Independent Director from 1 January 2020 – 28 April 2022, Chair Designate from 2 September 2021 and Chair from 28 April 2022

Key strengths and experience that support strategy and long-term success

Barbara contributes considerable experience to the Board having spent over 30 years in a number of senior leadership roles within Alcoa Inc., the global aluminium producer, and as the Chairwoman of Boart Longyear Limited. She was previously a Non-Executive Director and Remuneration Committee Chair of Premier Oil plc and Aggreko plc and a Non-Executive Director of Russel Metals Inc.

Barbara's leadership and governance experience allows her to effectively contribute to the Board. Barbara has a BA in Political Science and is a qualified lawyer.

Key external appointments

- Senior Independent Director and member of the Audit and Nominations Committees and Chair of the Remuneration Committee of Senior Plc
- Senior Independent Director and member of the Audit, Nomination and Societal Value Board Committees of Johnson Matthey Plc

Jon Stanton (56)

Chief Executive Officer

Nationality: British
Independent: No
Date of appointment: Chief Executive Officer since 1 October 2016, Finance Director from April 2010 – October 2016

Key strengths and experience that support strategy and long-term success

Jon became CEO in 2016 and contributes a wealth of experience to the Board. Since becoming CEO, he has led the Weir portfolio transformation and oversees the delivery of the We are Weir strategic framework to create long-term sustainable performance improvement.

He provides leadership to deliver the strategy and ensure it aligns with our purpose and values and in particular our zero harm commitments. Jon is committed to regular engagement with stakeholders and to ensuring stakeholder views and concerns are heard, understood and considered.

Jon joined the Board as Finance Director in 2010. Prior to this he was a partner with Ernst & Young, where he led global board-level relationships with a number of FTSE 100 multi-national companies.

Jon is a Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales.

Key external appointments

- Non-Executive Director, member of the Remuneration and People & Governance Committees and Chair of the Audit Committee of Imperial Brands Plc

Sir Jim McDonald (66)

N

Senior Independent Director

Nationality: British
Independent: Yes
Date of appointment: Non-Executive Director since 1 January 2015, Senior Independent Director since 28 April 2022

Key strengths and experience that support strategy and long-term success

Sir Jim is a highly regarded expert in engineering and technology and therefore contributes specialist technical knowledge to the Board. He is currently the Principal and Vice Chancellor of the University of Strathclyde and has held the Rolls-Royce Chair in Electrical Power Systems since 1993. He holds a number of Non-Executive Director roles and co-chairs the Scottish Energy Advisory Board with the First Minister. Sir Jim draws on his extensive experience to assist the Board to approve the development of the Group's technology agenda and to provide oversight and guidance on the sustainable engineering solutions that promote the success of the Company and build on its legacy of engineering excellence. He is Chairman of the Scottish Engineering and Energy Research Pools and is FREng, FRSE, FIET, FInstP, FEI.

As announced on 19 December 2023, having served on the Board for more than nine years, Sir Jim will not be standing for re-election at the 2024 AGM.

Key external appointments

- Principal and Vice-Chancellor of Strathclyde University
- Non-Executive Director of Scottish Power Ltd
- Non-Executive Director of UK National Physical Laboratory
- President of Royal Academy of Engineering
- Senior Adviser to the UK Offshore Renewable Energy Catapult Board
- Member of the Prime Minister's Council for Science and Technology

Committee membership key

- * Committee Chair
- A Audit Committee member
- N Nomination Committee member
- R Remuneration Committee member
- S Sustainability and Technology Committee member

Board of Directors
continued

Dame Nicola Brewer (66) R N S
Non-Executive Director

Nationality: British
Independent: Yes
Date of appointment: 21 July 2022

Key strengths and experience that support strategy and long-term success

Dame Nicola brings deep experience of international relations and external communications from a long and distinguished diplomatic career. Most recently, she was Vice Provost (international) of University College London, and prior to that, held senior positions in the Foreign and Commonwealth Office of the British Government. Dame Nicola served as British High Commissioner to South Africa between 2009 and 2013 and was the first Chief Executive of the Equality and Human Rights Commission from 2007 to 2009.

Dame Nicola was a Non-Executive Director and Chair of the Ethics & Corporate Responsibility Committee of Aggreko plc from 2016 to 2021. She was also a Non-Executive Director of London First and of Scottish Power Limited.

Key external appointments

- Non-Executive Director and member of the Sustainable Development Committee at Iberdrola SA
- Co-Chair of the UK group of the Trilateral Commission
- Trustee of the Middle Temple Charity

Tracey Kerr (59) A S*
Non-Executive Director

Nationality: Australian/British
Independent: Yes
Date of appointment: 21 July 2022

Key strengths and experience that support strategy and long-term success

Tracey brings extensive experience in operations, sustainability and safety in global mining businesses.

Tracey was Group Head of Sustainable Development at Anglo American plc between 2020 and 2021. Prior to that, she held accountability for safety, operational risk management and sustainable development across the Anglo American group from 2016 to 2020 and served as Group Head of Exploration from 2011 to 2015. In her earlier career, she held a variety of roles at Vale SA and BHP Pty Ltd.

Tracey was previously a Non-Executive Director at Polymetal International Plc, where she chaired the Sustainability Committee.

Key external appointments

- Non-Executive Director, member of the Nomination and Remuneration Committees and Chair of the Sustainability Committee of Hochschild Mining PLC
- Non-Executive Director, member of the Remuneration Committee and Chair of the Sustainability Committee of Jubilee Metals Group PLC
- Non-Executive Director of Antofagasta PLC

Ben Magara (56) R N S
Non-Executive Director

Nationality: Zimbabwean
Independent: Yes
Date of appointment: 19 January 2021

Key strengths and experience that support strategy and long-term success

Ben is a seasoned mining industry leader. He contributes extensive experience of leading global mining businesses, which is of critical importance to the Board as the Group delivers on its strategy as a focused, premium mining technology business. Since 2019, Ben has run his own mining advisory firm.

Prior to joining the Weir Board, Ben served from 2013 to 2019 as CEO of Lonmin Plc, the then third largest global platinum mining company. He was a senior mining executive at Anglo American plc, having served as Executive Vice President of Engineering & Projects for Anglo Platinum from 2009 to 2013 and CEO of Anglo Coal SA from 2006 to 2009. Ben started his career as a graduate with Anglo American plc after completing his mining engineering degree at the University of Zimbabwe.

Key external appointments

- Non-Executive Director and member of the Risk and Business Resilience Committees of Exxaro Resources Limited
- Non-Executive Director and Chair of the Remuneration Committee of Grindrod Limited
- Member of the Advisory Board of Somika Sarlu

Committee membership key

- * Committee Chair
- A Audit Committee member
- N Nomination Committee member
- R Remuneration Committee member
- S Sustainability and Technology Committee member

Board of Directors
continued

Srinivasan Venkatakrishnan (58) A
Non-Executive Director

Nationality: British/Indian
Independent: Yes
Date of appointment: 19 January 2021

Key strengths and experience that support strategy and long-term success

Venkat brings a wealth of mining experience to the Board gained through his vast experience of leading global mining businesses.

He served as CEO of Vedanta Resources plc from 2018 to 2020 and was CEO of AngloGold Ashanti Limited between 2013 to 2018, having previously been Chief Financial Officer of the business from 2005, and of Ashanti Goldfields Limited from 2000. His earlier career was as a Chartered Accountant and restructuring specialist with Deloitte & Touche in the UK and India.

As announced on 27 February 2024, Venkat will be stepping down from the Board on 31 March 2024 and therefore will not be standing for re-election at the 2024 AGM.

Key external appointments

- Non-Executive Chair of Endeavour Mining plc
- Non-Executive Director BlackRock World Mining Trust plc

Stephen Young (68) A* R
Non-Executive Director

Nationality: British
Independent: Yes
Date of appointment: 1 January 2018

Key strengths and experience that support strategy and long-term success

Stephen is a skilled and experienced financial professional. He was previously Chief Executive of Meggitt PLC from 2013 to 2017, having previously served as Group Finance Director from 2004. Prior to joining Meggitt PLC, Stephen was Group Finance Director of Thistle Hotels plc and the Automobile Association.

Stephen's financial background and his leadership experience allow him to contribute effectively both as a Board member and as Chair of the Audit Committee. His oversight of the Group's Audit function helps the Board to ensure the ongoing integrity of the financial information, internal controls and risk management frameworks.

He is a Fellow of the Royal Aeronautical Society, a Fellow of the Chartered Institute of Management Accountants and a council member of The University of Southampton.

Key external appointments

- Non-Executive Director, member of the Nomination and Sustainable Development Committees and Chair of the Audit Committee of Mondi plc
- Council Member of the University of Southampton

Penelope Freer (63) R* A
Non-Executive Director

Nationality: British
Independent: Yes
Date of appointment: 23 October 2023

Key strengths and experience that support strategy and long-term success

Penny's extensive investment experience, as well as her wide-ranging leadership skills across many businesses, complement and strengthen the Board and contribute to the delivery of the Group's strategic objectives.

Penny has a background in investment banking, having worked for over 25 years in a wide range of roles. From 2000 to 2004 Penny led Robert W Baird's UK equities division and prior to this she spent eight years at Credit Lyonnais Securities where she headed the small and mid-cap equities business.

Penny has held a number of non-executive director roles in both public and private companies, including most recently as Chair of Crown Place VCT Plc and as Senior Independent Director and Chair of the Remuneration Committee of Advanced Medical Solutions Group PLC.

Key external appointments

- Non-Executive Director and Chair of The Henderson Smaller Companies Investment Trust plc
- Non-Executive Director and Chair of Empresaria Group PLC
- Chair of AP Ventures LLP

Committee membership key

- * Committee Chair
- A Audit Committee member
- N Nomination Committee member
- R Remuneration Committee member
- S Sustainability and Technology Committee member

Board of Directors
continued

Andrew Agg (54)
A S

Non-Executive Director

Nationality: British
Independent: Yes
Date of appointment: 27 February 2024

Key strengths and experience that support strategy and long-term success

Andy brings significant financial experience to the Board in light of his role as Chief Financial Officer of National Grid plc. Andy joined National Grid in 2008 and prior to his current position held several senior finance leadership roles across the National Grid group, including as Group Financial Controller, UK CFO and Group Tax and Treasury Director.

Andy started his career at PricewaterhouseCoopers and is a member of the Institute of Chartered Accountants in England and Wales.

Andy is also a member of The 100 Group, an industry body representing the voice of FTSE 100 CFOs, and forms part of its Main Committee, as well as chairing its Tax Committee.

Key external appointments

- Chief Financial Officer of National Grid plc
- Member of The 100 Group Main Committee and Chair of the Tax Committee

Brian Puffer (54)

Chief Financial Officer Designate*

Nationality: British/American
Independent: No

Key strengths and experience that support strategy and long-term success

Brian is an accomplished finance leader with a strong track record, and his extensive experience of business transformation will help the Group to execute on its strategy and deliver the benefits of Performance Excellence.

Brian joins Weir from BP plc where he held the role of Chief Financial and Risk Officer for BP Integrated Supply and Trading. Prior to that, Brian was Senior Vice President of BP's Global Business Services between 2012 and 2017, having joined BP in 2009 as Senior Vice President of Group Finance.

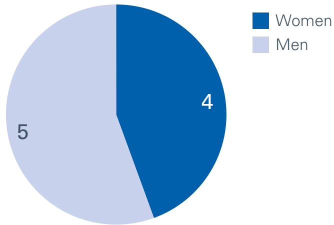
Brian spent 18 years at PricewaterhouseCoopers, initially in various roles in the US and UK before being appointed as partner in 2002. Brian is both a Certified Public Accountant and a Chartered Accountant.

Key external appointments

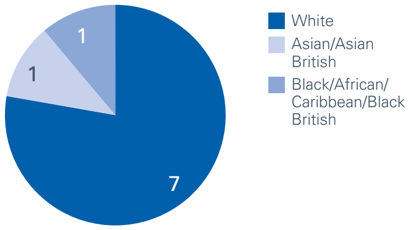
- None

*** As announced on 5 December 2023, Brian Puffer will join the Board as Executive Director and Chief Financial Officer with effect from 1 March 2024. Brian's biography is included for informational purposes.**

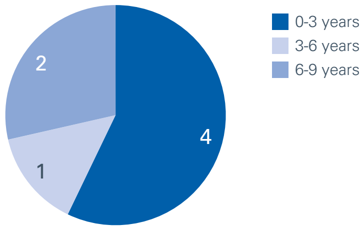
Gender diversity (full Board) as at 31 December 2023



Ethnic diversity (full Board) as at 31 December 2023



Non-Executive Director tenure as at 31 December 2023



Committee membership key

- * Committee Chair
- A Audit Committee member
- N Nomination Committee member
- R Remuneration Committee member
- S Sustainability and Technology Committee member

Group Executive

Paula Cousins (50)
Chief Strategy and Sustainability Officer

Nationality: British
Date of appointment: 1 January 2020

Experience
Paula joined Weir in 2015 and before assuming her current role was Group Head of Strategy & Sustainability. Prior to Weir, Paula held a number of strategy, commercial and engineering leadership roles with Petrolneos, BP, McKinsey & Company, ExxonMobil and Unilever. Paula has a BEng Hons in Chemical and Process Engineering and an MPhil in Chemical Engineering Research, both from the University of Strathclyde.

Garry Fingland (59)
Chief Information Officer

Nationality: British
Date of appointment: 1 January 2020

Experience
Garry joined Weir in April 2019 and has more than 25 years' experience in leadership roles at complex global technology organisations. Before Weir, Garry was Chief Information Officer for Bupa and served on its executive committee. Garry has also held senior roles with Serco Group and Diageo. A graduate of the University of Glasgow, Garry also holds an MBA from the University of Strathclyde.

Sean Fitzgerald (55)
President of Weir ESCO Division

Nationality: American
Date of appointment: 1 December 2022

Experience
Sean joined Weir in 2022 from A.P. Moeller Maersk where he was Chief Executive Officer of Maersk Container Industry. Sean started his career as an Officer in the US Army, following which he joined Bain & Company. Sean spent nearly ten years with General Electric as the GM of Onshore Wind Turbines before joining Komatsu Mining Corporation as Americas Regional VP for Underground Mining and later as President for the China Region. Sean holds a BS in Civil Engineering, an MA in Economics and an MBA.

Rosemary McGinness (60)
Chief People Officer

Nationality: British
Date of appointment: 31 July 2017

Experience
Rosemary joined Weir in 2017 from William Grant & Sons, where she had been Group HR Director. Having started her career in line management with Forte Hotels, Rosemary has held a range of positions covering all aspects of human resources across the globe, including being based in New York as Senior VP of HR for Bowne Business Solutions. Rosemary is an Advisory Board Member to the School for CEOs and the University of Strathclyde Business School, as well as a Fellow of the Chartered Institute of Personnel and Development.

Andrew Neilson (48)
President of Weir Minerals Division

Nationality: British
Date of appointment: 1 April 2020

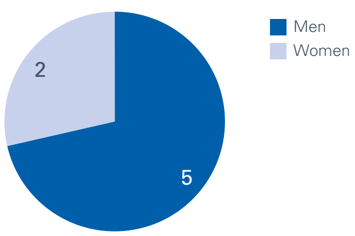
Experience
Andrew joined Weir in 2010 as Head of Strategy and has undertaken a wide range of leadership roles at Weir, including leading the integration of ESCO into Weir and various positions within the Weir Minerals Division. Prior to Weir, Andrew held a variety of roles in banking, energy and professional services companies, including HSBC, HBOS, Scottish Power and KPMG. Andrew holds a Masters degree in engineering from the University of Strathclyde and is a qualified accountant.

Graham Vanhegan (59)
Chief Legal Officer and Company Secretary

Nationality: British / American
Date of appointment: 1 May 2018

Experience
Graham joined Weir in 2018 from international exploration and production company ConocoPhillips, where he held a number of senior positions for the company across a 24 year career. His roles included Deputy General Counsel and most recently VP of Business Development. A graduate of the University of Glasgow, Graham is a solicitor qualified to practise in both Scotland and England and is an attorney-at-law before the State Bar of New York, US.

Gender diversity as at 31 December 2023



Jon Stanton and, with effect from 1 March 2024 Brian Puffer, are also members of the Group Executive. Their biographical information can be found on pages 73 and 76 respectively.

Our governance framework

This page provides an overview of our governance framework, showing a clear and effective division of responsibility between our Board, its Committees and operational management (which is in turn supported by a series of management-led committee.

Management accountability

Board oversight

Board of Directors

Primary Board responsibilities include:

- Establishing Group purpose, values and strategy (including in relation to ESG- and cyber-related matters) and ensuring appropriate resourcing to meet strategic objectives (including oversight of Group budget)
- Assessing and monitoring culture, including ensuring alignment with Group's purpose, values and strategy
- Establishing framework of prudent and effective controls that enable risk to be assessed and managed
- Ensuring that workforce policies and practices are consistent with the Group's values and support long-term sustainable success
- Approving significant M&A transactions, capital and other expenditure, contractual commitments and other corporate activity
- Approving Group dividend policy, tax strategy and underlying tax principles
- Overseeing Group's overall corporate governance framework
- Reviewing the means for the workforce to raise concerns in confidence and, if they wish, anonymously and ensuring arrangements are in place for proportionate and independent investigation of such matters

Find out more

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Board Committees

Nomination Committee
Leads the process for appointments, ensures plans are in place for orderly succession to both Board and senior management positions and oversees the development of a diverse pipeline for succession.

Nomination Committee Report 91

Audit Committee
Monitors integrity of financial statements, reviews risk management and internal control frameworks, and considers both effectiveness of internal audit function and effectiveness, independence and objectivity of external auditors.

Audit Committee Report 98

Remuneration Committee
Determines policy for Executive Director remuneration, sets remuneration for Chair, Executive Directors and senior management, and considers potential application of discretion to remuneration outcomes.

Remuneration Committee Report 109

Sustainability and Technology Committee Provides strategic and governance oversight to explore the future of the mining industry and the implications for the Group's fully integrated business model.

Disclosure Committee Assists with decision-making on the assessment, identification, handling and disclosure of inside information and compliance with applicable legal and regulatory requirements.

General Administration Committee Undertakes day-to-day matters of a routine, administrative or procedural nature on behalf of the Board.

Group Executive

The Board delegates execution of the Group's strategy and day-to-day management of the Group to the Group Executive. The Group Executive is therefore responsible for ensuring that each of the Group's Divisions and functions are managed effectively and monitoring and reporting on their performance against the Group's key performance indicators, as approved by the Board. The Group Executive is led by the Chief Executive Officer and comprises the other individuals whose names and roles are set out on page 77. The Group Executive had 12 scheduled meetings during 2023.

Management Committees

The Group Executive is supported in its responsibilities by several management-led committees, some of which are known as Excellence Committees. These management-led committees cover a wide range of subject areas relevant to the Group and delivery of its strategic objectives, including safety, sustainability, technology, risk and inclusion, diversity and equity. The committees may also report to the Group Executive and the Board from time to time. Each committee brings together other individuals from across Weir with matter-specific expertise to promote coordinated delivery and information sharing.

Board activities 2023

Board leadership

The Board has a collective responsibility to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. This includes setting the Company's purpose, which is described on page 81, and a description of the Company's business model and strategy in support of this purpose is set out on page 22. The Board leads the Group within a framework of prudent and effective controls which enable the assessment and management of risks, and seeks to ensure that sufficient resources are available to meet the Group's strategic objectives.

There are a number of matters that are specifically reserved to the Board for approval. These are set out in a clearly defined document available on our website at global.weir/investors/corporate-governance/matters-reserved-to-the-board/. The Board delegates some of its responsibilities to its Committees as described on page 78, all of which operate within clearly defined terms of reference. Membership of these Committees, their effectiveness and their remit are considered at least annually.

Board meetings

Following recommendations from the external Board effectiveness review conducted in 2021, 2023 was the first full year using our revised Board calendar of six pre-scheduled meetings a year, all of which were held in person and two of which were held at our sites overseas. An additional two short Board meetings were held during the year (one in person, one virtually) to deal with ad hoc items arising. Board papers continue to be circulated well in advance of meetings to allow Directors to give thorough consideration of the issues prior to, and informed debate and challenge at, Board meetings.

Feedback from the Board on this new six-meeting calendar, which includes a revised topic planner to ensure that all items are considered by the Board at the most appropriate time in both the meeting and the financial year, has been very positive. The Board continues to consider that it is meeting sufficiently regularly to discharge its duties and consider all the matters falling within its remit and on this basis, Board calendars for the next four years have therefore been adapted to reflect this approach.

The Chair seeks consensus on all items that come before the Board but, if there is a difference of opinion amongst Board members, decisions are taken by majority. If any director has any concerns about the operation of the Board or the management of the Group that cannot be resolved through discussion and debate, their concerns are recorded in the Board minutes.

Following recommendations from the external Board effectiveness review conducted in 2021, the Non-Executive Directors, led by the Chair, meet after every Board meeting without the Executive Directors present. The Senior Independent Director also ensures that meetings are held at least annually without the Chair present to appraise the Chair's performance.

The table opposite sets out Director attendance at each of the Board meetings held during the year, and the tables on pages 91, 98 and 109 set out Director attendance at each of the Nomination, Audit and Remuneration Committee meetings held during the year respectively. Any Director who is unable to attend a meeting still has the opportunity to review the associated Board papers, receive an individual briefing from the Company Secretary and provide any feedback in advance to the Chair or the Company Secretary.

The Board agenda for each meeting is split between discussion topics, performance/reporting items and standing/formal matters. Unless there is an agreed change to the agenda, the topics are considered in this order to ensure there is adequate time to consider the most substantive, strategic items.

The list of topics opposite sets out a selection of the diverse range of matters the Board considered in its meetings during the year.

Board meeting attendance 2023

Director	Scheduled	Ad hoc
Barbara Jeremiah (Chair)	6/6	2/2
Jon Stanton	6/6	2/2
Sir Jim McDonald	6/6	2/2
Dame Nicola Brewer	6/6	2/2
Tracey Kerr	6/6	2/2
Ben Magara	6/6	2/2
Srinivasan Venkatakrishnan	6/6	2/2
Stephen Young	6/6	2/2
Penny Freer*	2/2	1/1
Ebbie Haan**	2/2	n/a
Mary Jo Jacobi**	2/2	n/a
John Heasley***	5/5	1/1
Clare Chapman****	5/6	1/2

* Penny Freer joined the Board with effect from 23 October 2023.

** Ebbie Haan and Mary Jo Jacobi each resigned from the Board with effect from 27 April 2023.

*** John Heasley resigned from the Board with effect from 30 November 2023. John recused himself from discussions at the Board's ad hoc September meeting given they related to the appointment of a new Chief Financial Officer.

**** Clare Chapman resigned from the Board with effect from 31 December 2023. Clare sent apologies for the Board's July meeting and its ad hoc meeting in September.

Andy Agg joined the Board with effect from 27 February 2024 and therefore did not attend any meetings in 2023.

Strategy

- Annual strategy deep-dive, with sessions including corporate finance, Performance Excellence and divisional strategy
- Sustainability strategy and climate-related matters, including progress against our Sustainability Roadmap, our materiality assessment and priority next steps
- IS&T digital strategy, including our work to accelerate digitalisation, our cyber security strategy and transformation of our IS&T function
- People strategy, including our strategic priorities and desired outcomes, and data relating to headcount, retention, talent acquisition, and global trends across various themes

Financial and operational performance

- Chief Executive Officer's business report (including safety update, Balanced Scorecard and market analysis)
- Chief Financial Officer's report (including Performance Excellence transformation programme updates)
- Divisional deep-dives for each of Minerals and ESCO, with sessions across the year focusing on transformation, markets and customer experience
- Full-year and half-year dividend proposals, viability scenarios and 2024 budget

Acquisitions/disposals/corporate projects

- Issuance of Sustainability-Linked Notes
- Acquisition of Sentiantechnologies AB

Governance and risk

- Creation of new Sustainability and Technology Committee
- Global insurance programme and risk dashboard reviews

People

- Safety, health and wellbeing reports, as well as employee insight and survey reporting
- Inclusion, diversity and equity updates

Principal decisions made by the Board

When making decisions throughout the year, each Director is aware of their duty under section 172 of the Companies Act 2006 to ensure they act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. When considering what steps to take, the Board takes into account a range of relevant factors including: the likely consequences of the decision in the long-term; perspectives from the Company's stakeholders (including employees, suppliers, customers and others); the impact on the environment and the communities in which we operate; the desirability of maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders. The examples below describe some of the principal decisions made by the Board during the year, setting out which stakeholder groups were most impacted by the decision and how their views were taken into account.

Key stakeholders

- Employees
- Shareholders
- Customers
- Communities and environment
- Suppliers
- Governments and NGOs

Approval of revised strategic plan, including new operating margin target of 20% by 2026

Stakeholders most affected

Consideration of stakeholder views and interests and impact on decision-making

As part of its annual review, the Board considered a refreshed strategic plan (as described in more detail in the Strategic Report) including assessing whether it was appropriate to implement a new operating margin target of 20% in 2026.

Despite both geopolitical and macroeconomic uncertainty, the Board ultimately confirmed its view that long-term trends in our markets are attractive, with strong end market growth drivers which are incentivising customers to maximise ore production and to accelerate demand for key electrification metals. In turn, these trends are expected to drive demand for the Group's mining equipment, spares and expendables.

The Board noted that the Group was on track to deliver its previous medium-term operating margin target of 17% in 2023 and, on this basis, many stakeholders (in particular shareholders) were keen to understand the next chapter of the Group's equity story, including a revised commitment to unlock further the Group's margin potential over a new time horizon. When considering the revised margin target, the Board noted that a significant portion could be achieved through measures within the Group's control, including savings attributable to Performance Excellence, rather than purely growing margins through cost increases that would impact customers. As part of the Board's continuing oversight of Performance Excellence, the Board also approved the Group's contractual arrangements with Accenture to provide outsourced services as part of our new global business services model.

Equally, the Board was cognisant that delivery of the strategy, including the new operating margin target, should not negatively impact our existing commitments to other stakeholders, including our people and the planet. Board discussions focused closely on how to deliver more sustainable extraction and processing techniques to ensure that the mining industry retains the social licence it needs to deliver on forthcoming demand.

Following the Board's decision, the Chief Executive Officer and our Divisional Presidents outlined to investors at our Spotlight Capital Markets Event in December 2023 our plans for growth and Performance Excellence, including announcing the new operating margin target. Investors highlighted that the operating margin target was viewed as realistic and achievable, with praise for the areas of margin growth that lay within the Group's control.

Approval of Enterprise Technology Roadmap and sustainability strategy

Stakeholders most affected

Consideration of stakeholder views and interests and impact on decision-making

Following strategy sessions conducted in 2022, during 2023 the Board was asked to approve revised iterations of the Enterprise Technology Roadmap (ETR). It also reviewed the outcomes of the double materiality assessment conducted in 2023 and approved an evolved, fully integrated sustainability strategy.

In both instances, the Board's decisions emphasised the importance of ensuring that all strategies remained focused on helping customers move less rock, use less energy, use water wisely, create less waste and boost with digital – all of which, in turn, contribute to enabling more sustainable mining by reducing the impact on the environment and communities. Additionally, in the context of the sustainability strategy, the Board reflected on stakeholder feedback received during the double materiality assessment.

Both decisions involved the Board taking into account the likely consequences of the decision in the long-term. For the ETR, the Board considered the relationship between the product roadmaps (which are focused on the nearer-term) and the ETR (which has a longer-time horizon), as well as the justification for allocating more resources to mid to long term potentially disruptive technologies. For the sustainability strategy, the Board recognised that, as the Group seeks to deliver on its commitments in the near-term, the Board remains keen to maximise sustainability relevance over the longer-term too. Maturing the Group's sustainability strategy over time is expected to be a symbiotic process as evolving stakeholder perspectives are taken into account, further supporting the Board complying with its duties under section 172 of the Companies Act 2006.

Following these decisions, the Board also approved a refreshed brand strategy for the Group to underpin delivery of the strategic plan, including both the ETR and sustainability strategy. The Board considered the feedback from stakeholders that was used to inform the brand strategy, designed to reflect Weir's status as a leading mining technology brand.

Establishment of new Sustainability and Technology Committee

Stakeholders most affected

Consideration of stakeholder views and interests and impact on decision-making

As discussed in previous annual reports, the Board has been considering for some time whether it might be appropriate to establish a fourth principal committee to consider sustainability-related matters.

In light of the other decisions disclosed on this page, this year Board discussions galvanised around the importance of tackling longer-term questions surrounding the future of the mining industry and exploring the implications for Weir's business model. The Board also took into account the views of customers, for whom sustainability (and associated technological innovation) is an ever-increasing priority.

On this basis, in December 2023 the Board concluded that it wished to dedicate additional time and resources to consider sustainability and technology matters, and to work more closely on these topics with management through a specific Board committee. More information on how the Nomination Committee selected Board members to join the Sustainability and Technology Committee is set out on page 95.

Our culture and approach to employee engagement

Our purpose and strategy

Our purpose is clear: we are here to enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world. Our purpose statement was specifically chosen to address some of the biggest challenges in our markets, from increasing productivity to supporting growing demand for commodities like copper, to reducing the environmental impact of both our operations and those of our customers. Our purpose recognises that a growing world depends on essential resources and we believe that the sustainable delivery of essential resources depends on us.

Our purpose is the driving force behind our strategy and informs our We Are Weir strategic framework, all of which is detailed on pages 18 to 19. Both our purpose, and We Are Weir, were most recently refreshed in 2020 to reflect a number of internal and external factors including the growing focus on ESG issues for all our stakeholders and a series of employee insights which provided us with greater insight into the areas that matter to our teams.

Our values and culture

Weir has always been a values-led business. Formulated in light of our purpose and designed to help deliver our strategy, our values are the guiding principles that apply across the Group and help define the kind of business we are. Our values are:

- Thinking safety first
- Delighting your customer
- Doing the right thing
- Aiming high
- Respecting each other

Our values are supplemented by our culture statement. Our culture statement originated from insights generated through extensive employee research and is used as a touchpoint when both Board and senior management review behaviours and performance to confirm alignment between actual and desired culture:

- We care for, challenge and encourage each other
- We always seek to improve and innovate
- We speak up and take ownership for our shared successes
- We work together to enhance our global communities
- We are passionately, authentically ourselves
- We can't wait

We seek opportunities to embed our values and culture statement across our activities. For example, our people-related work streams – including our leadership development framework, selection and assessment criteria, performance management and development approach, employee engagement priorities and employee value proposition – are all explicitly aligned to the expectations set out in our values and culture statement.

As well as the local implementation of We Are Weir across our sites, we issue a Group-wide "weekly round-up" communication that features a wide range of global and local achievements and other best practice highlights designed to share successes and bring to life the individual stories that collectively make us who we are.

How the Board assesses and monitors culture

The Board is ultimately responsible for ensuring that Weir's culture is aligned with the Group's purpose, values and strategy. The Board uses a range of different methods to assess and monitor culture, including:

- Our **Balanced Scorecard**, which is considered by the Board as a standing item at every meeting, contains a wide range of cultural metrics and indicators including our safety total incident rate, our gender diversity at all job role bands of our organisation and our voluntary attrition rate.
- Our Group-wide **Employee Engagement survey** is undertaken annually (see further details on page 47) using a third party engagement survey provider. The Board utilises both the qualitative and quantitative data to review engagement trends and gain insights into the key drivers with the highest direct correlations to loyalty and engagement, two of our key cultural indicators, which in turn inform strategic discussions on people-related matters. This year, AI personas were programmed to synthesise direct employee feedback based on key segments (such as gender, job family group and location) to highlight intersectional trends across the employee experience at Weir. More information on the actions we have taken based on our culture statement, and the associated outcomes, are set out on the following page.
- The Board also receives an **annual employee insights report** in which our Group Head of Engagement accumulates the findings from our wide range of employee voice channels across the year. The insights are specifically crafted to help shape director decision-making and inform focus areas for the year ahead, including the employee engagement programme led by our designated Non-Executive Director Dame Nicola Brewer (see more on page 82).
- Our Board also values its **direct interactions** with employees, whether as part of site visits, Tell the Board sessions, attendance at affinity group events, town halls or our annual senior leadership conference. These exchanges offer Board members the opportunity both to observe our culture in action, and to actively reinforce and promote our culture across the Group.

Our culture and approach to employee engagement
continued

Colleagues and Board members at a 'Tell the Board' session in Vancouver, Canada

Barbara Jeremiah, Dame Nicola Brewer and Ben Magara speak with colleagues on a visit to Perth, Australia in June 2023

Cultural actions and outcomes during 2023

Aspects of our culture statement	Our actions	Associated outcomes
We care for, challenge and encourage each other We are passionately, authentically ourselves	Our ESCO Sudbury site has recently welcomed a number of culturally and ethnically diverse new employees to fulfil skilled worker requirements. To ensure we build a culture of inclusion and belonging where everyone can succeed, our local teams have undertaken a range of activities including teaching programmes (such as English as a second language), additional translations on key resources and various awareness-raising celebratory events.	The ESCO Sudbury equality driver in our September 2023 employee engagement survey showed a 0.5 increase since the previous survey in January 2023.
We always seek to improve and innovate We speak up and take ownership for our shared success	Our Minerals team in the APAC region have increased focus on individual development plans and training in the past few years, with a frontline leader development programme originally developed in Australia now ready to launch across the region. More localised training and development programmes at all levels, from apprenticeships through to senior leadership, are now available.	The Minerals APAC growth driver in our employee engagement survey increased by 0.3 since January 2023, and by 1.4 since January 2019.

Our approach to employee engagement

We have in place a broad range of employee voice channels which provide an array of opportunities for employees to share their views and for the Board to listen and take action based on that feedback. For the purposes of the UK Corporate Governance Code, we have a designated Non-Executive Director responsible for employee engagement. We have used this method of engagement for nearly six years, and continue to consider it the most effective and appropriate method on the basis that:

- it allows our designated Non-Executive Director to work with our Group Head of Engagement to tailor a multi-year programme of employee engagement events and initiatives;
- it ensures all Board members are regularly updated on workforce engagement matters, while allowing our designated Non-Executive Director to develop specific knowledge of our employee-related opportunities and challenges over time; and
- it provides unity and consistency of approach to employee engagement across our complex and geographically diverse Group structure.

Following the departure of Mary Jo Jacobi in April 2023, Dame Nicola Brewer took on the role of Non-Executive Director responsible for employee engagement. The Nomination Committee recommended Nicola for this role on the basis that her long career in the diplomatic service have provided her with strong people skills combined with a multicultural mindset.

As announced on 19 December 2023, in light of her appointment as Senior Independent Director, Dame Nicola will be replaced in this role by Ben Magara with effect from the conclusion of the Company's AGM in April 2024. The Nomination Committee recommended Ben for this role on the basis of his global experience of working with and leading mining teams around the world, as well as his strong commitment to our ID&E agenda.

Employee engagement activities during 2023

Led by our designated Non-Executive Director, our Board members undertake various different types of direct employee engagement activities to enhance their understanding of the employee experience at Weir and inform Board-level decision-making. This year, this included:

- **'Tell the Board' discussions involving groups of 12-15 employees and up to four Board members**. Overarching topics are suggested in advance based on employee survey feedback from the relevant site as well as strategic priorities, but employees and Board members are free to raise any matters they wish for discussion. The most common topics discussed included safety, wellbeing (including mental health), ID&E and technology/sustainability. We held four Tell the Board sessions in 2023 (one virtually and one in each of Canada, Australia and the Netherlands). Given the Board's continued focus on talent development and succession planning, as well as the positive feedback from our Tell the Board sessions, in 2024 we intend to run a number of smaller sessions for participants specifically in our talent pipeline. These sessions will help the Board to understand in more detail our recruitment and retention drivers across the Group, as well as allowing employees the chance to provide feedback to the Board.
- **Affinity group engagement during site visits, undertaken either by individual directors or by several Board members.** Often these interactions take the form of a panel/town hall event, with a focus on enabling affinity group members and allies to share their views with the Board and to ask questions. Panel questions are usually pre-planned by the relevant affinity group chairs, with input from our Group Head of Engagement, with the option for employees to submit questions in advance if desired. Following a structured discussion, the Q&A is open to the entire floor on any topic. Dame Nicola has participated in three sessions with the Global Weir Women's Network across the year, joined in Australia by Barbara Jeremiah and Tracey Kerr in Australia in June.

Our culture and approach to employee engagement
continued

- **Town halls or other large employee gatherings at a single site.** Sessions usually commence with a verbal business update from the Chief Executive Officer, and introductory remarks from the Chair. A straightforward "hands up" approach is then taken to questions from the floor, with as many employee participants as possible taking part. A town hall formed part of the Board's activities in its visit to the Netherlands in October.
- **Site visits and other "walk the floor" activities, conducted either individually, in small groups or as a full Board.** Board members enjoy the opportunity to engage with employees "on the job" and observe Weir's culture in action. Directors are able to understand the key messages and priorities at the local site, and employees are able to ask questions and receive feedback in real time. Both Tracey and Dame Nicola undertook individual site visits during the year.
- **Informal networking between the Board and employees.** The Board seeks to integrate networking events into as many of its engagements as possible, including this year as part of our Senior Leadership Conference in Canada and over BBQ lunches during Board visits to Australia and the Netherlands. Networking sessions are typically held over refreshments to allow Board members and employees to interact more informally, with no particular structure or topics pre-set for consideration.
- **Access to employee communication channels.** All Board members have access to communications channels such as Viva Engage (previously Yammer) and attend various events online. In June this year, Tracey attended our LGBTQ+ allyship event online which was run jointly by the Global Weir Women's Network and Weir Pride Alliance.

Direct engagement is supplemented by other periodic reviews, reports and updates obtained through other employee voice channels, which are provided to the Board at regular intervals, primarily through reporting from our Group Head of Engagement.

Responding to employee feedback over time: Reverse mentoring programme

Over the past few years, Tell The Board sessions have revealed a significant appetite for mentoring programmes, as well as a desire to ensure that senior management truly understand the inclusion, diversity and equity-related challenges within our workforce.

As a result of this feedback, in 2022 we launched our first formal reverse mentoring pilot, which inverts the traditional mentoring approach to one that places the more senior person as the primary learner. The programme consisted of virtual workshops, monthly mentoring and supervision sessions and a post-completion review. Participating mentees included members of our Group Executive, including both our Chief Executive Officer and previous Chief Financial Officer. By implementing reverse mentoring, we hoped to:

- create an additional channel of listening and feedback to build genuine awareness at a senior level of employees representing a number of different dimensions of diversity;
- support those in our underrepresented groups to grow their network across the business; and
- help both the mentee and mentor gain new perspectives into our We Are Weir culture, values and strategy, as well as building new skills like listening, coaching and curiosity.

The response to the mentoring programme during 2023 was very positive from mentors and mentees alike, and indicated that many of the objectives set out above had been met. Group Executive members shared their experiences and learnings informally as part of Board discussions.

Given the limited scale of the initial pilot, the Board has continued to receive similar direct feedback about the desire for mentoring in its direct engagement with employees this year. On this basis, the Board has endorsed the expansion of the scheme over 2024 to encompass additional participants so that insights can be shared across a wider cross-section of Group leadership.

Shareholder and investor engagement

Overview

The Board recognises that the continued success of the Group depends on establishing, developing and maintaining strong relationships with all our shareholders. The Group has a dedicated investor relations team that runs an annual global programme of engagement events across the year, including formal presentations and events, investor roadshows and conferences as well as individual investor meetings.

In 2023, we held over 280 investor meetings, covering approximately 50% of our shareholder base and a number of prospective investors. Meetings took place with investors in the UK, North America and Europe and covered a wide range of topics including strategy, financial performance, our Performance Excellence transformation programme, sustainability and remuneration-related matters. Additionally, a number of investors also attended our Spotlight Capital Markets Event in December where we provided an update on our growth and Performance Excellence opportunities.

Throughout the year, engagement was led primarily by the Chair and executive directors, with other directors and members of the Group Executive participating in discussions where appropriate – for example:

- both Sean Fitzgerald and Andrew Neilson, our Divisional Presidents, participated in our full-year results investor roadshow in March 2023, and led sections of our Spotlight Capital Markets Event to provide shareholders with a view of growth and Performance Excellence opportunities for their respective divisions; and
- as part of the transition of the Remuneration Committee Chair role, both Clare Chapman and Penny Freer worked together to consult with various major shareholders during Q4 2023 on the Committee's proposed approach to windfall gains in the coming year.

All those directors who participate in shareholder and investor engagement provide regular updates to the Board on the matters arising from those discussions. The Board also receives periodic feedback from the Head of Investor Relations and the Group's brokers on share price performance and shareholder expectations. The Board takes the results of this engagement into account as part of determining the Group's strategy and making decisions on key issues – for further information see pages 18 to 19 and 80.

Annual general meeting

Our annual general meeting is an important annual event, offering a constructive opportunity to engage with shareholders in person, hear their views and answer their questions about the Group and its business. Last year's annual general meeting was held on Thursday 27 April 2023 and all items proposed were passed on a poll with well in excess of the requisite majority for each resolution.

This year's annual general meeting will be held on Thursday 25 April 2024 at the Company's head office located at 10th Floor, 1 West Regent Street, Glasgow G2 1RW. As in previous years, we continue to provide shareholders with the opportunity to pose their questions to the Board in advance if desired, using a dedicated email address: weirAGM@mail.weir. Further details are included in the Notice of Annual General Meeting and associated proxy form.

Shareholder communications

Our website provides shareholders with regular updates on a range of topics relevant to Weir. In addition to the information provided in our annual report and periodic public announcements, there is a dedicated investor section on our website that includes our financial calendar, regulatory newsfeed, information on our leadership and governance framework and copies of our recent publications and reports. Shareholders can access this portion of our website at global.weir/investors/.

Shareholder engagement in action

Investor Perception Study

To supplement the Board and senior management's direct shareholder engagement activities, the Group commissioned Rothschild & Co to undertake an investor perception study to understand in greater detail key institutional investors' views of Weir. Over May and June 2023, 14 different institutional investors participated in the study, representing 36% of the Group's total issued share capital at that time, as well as five sell-side analysts. The pool provided a strong-cross section of views, with discussions structured around a set of 35 open-ended questions that had been pre-agreed with Weir to harness the most useful insights for the Board.

Results showed that significant progress had been made year-on-year, with positive perceptions around Weir's transition to a mining pure-play, as well as the Group's growth potential, improving financial position and strong ESG proposition. The study also provided a number of useful takeaways for consideration around promoting the Group's core strengths, taking opportunities to communicate the Group's ESG credentials with increasing impact and executing consistently against the Group's strategic objectives. These takeaways have since been reflected in the Group's approach to its strategic priorities and messaging in subsequent investor engagement sessions during H2 2023.

Shareholder event calendar 2023

Date	Events
March/April 2023	• Announcement of full-year results • Post-full-year results investor meetings • In-person investor roadshows – London and North America • Bank of America Merrill Lynch and Berenberg investor conferences – London • Pre-AGM meetings with shareholders led by Chair • Q1 interim management statement • Annual general meeting
May/June 2023	• Shareholder site visit: Venlo showcase • In-person investor roadshows – Europe and North America • UBS and JP Morgan investor conference – London • Investor perceptions study
July/August 2023	• Announcement of half-year results • Post-half-year results investor meetings • In-person investor roadshow – London
September/October 2023	• Morgan Stanley investor conference – London • In-person investor roadshow – London, Europe, North America
November/December 2023	• Q3 interim management statement • Spotlight Capital Markets Event – Growth and Performance Excellence • In-person investor roadshow – London • Post-Capital Markets Event Investor meetings

Wider stakeholder engagement by the Board

Overview

The Board recognises the importance of a wide range of stakeholders to the Group and stakeholder interests are central to the We Are Weir strategic framework. In order to identify our stakeholders, we triangulate our purpose, strategy and business model, as well as considering the principal risks and uncertainties affecting the Group. You can read more about the stakeholder groups we have identified, the issues that matter most to them, the actions we have taken to engage with them at a Group level and the associated outcomes on pages 26-28.

An overview of how the Board engaged with wider stakeholders and maintained its understanding of their interests during the year is set out below.

Suppliers

Suppliers represent some of our most strategic relationships, where all parties value the opportunity to collaborate and innovate for the benefit of the broader value chain.

The Board receives updates on supplier dynamics as part of the divisional deep-dive sessions from each of Minerals and ESCO during the year. Direct engagement with suppliers is primarily led by local management teams, with support from the Chief Executive Officer and Group Executive team where appropriate.

The Board is also aware that we source raw materials, components and services across the globe, including in countries and industries where the risk of modern slavery may exist. The Board is fully committed to a zero tolerance approach to any form of slavery and therefore takes responsibility for approving the Group's Human Rights Policy. The Board receives periodic updates on human rights considerations relevant to our supply chain through the Corporate Services Report presented at each Board meeting. The Board considered and approved the Group's most recent Modern Slavery Statement in February 2023, which you can read on our website at https://www.global.weir/siteassets/pdfs/weir-group-modern-slavery-statement-2023.pdf.

Find out more

Read more about our engagement with our suppliers See page 27

Customers

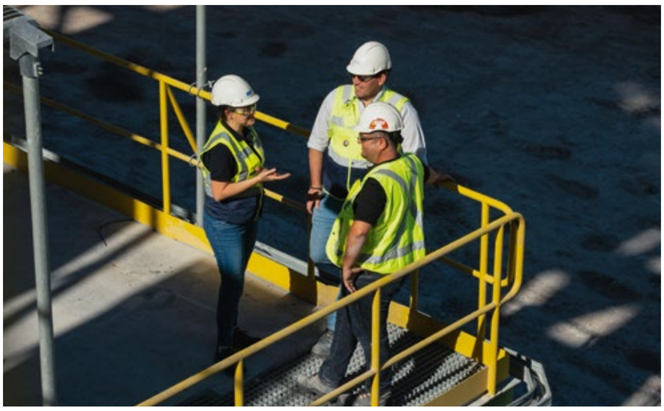
Customer proximity allows us to meet our customers' needs better, and to create higher barriers to entry for our competitors.

The Board receives customer insights at every scheduled meeting as part of the Chief Executive Officer's Business Report, which covers topics such as customer behaviour, localised and macro-economic trends, and expected and investment activity by customers impacting the Group's pipeline. Our Balanced Scorecard also includes five customer-focused quantifiable metrics, covering both strategic and ESG-related measures.

During the year the Board also received a commercial deep-dive briefing from each of the Divisional Presidents on specific customer-related factors relevant to our Minerals and ESCO businesses. Both sessions highlighted the increasing importance of sustainability-related themes to our customers and you can read more about our continued work on our product and service offering to reflect these insights on pages 48 to 49.

As well as receiving briefings from senior management, our Board seek direct engagement with customers wherever possible. In June 2023, Barbara, Ben, Tracey, Nicola and Stephen all visited the Kalgoorlie Consolidated Gold Mine in Australia, to hear more from Northern Star Resources about their open pit and underground operations and how the Weir installed base on site supports these activities. Jon also conducted a number of site visits to customers during the year to see Minerals, ESCO and Motion Metrics solutions in action.

All insights from these visits are shared with the Board on a timely basis to inform Board discussions and shape decision-making.



Find out more

Read more about our engagement with our customers See page 27

Wider stakeholder engagement by the Board

Communities & environment

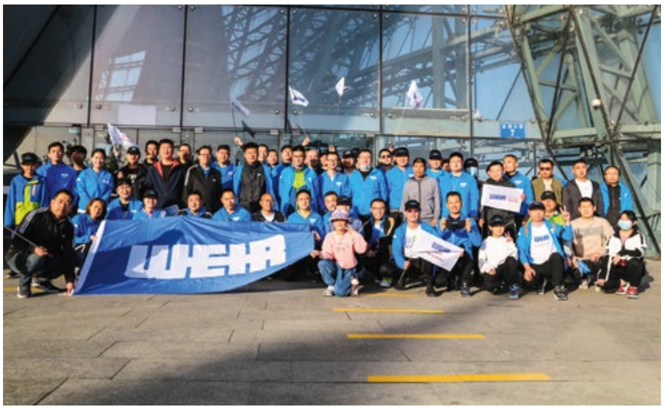
Sustainability is central to our strategy. This means that our impact on the communities and environments in which we work, and their impact on us, is core to our stakeholder engagement process.

Our communities care deeply about the safety and sustainability of our operations, and Weir seeks to be a good neighbour that operates safely and ethically. Reinforcing our commitment to Zero Harm Behaviours, safety is front and centre within all Board discussions and is always covered as the priority item within the Chief Executive Officer's Business Report, as well as featuring in our Balanced Scorecard. In line with our value of "Thinking Safety First", almost all divisional or functional reports presented to the Board commence with a "safety moment" or "safety share" that underlines the latest safety-related insights relevant to that area of our business.

As part of its programme of regular visits to Weir sites across the world, the Board receives updates from local teams on ongoing community engagement. For example, in Australia last year, the Board was informed about initiatives Weir is involved in and gained a greater understanding of associated community priorities, including MATES in Mining (a suicide prevention charity), fundraising and sporting events for mental health and children's charities, as well as the challenges presented by bushfires and support to Mangoola Rural Fire Brigade.

Our Balanced Scorecard contains a range of environment-related quantifiable metrics, including reducing our own carbon emissions against a 2019 baseline as well as progressing research and development priority projects aligned with our goals to move less rock, use less energy, use water wisely, create less waste and boost with digital. In addition to these regular updates, the Board also reviewed the Group's sustainability strategy in detail at its July meeting.

The session involved reviewing progress against the Sustainability Roadmap originally set in 2019 and receiving an update on the double materiality assessment conducted during the year. This then allowed the Board to confirm the priority next steps for management to take in this area.



Find out more

Read more about our engagement with local communities and environment See page 28

Governments & NGOs

The Group has a global footprint and is therefore impacted by public policy, as well as developments in legal frameworks, in the countries in which it operates. These issues are escalated to the Board as and when appropriate, typically forming part of divisional updates or the Corporate Services Report that is presented at every Board meeting. Political and social risk remains one of our principal risks (see page 64 for more detail) and the Board discusses geopolitical and governmental considerations as part of its twice-yearly discussion of the Group's risk dashboard. From a UK perspective, changes in the legal and regulatory environment relevant to a listed company also form part of the Board's annual training schedule.

The Group also seeks to work with non-governmental organisations, often with a view to improving STEM education opportunities around the world. These initiatives are typically organised on a local or regional level to maximise the impact and relevance of our work with NGOs for local communities. On its visit in June to Australia, the Board was briefed on the local team's sponsorship of Warman Design and Build, an engineering competition run in partnership with Engineers Australia - in 2022, 800 students across 15 different universities participated. The Board also heard about the Group's support for Fitted For Work, a local organisation helping disadvantaged young women become work ready, as well as Weir employees' participation as mentors in the Women in Mining and Resources Queensland mentoring programme during H2 2023.

Discussions on the impact of local work with NGOs - both for participants and Weir team members - allowed the Board to consider further the opportunities and challenges associated with increasing female participation in the sector.

Find out more

Read more about our engagement with Governments and NGOs See page 28

Division of responsibilities

Board composition

As at the date of this report, the Board comprises: one Non-Executive Chair; one Executive Director; and eight Non-Executive Directors. As announced on 5 December 2023, Brian Puffer will join the Board as Executive Director and Chief Financial Officer with effect from 1 March 2024.

We consider the Board includes an appropriate combination of Executive and independent Non-Executive Directors, and that the Board is of sufficient size to ensure diversity and a combination of skills, experience and knowledge (see further information on page 92), while still being small enough to foster high quality debate.

Biographies of each Director and the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success can be found on pages 73 to 76.

Roles and responsibilities

The roles of the Chair, each of the Executive Directors, the Senior Independent Director, and the other Non-Executive Directors are summarised below. Full details of the responsibilities of the Chair, the Chief Executive Officer and Senior Independent Director are set out in writing and available on the Company's website at: global.weir/globalassets/investors/role-of-the-board/weir-group---division-of-responsibilities---2022.pdf. In accordance with the Corporate Governance Code, the roles of Chair and Chief Executive are held separately.

Non-Executive Director roles

Chair

- Leading the Board and ensuring its overall effectiveness
- Promoting constructive debate, decision-making and Board relations
- Setting the Board agenda and ensuring the effective contribution of all Non-Executive Directors
- Overseeing the Board effectiveness review and acting on its results
- Ensuring appropriate induction and development programmes
- Ensuring effective engagement with shareholders and stakeholders

Senior Independent Director

- Providing a sounding board for the Chair
- Serving as an intermediary for other Directors and shareholders where necessary
- Leading (at least annual) discussions amongst Non-Executive Directors on the Chair's performance
- Leading succession planning for Chair role

Non-Executive Directors

- Providing constructive challenge, strategic guidance and specialist advice
- Holding to account the performance of management and individual Executive Directors
- Developing and maintaining a good understanding of the business and its relationships with significant stakeholders

Executive Director roles

Chief Executive Officer

- Proposing and, once agreed by the Board, delivering Group strategy
- Communicating expectations on culture across the Group
- Ensuring operational policies and practices drive appropriate behaviour
- Leading management-level stakeholder engagement
- Leading the Group Executive team, including associated talent development and succession planning
- Managing overall business performance

Chief Financial Officer

- Assisting with proposing and, once agreed by the Board, delivering Group strategy
- Ensuring effective management of Group capital structure and financing needs
- Providing accurate, timely and clear information to the Board on the Group's financial performance

Chief Legal Officer and Company Secretary

- Supporting the Board in ensuring that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently
- Advising the Board on all governance matters
- Facilitating induction, arranging Board training and assisting with professional development as required
- Ensuring directors have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors of the Company

Division of responsibilities
continued

Board committees
The written terms of reference of each of the Nomination Committee, Audit Committee and Remuneration Committee are available on the Company's website at: global.weir/investors/corporate-governance/board-committees/. Terms of reference for the Sustainability and Technology Committee will be made available on our website in due course. Further details on the work of each of the Nomination, Audit and Remuneration Committees during 2023 is included later in this Corporate Governance Report.

Board independence
We consider all of our Non-Executive Directors to be independent for the purposes of the Corporate Governance Code. Our Chair, Barbara Jeremiah, was also considered independent on appointment. As a result, more than half the Board (excluding the Chair) are independent Non-Executive Directors and this will remain the case following Brian Puffer's formal appointment to the Board on 1 March 2024.

Director commitments and significant appointments
The letters of appointment for our Non-Executive Directors set out the time commitment expected of them. All new Directors are required to seek approval from the Board before accepting any additional roles.

When considering whether to approve new external appointments for existing Directors, the Board takes into account a range of factors including: the Director's pre-existing commitments outside the Group; the Director's attendance at Board and Committee meetings; the expected time requirement of the proposed position, factoring in the nature of the role and associated responsibilities; and the benefits that the external appointment may bring to both the individual Director and the Board as a whole, by virtue of wider commercial knowledge, expanded Board-level experience and a broader perspective from working in a different environment. The Company's conflicts of interest procedure described below is also followed.

During 2023, the Board approved the appointment of Barbara Jeremiah as Non-Executive Director of Johnson Matthey Plc. The Board considered this appointment to be significant for the purposes of the Corporate Governance Code – in particular given Barbara would be serving as Senior Independent Director – but concluded that the appointment would not impair Barbara's ability to serve as the Company's Chair in view of the anticipated time commitment.

The Board also considered carefully Penny Freer's pre-existing commitments as part of her appointment process (described in more detail on page 93). The Board agreed that although Penny held the role of Chair of three other companies at the time of her appointment, her appointment in October 2023 was appropriate given the importance of the Board's strategy discussions that month and the fact that she was due to step down from her role as Chair of Crown Place VCT Plc within a month. The Board further noted that Penny would not be taking up the role of Remuneration Committee Chair at the Company until the end of the year. The Board remains fully satisfied of Penny's ability to fulfil her commitments to the Company.

Conflicts of interest
The Company has a formal procedure in place to manage the disclosure, consideration and, if thought fit, authorisation of potential conflicts of interest. Each Director is aware of the requirement to notify the Board, via the Company Secretary, as soon as they become aware of any potential future conflict or any material change to a pre-existing authorisation. Upon receipt of any such notification, the Board considers each conflict situation separately on its particular facts, in conjunction with the rest of the potentially conflicted Director's duties under the Companies Act 2006. The Board keeps records of any decisions taken, authorisations granted and the scope of approvals given, and regularly reviews conflict authorisations previously granted.

None of the Non-Executive Directors has any material business or other relationship with the Company or its management. Sir Jim McDonald is the Principal and Vice Chancellor of the University of Strathclyde, however he has no direct involvement on a day-to-day basis in relation to the Weir Advance Research Centre (WARC) which is operated by the Company in conjunction with the University of Strathclyde. Nevertheless, Sir Jim has agreed that he will offer to recuse himself from any discussion concerning the relationship between the Group and the University of Strathclyde, whether in relation to WARC or otherwise. As announced on 19 December 2023, Sir Jim will be stepping down from the Board with effect from the conclusion of the AGM on 25 April 2024.

Directors' information and advice
The Company Secretary manages the provision of accurate, timely and clear information to the Board at appropriate intervals in consultation with the Chair and the Chief Executive Officer, and assists with ensuring that the Board has the policies, processes, time and resources it needs in order to function effectively. In addition to formal meetings, the Chair, Chief Executive Officer and Company Secretary all maintain regular contact with Directors and work together to ensure that the Board and Committee governance processes remain fit for purpose.

All Directors have access to the Company Secretary, who is responsible for advising the Board on all governance matters. Additionally, all Directors have access to independent professional advice at the Company's expense if they judge it necessary to discharge their responsibilities as Directors.

Induction
All Directors receive a full, formal and tailored induction programme upon joining the Board, with the programme of sessions personalised by the Company Secretary to reflect the incoming Director's skills, experience, knowledge and role within the Board and its Committees.

Penny commenced her induction following her appointment in October 2023 and will complete the remaining sessions over the course of the first half of 2024. Sessions were conducted through both virtual and in-person briefings (including a site visit to Venlo) to allow for efficient delivery of a programme covering topics including safety, Group strategy, sustainability, our approach to stakeholder engagement divisional deep-dives, financial and treasury matters, risk, corporate governance and directors' duties.

In preparation for her role as Chair of the Remuneration Committee, Penny also received a specific focus on executive remuneration matters including meetings with the Committee's UK remuneration consultants, Deloitte.

Inductions for each of Brian and Andy will take place over the course of 2024 and will involve a similarly tailored approach, further details of which will be provided in next year's annual report.

Ongoing training and development
Under the direction of the Chair, the Company Secretary is responsible for arranging Board training throughout the year and assisting with professional development as required. Training is built into our annual Board agenda at regular intervals, and is facilitated by both internal specialists and external advisors. The menu of topics is carefully designed to develop and update our Directors' knowledge and capabilities, with a view to enhancing Director effectiveness on the Board and its committees.

During the year, the Board received briefings on a variety of topics, including: key legal and regulatory developments, including recent enforcement actions; updates on the corporate and litigation landscape; shareholder activism; and the UK takeover regime.

Composition, succession and effectiveness

Board composition and succession planning

Details of the composition of the Board are set out on page 92. There is a formal, rigorous and transparent procedure for new appointments to the Board, details of which are set out in the Nomination Committee Report on pages 93 to 94. The Nomination Committee Report also provides details on the approval of the appointments of Penny Freer and Brian Puffer, as well as details of Board and senior management succession plans and diversity-related disclosures.

Board performance review

The Board is fully committed to conducting annual reviews in order to continuously improve its performance and overall effectiveness.

During 2023, the Board has taken action in relation to a number of the key recommendations arising from the review conducted in 2022, as described in more detail in the table below.

Key recommendations from 2022 review	Actions and outcomes during 2023
Expand the remit of the Nomination Committee by planning for deeper dives on talent management, diversity and succession planning at senior management level	Nomination Committee terms of reference amended in July 2023 to reflect expanded remit (see page 95)
Continue to assess whether and, if so, when Board Committees on safety and sustainability matters should be formed	Sustainability and Technology Committee established in December 2023. Board to continue to have oversight of safety via existing reporting channels
Evaluate employee engagement process to enable all Board members to rotate and take part in initiatives in different parts of the world, increase interactions with high potential employees for succession reasons and keep the Board in touch with Weir practice	Various enhancements to the employee engagement process throughout 2023 (see pages 81 to 83), with all directors as at the date of this report having participated in at least two different engagement activities in different countries during 2023

Board performance review in 2023

As in 2022, this year a light-touch external review was undertaken with assistance from Lisa Thomas of Independent Board Evaluation (IBE) following IBE's work on our thorough external performance review conducted in 2021. Full details of how IBE were originally selected can be found in our 2021 Annual Report, available on our website at global.weir/siteassets/pdfs/investors/weir-group-annual-report-2021-website-version.pdf. Aside from assistance on prior Board effectiveness reviews in 2021 and 2022, neither IBE nor Ms Thomas has any other connection with the Group, any individual Directors or the Company Secretary, nor do they provide any other services to the Group. The sections of the report describing the process followed and outcome of the review (including the recommendations for the Board) have been agreed with IBE.

In 2023, the Board performance review process took the following approach:

- **Objectives and scope**: This targeted review considered the Board's composition and diversity, as well as how effectively Directors contribute individually and work together to achieve objectives. Given the light-touch nature of the review in 2023, detailed matters concerning the role and functioning of the Committees were not considered this year but will form part of the comprehensive external review to be conducted in 2024.
- **Process and views sought:** IBE observed Board and Committee meetings undertaken in Venlo in October 2023. IBE also interviewed each of the Board members on a 1-to-1 basis at that time, including former CFO John Heasley and former Remuneration Committee Chair Clare Chapman. Each meeting was framed using a short set agenda which had been agreed with the Chair in advance. IBE also had access to all October Board papers. In addition to interviews with Board members, IBE spoke with all members of the Group Executive about their interactions with the Board over the course of the year.
- **Company involvement and oversight:** The Chief Legal Officer and Company Secretary was responsible for providing IBE with all necessary access and support to conduct the light-touch review. The Senior Independent Director was identified as IBE's independent escalation point if required.

The headline findings of the 2023 Board performance review were that:

- The Board has seen significant progress with its agenda during the year, and substantial progress from the full external review conducted two years ago. Board members had identified many highlights during 2023 including alignment on strategy, work on stock value, the overall approach to major agenda items and valuable visits to the business. The Board has demonstrated excellent teamwork on multiple occasions across the year.
- The Board's composition is strongly rated with a blend of skills that makes it well positioned for the future. There have been changes in terms of composition during 2023, with more expected in 2024 as part of the Board's natural maturation. (On this basis, it is not expected that the findings of the review will directly impact Board composition at this stage.)
- The Board has excellent oversight of and high engagement with the Group as a whole, and there are high levels of confidence in the Group's overall culture. There are multiple lines of sight and good data available to the Board, and Board visits and engagement are well received within the business as a two-way process.

The recommendations arising for the Board for 2024 and beyond are:

- To consider carefully Board focus at each meeting and shape both agenda and papers accordingly, including potentially allocating more time to discuss longer-term (i.e. 5-10 year) questions around strategy, technology and sustainability.
- To capitalise further on Non-Executive Directors' specialist knowledge and domain expertise, including taking opportunities for Non-Executives to feed into external or industry events or allocating individual Non-Executives to different areas of the business to build deeper working relationships.
- To ensure the Board has time for informal relationship building between Non-Executives and the Group Executive.

Risk management and internal controls

Risk management and internal controls

In accordance with the UK Corporate Governance Code and the accompanying FRC's Guidance on Risk Management and Internal Controls, the Group has an ongoing process for identifying, evaluating and managing the significant risks through a comprehensive internal control framework. This four-tier process has been in place throughout 2023 and is described in more detail below.

The Board, in seeking to achieve the Group's business objectives, cannot offer an absolute guarantee that the application of a risk management process will overcome, eliminate or mitigate all significant risks. However, by further developing and operating an annual and ongoing risk management process to identify, report and manage significant risks, the Board seeks to provide a reasonable assurance against material misstatement or loss. More information on how the Group seeks to manage risk can be found on pages 60 to 69.

The Audit Committee conducted a review of the effectiveness of the Group's systems of internal control and risk management during 2023 on behalf of the Board, as set out on page 99. The Group's internal control procedures described on page 101 of the Audit Committee Report do not cover joint venture interests. We have Board representation on each of our joint venture companies, where separate, albeit similar, internal control frameworks have been adopted.

Our internal control framework has four key tiers:

4
Ethical and cultural environment

3
Assurance activities

2
Monitoring and oversight controls

1
Functional and front line controls

Tier 1: Functional and front line controls

This includes a wide spectrum of controls common to many organisations, including: standard operating procedures and policies; a comprehensive financial planning and reporting system, including quarterly forecasting; regular performance appraisals and training for employees; restricted access to financial systems and data; delegated authority matrices for the review and approval of key transactions, arrangements and other corporate actions; protective clothing and equipment to protect our people from harm; IT and data and cyber security controls; business continuity planning; and assessment procedures for potential new recruits.

Tier 2: Monitoring and oversight controls

There is a clearly defined organisational structure within which roles and responsibilities are articulated. There are monitoring controls at operating company, regional, Divisional and Group level, including standard key performance indicators, with action plans drawn up, implemented and monitored to address any underperforming areas.

A Compliance Scorecard self-assessment is completed and reported by all operating companies twice per annum. The Scorecard assesses compliance with Group policies and procedures, see page 101 for further details.

Financial monitoring includes comparing actual results with the forecast and prior year position on a monthly and year-to-date basis. Significant variances are highlighted to Directors on a timely basis, allowing appropriate action to be taken.

Tier 3: Assurance activities

We obtain a wide range of both internal and external assurances to provide comfort to management and the Board that our controls are providing adequate protection from risk and are operating as we would expect.

These sources of assurance were reviewed by the Board during the year, and principally comprise external audit, internal audit, SHE audits and IT audits. As described in the Audit Committee Report on page 102 and in the Sustainability section of the strategic report on page 58, we are also enhancing our internal capabilities around assurance on ESG and non-financial reporting-related matters.

The various audit teams plan their activities on a risk basis, ensuring resources are directed at the areas of greatest need. Issues and recommendations to enhance controls are reported to management to ensure timely action can be taken, with oversight provided from the relevant governance committees, including the Audit Committee and the Excellence Committees.

Tier 4: Ethical and cultural environment

We are committed to doing business at all times in an ethical and transparent manner. This is supported by the Weir values, which are the core behaviours we expect our people to live by in their working lives. The Weir Code of Conduct also contributes to our culture, providing a high benchmark by which we expect our business to be conducted. You can read more about our culture on page 81.

Any examples of unethical behaviour are dealt with appropriately and promptly. The Group has a combination of formal and informal channels to raise concerns regarding unethical behaviour, including the Weir Ethics Hotline, which enables any member of the workforce to raise concerns in confidence and, if they wish, anonymously. The Board reviews the operation of the Hotline on an annual basis, and is provided with updates regarding the Hotline routinely through the Corporate Services Report which is presented at every Board meeting. The Group's Compliance function works closely with the business to ensure that any matters raised via the Weir Ethics Hotline are investigated in a fair and impartial manner consistent with the Group Investigation Protocol, and the Board is notified of follow-up actions taken where appropriate to do so.

The Responsible Business Practices section on page 58 provides more details on the Group's activities to promote ethical behaviour and the Weir Ethics Hotline.

The Audit Committee, our internal audit function and our external auditors

Details of the roles and responsibilities of the Audit Committee and its members can be found in the Audit Committee Report on pages 98 to 108. Information on the role of the Group's internal audit function, as well as that of the Company's external auditors, is also contained within the Audit Committee Report.

Nomination Committee report

Barbara Jeremiah
Chair of the Nomination Committee

Role of the Committee

The Nomination Committee has responsibility for: considering the size, structure and composition of the Board; reviewing Director and senior management succession plans, and overseeing the development of a diverse talent pipeline; and making appropriate recommendations to the Board on candidates, so as to maintain an appropriate balance of skills, experience and knowledge on the Board.

Nomination Committee meeting attendance

Members	Attendance
Barbara Jeremiah (Chair)	5/5
Dame Nicola Brewer*	3/4
Mary Jo Jacobi**	2/2
Ben Magara	5/5
Sir Jim McDonald	5/5

*Dame Nicola was appointed to the Committee from 28 April 2023. Dame Nicola was unable to join one of the Committee's meetings during the year due to prior commitments but liaised with the Chair on the matters to be discussed.
**Mary Jo stepped down from the Board with effect from the conclusion of the 2023 AGM on 27 April 2023.

2023 Highlights

- Led process for appointment of new Non-Executive Director, Penny Freer
- Led process for appointment of new Chief Financial Officer, Brian Puffer

Engagement with external stakeholders

- Engaged with various internal and external stakeholders, including the Group's corporate brokers, in relation to appointment of new Chief Financial Officer
- Attended AGM in April 2023 and discussed Committee's activities with shareholders

Find out more

The full responsibilities of the Nomination Committee are set out in its Terms of Reference, which are reviewed annually and available at global.weir/investors/corporate-governance/board-committees/.

Dear shareholder,

I am pleased to present an overview of the Nomination Committee's work during 2023.

It has been a busy year for the Committee as valued colleagues departures and we welcomed new Board members.

Two of our Non-Executive Directors, Mary Jo Jacobi and Ebbie Haan, left the Board in April 2023. John Heasley, our former Chief Financial Officer, and Clare Chapman, our former Remuneration Committee Chair, each stepped down from the Board in November and December 2023 respectively. As announced on 19 December 2023, Sir Jim McDonald will be stepping down at the conclusion of the AGM in 2024 having served nine years with us. Finally, as announced on 27 February 2024, Srinivasan Venkatakrishnan is not standing for re-election to the Board. I am very grateful to each of Mary Jo, Ebbie, John, Clare, Sir Jim and Venkat for their insightful and important contributions to the Board and its Committees during their tenures, and they all leave with our best wishes for their future endeavours.

In October 2023, we were pleased to welcome Penny Freer as a new Non-Executive Director and Remuneration Committee Chair with effect from 31 December 2023. We also welcomed Andy Agg as another new Non-Executive Director on 27 February 2024. Additionally, the Committee was heavily involved in the Group's search for a new Chief Financial Officer and we look forward to welcoming Brian Puffer to the Board formally on 1 March 2024. You can read more about our approach to appointments, as well as the specific processes followed for the recruitment of Penny and Brian, on pages 93 and 94.

In addition to considering Board and Committee composition, including for the new Sustainability and Technology Committee, the Nomination Committee has also spent considerable time this year considering talent development and succession planning amongst our Group Executive and their direct reports. You can read more about our activities in this area on page 95.

As ever, the Nomination Committee remains dedicated to recruiting globally recognised, industry-leading talent, so that our Weir colleagues see great leaders – at both Board and senior management level – who look and sound like them. In the various roles I have been privileged to hold, including serving as Weir's Chair, I have seen and embrace the value and power of visible role models.

You can read more about how we continue to meet all of the measurable objectives set out in our Board Diversity Policy, as well as the gender and ethnic diversity-related targets set out in the UK Listing Rules on page 95. We continue to support both the FTSE Women Leaders' Review and the Parker Review and our associated disclosures are set out on page 97.

If you wish to discuss any aspects of the Nomination Committee report, or our activities more generally, with me then please join our AGM on 25 April 2024 in Glasgow. You can share your question with me in advance if you wish to do so via our dedicated email address: weirAGM@mail.weir.

Barbara Jeremiah
Chair of the Nomination Committee

29 February 2024

Nomination Committee report
continued

Board composition, skills and attributes

At Weir, we recognise the importance of the Board and its Committees having a combination of skills, experience and knowledge to ensure we have an effective and entrepreneurial Board that is well-placed to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Nomination Committee reviews the skills, attributes and diversity represented by the Directors on the Board and determines whether the existing Board composition remains appropriate to achieve the Group's purpose and strategy.

The Nomination Committee does this by maintaining a skills matrix that tracks both the skills and experience needed currently, and those future-facing attributes the Board intends to develop or acquire over the longer term as it executes its strategy. This matrix is then reviewed in conjunction with individual Director tenure to assist with Board appointments and associated succession planning.

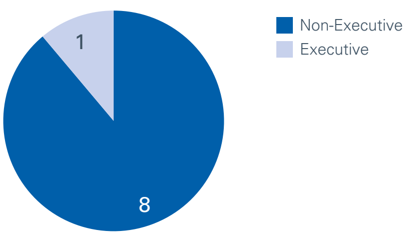
The most recently approved version of our Board skills matrix is set out below. The charts that follow describe various elements of diversity across the Board, and are supplemented by our disclosures under the UK Listing Rules, FTSE Women Leaders Review and Parker Review set out on page 97.

The Nomination Committee is satisfied that the Board and its Committees have the right combination of skills, experience and knowledge amongst a group of individuals that embody many aspects of diversity.

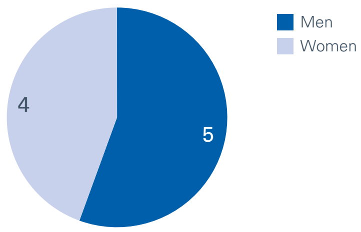
Board skills and attributes matrix

Director	Independence	Engineering Technology Digital & Cyber	Mining	Governance	Environment & Sustainability	Banking & Finance	International	Leadership
Barbara Jeremiah	●		●	●	●		●	●
Jon Stanton			●	●	●	●	●	●
Andy Agg				●	●	●	●	●
Dame Nicola Brewer	●			●	●		●	●
Penny Freer	●	●		●	●	●		●
Tracey Kerr	●	●	●	●	●		●	●
Ben Magara	●	●	●	●	●		●	●
Sir Jim McDonald	●	●		●	●		●	●
Brian Puffer (with effect from 1 March 2024)		●		●		●	●	●
Srinivasan Venkatakrishnan	●		●	●	●	●	●	●
Stephen Young	●			●	●	●	●	●

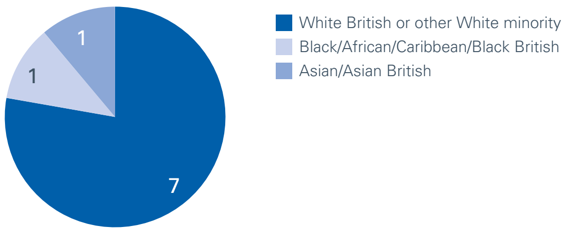
Board independence as at 31 December 2023



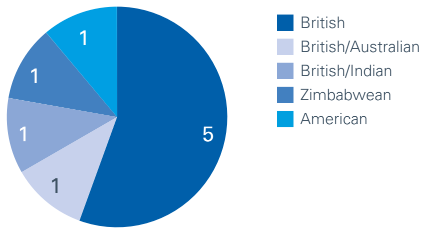
Board gender balance as at 31 December 2023



Board ethnicity as at 31 December 2023



Board nationality as at 31 December 2023



Nomination Committee report
continued

Board appointments process

The Nomination Committee leads the process for appointments to the Board, ensuring that there is a formal, rigorous and transparent procedure in place for each appointment.

All appointments are based on merit and objective criteria, with candidates being evaluated to assess their suitability across a number of areas, including (without limitation) skills, education, experience, background and independence.

Within this context, due regard is also given to promoting diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths, and the benefits that this can bring to the Board and its Committees, in line with the measurable objectives set out in our Board Diversity Policy.

The specific appointment processes followed during the year in relation to the appointment of Penny Freer and Brian Puffer are described in more detail below and on the following page.

Non-executive director appointment process

Candidate specification	In each case, the Nomination Committee began by considering the current Board composition, the existing skills and attributes matrix and tenure of individual Directors. On this basis, it was recognised that an additional director with specific experience as either a member or chair of a remuneration committee would bolster the Remuneration Committee pipeline. It was also recognised that an additional director with recent and relevant financial and accounting experience would provide bench strength for the Audit Committee.
Engagement of professional advisers and candidate review process	In light of its global approach and strong track record, leading executive search firm Hedley May was engaged to assist with profiling candidates for the Remuneration Committee position. Hedley May is a signatory to the Voluntary Code of Conduct for Executive Search Firms. Save for its involvement in prior non-executive director searches (including the appointments of Tracey Kerr and Nicola Brewer in 2022), Hedley May does not have any connection with Weir or individual Directors. Later in the year, leading executive search firm Korn Ferry was engaged to assist with profiling candidates for the Audit Committee position. In addition to having a wide pool of potential candidates, Korn Ferry is also a signatory to the Voluntary Code of Conduct for Executive Search Firms, and is accredited in the Enhanced Code of Conduct for Executive Search Firms (in line with our Board Diversity Policy measurable objectives). Save for its involvement in prior director searches and leadership insights assessments (described on page 95), Korn Ferry does not have any connection with Weir or individual Directors.
Interviews and associated due diligence	Shortlisted candidates were then interviewed by the Chair, with high potential candidates then being invited to meet with other Board members (including the Chief Executive Officer, Senior Independent Director and Chair of the Committees on which the successful candidate would ultimately sit).
Recommendation and approval	In October 2023, the Nomination Committee unanimously decided to recommend Penny's appointment to the Board. Penny was selected on the basis that she had strong experience on listed company boards and committees (including specific remuneration-related expertise), as well as wide-ranging knowledge in banking and financial matters by virtue of her executive career. Following Clare Chapman's confirmation that she intended to step down from the Board at the end of 2023, it was determined that Penny join the Board as an independent Non-Executive initially and that she take on the role of Remuneration Committee Chair following Clare's departure In February 2024, the Nomination Committee also unanimously decided to recommend Andy's appointment to the Board. Andy was recognised by the Committee as a candidate with strong financial and commercial acumen, in addition to significant international experience through his executive career, and therefore an ideal addition to the Audit Committee.
Induction	Following her appointment, Penny has undertaken a comprehensive and tailored induction programme. Further details on our induction process can be found on page 88. Andy's induction will be similarly personalised and will take place over the course of 2024. Further details will be provided in next year's Annual Report.

Nomination Committee report
continued

Chief Financial Officer appointment process

Candidate specification	The Nomination Committee, together with the Chief Executive Officer, commenced the search by articulating the key qualities for a Chief Financial Officer, as well as considering the principles and measurable objectives set out in our Board Diversity Policy. The specification articulated a range of expectations in terms of strategic, operational and technical experience appropriate for a Chief Financial Officer of a multi-billion revenue group spanning multiple territories and business streams, as well as reflecting the personal attributes needed to develop a collaborative, high-performing, pragmatic Finance function.
Engagement of professional advisers and candidate review process	The Nomination Committee engaged leading executive search firm Odgers Berndtson ("Odgers") to assist with evaluating both internal and external talent against the qualities identified. Odgers was appointed due to its high-quality credentials and international reach. Odgers is also a signatory to the Voluntary Code of Conduct for Executive Search Firms, and is accredited in the Enhanced Code of Conduct for Executive Search Firms (in line with our Board Diversity Policy measurable objectives). Other than in relation to its engagement on other executive search processes, Odgers does not have any connection with Weir or individual Directors other than its engagement in this capacity.
Longlist and shortlist review	Odgers provided an initial longlist that was presented to the Committee in Q3 2023, encompassing a wide range of potential candidates from diverse personal and professional backgrounds. Given the Committee's prior work through the year on talent development and succession planning (including a market benchmarking exercise), positive progress was made towards creating a diverse shortlist of seven potential candidates swiftly following that meeting.
Interviews	Initial interviews were led by the Chief Executive Officer, with support from the Chief People Officer. Preferred candidates were then asked to complete additional interviews with the Chair, Senior Independent Director and Chair of the Audit Committee. The interview process ran through late summer into autumn, and the Board met for a progress update in September 2023.
Due diligence and references	Preferred candidates then completed a Leadership Insights assessment run by Korn Ferry, designed to evaluate competencies, traits, drivers, and experiences. Korn Ferry was selected to assist with this element of the process in line with our standard practice for hires at job role Band 5 or above across the Group, and does not have any connection with Weir or individual Directors other than its provision of this assessment process and its engagement on other search mandates. Odgers assisted with the usual pre-employment due diligence checks as well as facilitating references, and the views of both the Group's brokers were also sought.
Recommendation and approval	Following this robust and rigorous process, the Nomination Committee, working in tandem with the Remuneration Committee in relation to an appropriate financial package, unanimously decided to recommend Brian's appointment to the Board for approval. Brian was selected due to his status as an accomplished finance leader and broad range of experience (including most recently as Chief Financial and Risk Officer of BP plc's Integrated Supply and Trading business). In particular, Brian's extensive experience of business transformation was assessed as enabling Brian to make an immediate contribution to the Group's strategic priorities, including the delivery of the Performance Excellence programme.
Induction	Following his appointment, Brian will undertake a comprehensive and tailored induction programme. Further details on our induction process can be found on page 88.
Interim arrangements	The Nomination Committee also considered with the Chief Executive Officer the arrangements for the interim period following John Heasley's departure and prior to Brian's arrival. It was unanimously agreed that, given his strong finance and accounting background and prior tenure as the Group's Chief Financial Officer, the Chief Executive Officer would supervise the Finance function, with associated changes in reporting lines within the team, for the interim period. It was also agreed that the Chief Executive Officer would lead on both the strategic and financial aspects of the year end process and be supported in the results presentation and associated roadshow by the Head of Investor Relations.

Nomination Committee report
continued

Succession planning
Weir adopts a structured and formalised approach to succession planning at both Board and senior management level. Our succession planning processes encompass a range of planning, communication and development activities designed to:

- ensure individuals at Weir are developed to their fullest potential;
- facilitate the orderly replacement of individuals who are ready to move on from Weir;
- strengthen retention and avoid unforeseen or regretted departures;
- ensure there is emergency cover in place for all key roles at Group Executive level; and
- oversee the development of a diverse pipeline into both the Board and the Group Executive and direct reports.

Succession planning was an agenda item at all of the Nomination Committee's substantive meetings this year, with the key items under consideration including:

- Board composition, including the departures of Mary Jo Jacobi, Ebbie Haan and Clare Chapman, and the appointments of Penny Freer and Andy Agg;
- Committee membership, including the appointment of Penny Freer as Chair of the Remuneration Committee;
- the transition of our Senior Independent Director role, which will transition from Sir Jim McDonald to Dame Nicola Brewer with effect from the conclusion of the AGM in 2024;
- the transition of our Non-Executive Director responsible for employee engagement role, which transitioned from Mary Jo Jacobi to Dame Nicola Brewer in April 2023 and will transition from Nicola to Ben Magara with effect from the conclusion of the AGM in 2024;
- Group Executive succession planning, including the appointment of Brian Puffer as Chief Financial Officer Designate.

During 2023, the Nomination Committee also updated its Terms of Reference to reflect an expanded remit in relation to oversight of succession planning for job role Band 5 leaders (and Band 4 leaders in the Band 5 succession pipeline), in addition to the Group Executive. It is anticipated that this deeper, broader view of talent development at these levels will assist further in the development of a diverse pipeline into leadership positions across the Group, as well as providing the opportunity to identify deeper cross-divisional talent pools.

Sustainability and Technology Committee membership
In addition to considering periodic refreshment of Committee membership as part of succession planning, this year the Nomination Committee also helped to determine the membership of the new Sustainability and Technology Committee. In particular:

- Tracey Kerr was selected as Chair of the Sustainability and Technology Committee given her vast experience of sustainable development matters during the course of her career, including most recently her role as Group Head of Sustainable Development at Anglo American Plc;
- each of Ben Magara, Dame Nicola Brewer and Penny Freer were selected as members of the Sustainability and Technology Committee, on the basis of their combined insights into matters relevant to the Committee's remit (such as environmental and sustainability matters, strategic planning, horizon scanning), as well as the need to ensure as much diversity of gender, ethnicity and personal background within the Committee. Further to Andy's appointment on 27 February 2024 and in light of Penny's other duties, it was agreed that Andy would join Sustainability and Technology Committee instead of Penny with immediate effect. Andy will bring broad experience in sustainability-related matters by virtue of his executive position at National Grid plc to the Committee and its discussions.

Board diversity policy and associated objectives
Weir has had a Board Diversity Policy for more than 10 years and a copy is available on our website at global.weir/siteassets/pdfs/sustainability/our-governance-and-policies/board-diversity-policy-december-2022.pdf. Our Board Diversity Policy was most recently updated in 2022 to incorporate a number of new measurable objectives aligned with the diversity-related disclosure requirements set out in the UK Listing Rules. The Committee reviewed the Board Diversity Policy in December 2023 and confirmed that no amendments were necessary at this time.

Our Board Diversity Policy is integral to achieving our strategic objectives, and we are fully committed to ensuring our Board and all its Committees encompass all aspects of diversity because:

- gender diversity is critical to our equity and equality obligations;
- it is important that the Board composition better reflects the diversity of our people around the world;
- fundamentally, better business outcomes are achieved when diversity is achieved in its broadest sense; and
- being able to draw on the individual and collective contributions of a diverse Board will ultimately lead to a competitive advantage and enhance delivery of our strategy.

For the second year running since our most recent measurable objectives were introduced, I am delighted to confirm that we have met all four objectives (and therefore, as at 31 December 2023, all three of the targets on Board diversity set out in LR 9.8.6R(9)). Further detail on our disclosures for the purposes of the UK Listing Rules are set out on the following page.

Board Diversity Policy measurable objective	Progress during 2023
At least 40% of the Directors are women	**Objective achieved**: As at 31 December 2023, four out of nine Directors (44%) were women.
At least one of the positions of Chair, Chief Executive Officer, Senior Independent Director and Chief Financial Officer to be held by a woman.	**Objective achieved**: One position is held by a woman (Chair).
At least one Director to be from a minority ethnic background.	**Objective achieved**: As at 31 December 2023, two out of nine Directors (22%) were from minority ethnic backgrounds.
Engage only executive search firms who have signed up to both the voluntary code of conduct and enhanced voluntary code of conduct for executive search firms in relation to Board appointments.	**Objective substantially achieved**: Odgers Berndtson and Korn Ferry meet these requirements. Hedley May is a signatory to the voluntary code of conduct.

Nomination Committee report
continued

Board and executive management diversity
In accordance with the UK Listing Rules, the tables below set out our gender and ethnic representation at Board and executive management level.

Gender representation: Board and executive management as at 31 December 2023

Description	Number of Board members*	Percentage of the Board	Number of senior positions on the Board (CEO, CFO**, SID and Chair)	Number in executive management***	Percentage of executive management***
Men	5	56 %	2	5	71%
Women	4	44 %	1	2	29%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Ethnic representation: Board and executive management as at 31 December 2023

Description	Number of Board members*	Percentage of the Board	Number of senior positions on the Board (CEO, CFO**, SID and Chair)	Number in executive management***	Percentage of executive management***
White British or other White (including minority-white ethnic groups)	7	78 %	3	7	100%
Mixed / Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	11 %	–	–	–
Black/African/Caribbean/Black British	1	11 %	–	–	–
Other Ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

For the purposes of the tables set out above (and all disclosures in relation to Board and executive management diversity in this annual report, unless otherwise specified): .

* Clare Chapman resigned from the Board with effect from and including 31 December 2023 and therefore no data relating to Clare is included in our disclosures.

** John Heasley, the Group's former Chief Financial Officer, resigned from the Board with effect from 30 November 2023. Brian Puffer, the Group's Chief Financial Officer Designate, will join the Board on 1 March 2024. On this basis, no data relating to either the gender or ethnic diversity of the Chief Financial Officer position is included in our disclosures displayed above.

We continue to use 31 December as our reference date, given that this aligns with our financial year end and provides a consistent snapshot of our position on gender and ethnic diversity to allow for comparison across years

Andy Agg joined the Board with effect from 27 February 2024 (between the reference date of 31 December 2023 and the date of this Annual Report, 29 February 2024). As a result, this had the following impact on the statistics set out above:

- four out of ten Board members are women (40%);
- one of the four senior positions on the Board is held by a woman (Chair); and
- two out of ten Board members will be from a minority ethnic background (20%).

Following Brian Puffer's appointment to the Board on 1 March 2024, the statistics set out above will be impacted as follows:

- four out of eleven Board members will be women (36%) on a temporary, transitional basis until 31 March 2024, at which point Venkat will step down and then four out of ten Board members will be women (40%);
- one of the four senior positions on the Board will be held by a woman (Chair);
- two out of eleven Board members will be from a minority ethnic background (20%);
- two of the eight executive management positions will be held by a woman (25%);
- all four senior positions on the Board will be held by an individual who is White British or other White;
- all eight executive management positions will be held by individuals who are White British or other white (100%).

*** Executive management as defined in the UK Listing Rules means the executive committee or most senior executive or managerial body below the Board, including the company secretary but excluding administrative and support staff. At Weir, executive management therefore comprises the Group Executive (which includes the Company Secretary).

Our approach to data collection
Gender and ethnicity data relating to the Board and Group Executive (which includes the Company Secretary) are collected on an annual basis applying a standardised process managed by the Company Secretariat team in conjunction with our HR function.

Each individual is requested to complete an identical questionnaire on a strictly confidential and voluntary basis, through which the individual self-reports their ethnicity and gender identity or states that they do not wish to report such data. Consent is provided for data collection and processing of that data in accordance with the Group's Privacy Statement.

The criteria of the standard form questionnaire are fully aligned to the definitions specified in the UK Listing Rules, with individuals required to specify:

a. self-reported gender identity – selection from the following categories: (a) man; (b) woman; (c) other category (please specify); and (d) not specified / prefer not to say

b. self-reported ethnic background – selection from the following categories, as designated by the UK Office of National Statistics: (a) White British or other White; (b) Mixed / Multiple ethnic groups; (c) Asian / Asian British; (d) Black / African / Caribbean / Black British; (e) other ethnic group, including Arab; and (f) not specified / prefer not to say.

Nomination Committee report
continued

FTSE Women Leaders' Review

We continue to support the targets set out in the FTSE Women Leaders Review, and include data from previous years to allow for historic trend analysis.

In line with the FTSE Women Leaders Review reporting cycle, all data is shown at the snapshot date of 31 October in each reporting year. Our data on Board and Group Executive diversity as at 31 December 2023, which reflects changes that have occurred since 31 October 2023 including the departures of Clare Chapman and John Heasley, can be found on page 96.

	As at 31 October 2023	As at 31 October 2022	As at 31 October 2021
% of females on Board	**45% (5 out of 11)**	42% (5 out of 12)	27% (3 out of 11)
At least one Chair/CEO/ SID/CFO to be held by a woman	**Yes (Chair)**	Yes (Chair)	Yes (SID)
% of females in leadership teams	**25% (13 out of 51)**	24% (13 out of 55)	29% (17 out of 58)

The FTSE Women Leaders Review defines “leadership teams” as members of the executive committee and their direct reports (excluding administrative and support staff). At Weir, "leadership teams" for the purposes of the FTSE Women Leaders Review therefore comprise the Group Executive and any roles at job role bands 4 or 5 which report to a member of the Group Executive.

We use this same group of individuals to report on gender diversity of senior management and their direct reports for the purposes of Provision 23 of the UK Corporate Governance Code.

We are pleased with the progress we continue to make on female representation at Board level. While progress at the leadership team level is being made, we are seeking to accelerate this in spite of the challenges we face as a result of operating in an historically male-dominated industry. The Group Executive remains committed to achieving an improved gender balance amongst the leadership teams category over the next few years, including through strengthened communication of our gender diversity targets and increasing accountability for their delivery.

Parker Review

We also continue to support the targets set out in the Parker Review, including the recommendation to set a percentage target by December 2023 for ethnic minority representation amongst senior management, to be achieved by December 2027.

In line with the Parker Review reporting cycle, all data for our Board-level ethnicity disclosures is shown at the snapshot date of 31 December in each reporting year.

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Number of directors from an ethnic minority background	**2**	2	2

The Parker Review defines “senior management” as members of the executive committee (or equivalent) and those senior managers who report directly to them – this is aligned with the definition of "leadership teams" in the FTSE Women Leaders Review. At Weir, “senior management” for the purposes of the Parker Review therefore comprises the Group Executive and any roles at job role bands 4 or 5 which report to a member of the Group Executive.

This year, **we have set a target of 14% ethnic diversity amongst our senior management team by the end of 2027**. Currently, 4% of our senior management population has self-declared as being ethnically diverse for the purposes of the Parker Review. The target we have selected therefore seeks to more than double our performance in this area, while recognising that there may be scope to set a more stretching goal as we see progress in both gender and ethnic diversity in due course.

Election and re-election of Directors

With the exception of Srinivasan Venkatakrishnan (who will step down from the Board from 31 March 2024) and Sir Jim McDonald (who will be stepping down from the Board at the conclusion of the meeting), the Company will submit all eligible Directors for re-election, and in the case of each of Andy Agg, Brian Puffer and Penny Freer, election for the first time at the Company’s annual general meeting in April 2024.

As part of making any recommendation to the Board in respect of elections or re-elections, the Nomination Committee assesses each Director, including considering: their performance on the Board and its Committees; the findings of the Board performance review; their attendance record during the year and their other time commitments outside Weir; and their contribution to the long-term sustainable success of the Company. For Non-Executive Directors, the Committee also considers whether each individual Director continues to be considered independent for the purposes of the UK Corporate Governance Code. You can read more on our independence assessment on page 88.

In accordance with the UK Corporate Governance Code, the notice of Annual General Meeting sets out the specific reasons why each Director’s contribution is, and continues to be, important to the Company’s long-term sustainable success.

Nomination Committee effectiveness

The Nomination Committee’s performance was reviewed during the year as part of the 2023 Board performance review process facilitated by IBE, further details of which are set out on page 89.

The Nomination Committee continues to fulfil its responsibilities effectively. The review highlighted that the Nomination Committee had made significant progress on the prior year, including progress against the recommendations set out in the Board performance reviews undertaken in 2021 and 2022. In particular, the Nomination Committee's expanded remit in relation to talent development and succession planning has enabled it to undertake important work during the year in this area, and it will want to establish an appropriate cadence for these topics going forwards.

Find out more

Inclusion, Diversity & Equity policies can be viewed on our website: www.global.weir/sustainability/policies

Board performance review See page 89

Audit Committee report

Stephen Young
Chair of the Audit Committee

Role of the Committee

The Audit Committee is responsible for providing effective governance over the Group's financial reporting and making appropriate recommendations to the Board. This includes reviewing the effectiveness of the risk management and internal control frameworks, reviewing significant financial reporting judgements and reviewing the activities of Internal Audit. The Committee is also responsible for appointing the external auditor, approving fees and assessing audit quality and independence.

Committee evaluation

The Audit Committee's performance was reviewed during the year as part of the 2023 Board performance review process facilitated by Independent Board Evaluation, further details of which are set out on page 89 The Audit Committee continues to fulfil its responsibilities effectively, with the review noting that the Audit Committee handles its remit extremely well.

Audit Committee members and meeting attendance

Members	Attendance
Stephen Young (Chair)	4/4
Clare Chapman	0/2
Ebbie Haan	2/2
Tracey Kerr	4/4
Srinivasan Venkatakrishnan	4/4

The Company Secretary, Graham Vanhegan, acts as Secretary to the Committee. Members have been selected with the aim of providing the wide range of financial and commercial expertise necessary to fulfil Committee responsibilities. Individual biographies have been presented on pages 73 to 76.

Clare Chapman stood down from the Committee on 27 February 2023 and Ebbie Haan on 27 April 2023, and, as announced on 27 February 2024 Srinivasan Venkatakrishnan will be stepping down from the Board on 31 March 2024. I would like to thank Clare, Ebbie and Venkat for their contributions to the Committee during their tenures. I would also like to welcome to the Committee Penny Freer, having joined with effect from 15 December 2023, and Andy Agg, having joined with effect from 27 February 2024.

Find out more

The full responsibilities of the Audit Committee are set out in its Terms of Reference which are reviewed annually and available at:

https://www.global.weir/globalassets/investors/role-of-the-board/the-weir-group-plc---audit-committee-terms-of-reference--2023.pdf.

Dear Shareholder,

I am pleased to present our report for the year ended 31 December 2023, which outlines how the Committee has fulfilled its key objective of providing effective governance over the Group's financial reporting during the year, and also highlights our key priorities for 2024.

2023 highlights

In addition to our routine business, we:

- Continued to monitor preparations to address UK Corporate Governance reforms.
- Considered the findings from the external review of the effectiveness of the Internal Audit function.
- Reviewed and considered the adequacy of current levels of assurance over key, strategic non-financial metrics, such as environmental, health and safety and diversity measures.
- Reviewed the updated Group Crisis Management Plan.

Areas of focus 2024

The key areas of focus for the Audit Committee in 2024 will be:

- Ongoing oversight of the Group's response to the revised UK Corporate Governance Code as regards internal controls.
- Reviewing any changes to the Company's procedures for detecting fraud in response to the failure to prevent fraud offence introduced by The Economic Crime and Corporate Transparency Act 2023.
- Confirming the adequacy of the control environment of the newly established Weir Business Services and monitoring the stability of controls during transition, supported by Internal Audit.
- Reviewing the Group's ESG assurance roadmap, supported by Internal Audit, with a view to ensuring appropriate plans are in place to meet regulatory requirements as they emerge.
- Preliminary planning for the audit tender which is required to be concluded for the year ending 31 December 2026.

Stephen Young
Chair of the Audit Committee

29 February 2024

Audit Committee report
continued

MAIN ACTIVITIES OF THE AUDIT COMMITTEE
The main activities of the Audit Committee are outlined below. We meet four times during the year and have met twice since the year end. Each Committee meeting normally takes place prior to a Board meeting, at which an update on Committee activities is provided. We have the ability to call on Group employees to assist in our work and to obtain any information required from Executive Directors in order to carry out our roles and responsibilities. We are also able to obtain outside legal or independent professional advice if required.

(i) Financial reporting
Our principal responsibility in this area is the review and challenge of the actions and judgements of management in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:

- critical accounting policies and practices, and any changes therein;
- decisions requiring significant judgements or estimates or where there has been discussion with the external auditor;
- the existence of any errors, adjusted or unadjusted, resulting from the audit;
- the clarity of the disclosures and compliance with accounting standards and relevant financial and governance reporting requirements;
- an assessment of the adoption of the going concern basis of accounting and a review of the process and financial modelling underpinning the Group's Viability statement;
- how the impact of climate change is considered and reflected in the financial statements and related assessments; and
- the processes surrounding the compilation of the Annual Report and Financial Statements with regard to presenting a fair, balanced and understandable assessment of the Group's position and prospects.

(ii) Internal control and risk management
While overall responsibility for the Group's risk management and internal control frameworks rests with the Board, the Audit Committee has a delegated responsibility to keep under review the effectiveness of the systems supporting these. Further details on accountability for Risk Management are provided in the Corporate Governance Report on page 90.

Our work in this area is supported by reporting from the Group Head of Internal Audit on the results of the programme of internal audits completed; the overall assessment of the internal control environment, with reference to the results of their work and the results from the self-assessed Compliance Scorecards; and in addition, reporting, either verbal or written, from Senior Management covering any investigations into known or suspected fraudulent or inappropriate activities. We take comfort from work undertaken for the Board on a review of the sources of assurance, which are mapped against the principal risks (see (iii) Internal audit). In addition, the Committee take comfort from the audit work performed and conclusions reached by PwC over the controls environment of the Group's critical IT systems.

The Committee also receives regular reporting on the Group's Ethics and Compliance related activities from the Chief Compliance Officer, as well as the Group Head of Internal Audit. This includes reviewing the Group's Ethics Hotline programme, which provides a mechanism for employees with concerns about the conduct of the Group or its employees to report their concerns. The Committee ensures that appropriate arrangements are in place to receive and act proportionately on any complaint about malpractice, in financial reporting or otherwise.

The Committee also receive presentations from each Divisional VP of Finance, Group Head of Tax, Group Treasurer, Group Head of Risk and Insurance and Group Chief Information Security Officer.

(iii) Internal audit
The Committee has a responsibility to monitor the effectiveness of the Group's Internal Audit function. During the year, the Group Head of Internal Audit provides the Committee Chair with copies of all internal audit reports, and presents the results of audit visits and progress against the internal audit plan to the Committee, with particular focus on high priority findings and the action plans, including management responses, to address these areas. Private discussions between the Committee Chair and the Group Head of Internal Audit are held during the year as required and at least once a year with the full Committee.

These updates, combined with Compliance Scorecard reporting, provide broad coverage of the Internal Audit function and a good sense of the control environment. This also allows the Committee to ensure the function is effective, which includes assessing the independence of the function, ensuring that it is adequately resourced and has appropriate standing within the Company.

One of the main duties of the Committee is to review the Annual Internal Audit Plan and to ensure that Internal Audit remains focused on providing effective assurance. As part of the Group's risk management procedures, key sources of assurance are mapped against the Group's core processes and this is used to ensure internal audit planning considers wider internal assurance risk indicators.

The factors considered when deciding which businesses to audit and the scope of each audit are, amongst other things, critical system or Senior Management changes, financial results, assessments from other assurance reviews undertaken, whistleblower report instances and whether the business is a recent acquisition. The timing of the most recent visit and consideration of the number of visits to each operating company in the Group on a cyclical basis is also taken into account. In addition, the emergence of any common themes or trends in the findings of recent internal audits or Compliance Scorecard submissions is taken into consideration. Planning is further assisted by a risk modelling tool for dynamic risk prioritisation of audits.

(iv) External audit
The Committee is responsible for recommending to the Board the appointment, re-appointment, remuneration (including non-audit services) and removal of the external auditor. The external auditors are PwC who were first appointed for the financial year commencing 1 January 2016 following a competitive tender process. The Committee has complied with the Competition and Markets Authority Order 'The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014' during the financial year ended 31 December 2023.

When considering whether to recommend the re-appointment of the external auditor, the Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted, and the ongoing independence and objectivity of the external auditor. The next audit tender process is required to be concluded for the year ending 31 December 2026, subject to the ongoing satisfactory performance of PwC in the intervening period.

Should the external auditor resign, the Committee would be responsible for investigating the issues surrounding the resignation and consider whether any action is required.

(v) Non financial reporting
In response to emerging requirements, the Committee are taking more of an active role in considering sustainability matters and reporting, particularly in relation to the assurance of environmental, social and governance metrics.

Audit Committee report
continued

AUDIT COMMITTEE MEETING CALENDAR

The below calendar of activities sets out the matters discussed and outcomes reached at each of the Committee meetings. This reflects Committee meetings whereby content relevant to the 2023 financial year was discussed.

July 2023

- Reviewed the findings from the internal audits performed to date and the results from the H1 2023 compliance scorecard.
- Received an update on the anticipated impact of the UK Corporate Governance reforms.
- Considered the findings from the ESG assurance work undertaken and noted the next steps to develop the broader ESG assurance roadmap.
- Reviewed and confirmed external auditor effectiveness.
- Reviewed PwC's draft audit plan and agreed to recommend approval of the plan to the Board.
- Reviewed the key judgemental issues, PwC's interim review findings and the interim financial statements; agreed to recommend approval of PwC's letter of representation, key accounting judgements and the financial statements to the Board.
- Received the annual update from the ESCO Division VP of Finance & Accounting.
- Held private session with the external auditors.

October 2023

- Reviewed the findings from further internal audits performed.
- Received an update to PwC's audit plan and agreed to recommend approval of the plan and fees to the Board.
- Received annual updates in relation to Ethics & Compliance, Crisis Management and Treasury Strategy & Risk.
- Received an update in respect of Weir Business Services, part of the Group's Performance Excellence programme.
- Received the annual update from the Minerals Division VP of Finance & IT.
- Reviewed the Committee's terms of reference and agreed to recommend approval of the updated terms to the Board.

January 2024

- Reviewed the findings from the remaining 2023 internal audits.
- Confirmed the independence of the Internal Audit function.
- Considered the findings from the external quality review of the Internal Audit function.
- Approved the 2024 Internal Audit strategy, charter and plan.
- Considered the judgements relating to 2023 and responses from PwC in relation to management conclusions presented.
- Received an update on the status of the Annual Report and Financial Statements preparation.
- Considered the risk management and internal controls effectiveness review and agreed to recommend to the Board that the Group's risk management and internal control frameworks remain effective.
- Noted the results of the committee effectiveness review.
- Held private session with the Head of Internal Audit.

February 2024

- Reviewed the results of the H2 2023 compliance scorecard.
- Received an update on the anticipated impact of the revised UK Corporate Governance Code.
- Received a progress update in relation to the development of the ESG assurance roadmap.
- Received annual updates in relation to Risk Management and Tax Strategy and Risk.
- Considered the remaining key judgements relating to 2023 including a review of the going concern assessment.
- Considered the responses from PwC in relation to the key judgements and other audit findings.
- Reviewed the draft financial statements with particular focus on disclosures in relation to judgemental issues.
- Agreed to recommend approval of PwC's letter of representation, the key accounting judgements and the financial statements to the Board.
- Confirmed the independence of PwC.
- Reviewed the results of viability modelling; considered the process supporting the fair balanced and understandable review; and reviewed the Audit Committee Report; agreeing recommendations for approval to the Board in respect of each.
- Held private session with the External Auditors.

Audit Committees and the External Audit: Minimum Standard

The Company and its Audit Committee apply the 'Audit Committees and the External Audit: Minimum Standard' (the Standard) published by the FRC in 2023. This Committee report describes how and the extent to which the Company has complied with the provisions of the Standard during 2023.

There were no shareholder requests for certain matters to be covered in the audit during the year and there were no regulatory inspections of the quality of the Company's audit. An explanation of the application of the Group's accounting policies is provided in note 2 to the financial statements.

Audit Committee report
continued

The following pages provide further detail of Committee activity in relation to the current financial year.

(i) Financial reporting
Exceptional items, other adjusting items and provisions have been the main areas of financial reporting focus in 2023. The Committee received and reviewed details of exceptional and other adjusting items, which include costs in relation to the Group's Performance Excellence programme, the reversal of previously taken provisions in relation to the wind down of Russia operations and the charge in relation to the US subsidiary's legacy asbestos-related liabilities, which followed the planned triennial actuarial valuation.

During its meetings, the Committee challenged management assumptions, judgements and estimates. With regard to the US subsidiary's asbestos-related liabilities, the Committee received detailed reporting in respect of the findings and associated financial modelling from the latest triennial actuarial review and gave careful consideration to the associated disclosures within the Annual Report.

Further detail on these and other financial reporting matters discussed in the current year and recurring agenda items can be found on pages 103 to 108.

(ii) Internal control and risk management
During 2023, the Committee were updated on the work performed in the year by the Compliance team. This included progress in relation to automating sanctions screening, therefore reducing reliance on manual controls, moving forward with work in relation to Human Rights legislative requirements, increasing awareness of the Ethics Hotline as a reporting tool and general re-enforcement across all aspects of compliance. The Committee were reminded of the ongoing training provision in areas such as the Group’s Code of Conduct, anti-trust and anti-bribery.

The Committee also received presentations from each Divisional VP of Finance. These presentations included a review of the Divisional risk dashboards, significant findings from internal audit visits and recent Compliance Scorecard process results, control themes and areas of focus, as well as an overview of their Divisional finance leadership teams. In addition, the Committee were updated on progress of strategic initiatives, including Performance Excellence initiatives and the associated impacts in each Division.

Focus is given to the strength and depth of the finance team’s capability; the quality and efficiency of responses to findings of internal audit visits, including whether learning has been shared more widely across the Group to mitigate the risk of recurrence and to share good practice; the quality of the discussion around Divisional risk dashboards; and, progress against strategic initiatives.

The Committee also received annual updates on Tax and Treasury Strategy and Risk Management.

In October, the Committee received a Crisis Management update from the Group Chief Information Security Officer. This followed the creation of a crisis management working group in 2022 and provided the Committee with an update on work carried out by this group during the year. The Committee were advised that a new Crisis Management Plan has been created and scenario testing performed with the Group Executive, supported by an external specialist consultancy firm. The Committee were advised the feedback from the scenario tests was positive with lessons learned from the exercise being incorporated into final internal documentation and processes.

Performance Excellence
The Committee also received an update from the VP Transformation in relation to the functional transformation element of the Group's Performance Excellence programme. This provided the Committee with an overview of the methodology supporting the transition to Weir Business Services, focusing on the internal controls aspects of the transition, risks and mitigations.

Compliance scorecard
The Compliance scorecard is a control mechanism whereby each operating company undertakes self-assessments every six months of their compliance with Group policies and procedures, including key internal controls across a range of categories including finance, anti-bribery and corruption, tax, treasury, trade and customs, HR, cybersecurity, IT and legal. As far as the elements relating to finance are concerned, these cover (but are not limited to) management accounts and financial reporting, balance sheet controls and employee costs. The scorecard process has been extended in recent years to cover areas of non-financial reporting such as scope 1&2 emissions and Total Incident Rate reporting. Each operating company is expected to prepare and execute action plans to address any weaknesses identified as part of the self-assessment process.
Operating companies are required to retain evidence of their testing in support of their self-assessment responses. Internal audit has responsibility for confirming the self-assessment during planned audits. Any significant variances are reported to local, Divisional and Group management. Any companies reporting low levels of compliance are required to prepare improvement plans to demonstrate how they will improve over a reasonable period of time. The overall compliance scores (as a percentage) are tracked over time and reported to the Audit Committee twice a year, with the Committee paying particular attention to the variances between self-assessed and Internal Audit assessed scores as well as trends and the performance of newly acquired companies.

(iii) Internal audit
The results of internal audits and the compliance scorecard process through 2023 have continued to be positive, providing comfort over the control environment across both divisions and Corporate. Few high priority actions were identified and audit actions continue to be closed out efficiently and effectively.

	2023	2022
Completed internal audits	**31**	27

The Committee were also updated on work done in collaboration with the Data and Digital team to enhance Internal Audit's access to data and work being done with Group Sustainability and Group Finance to determine the approach and resource necessary to provide appropriate assurance in relation to ESG data.

Internal audit plan
The 2024 plan continues to focus the largest proportion of resource on financial assurance reviews whilst incorporating wider risk assurance coverage, both financial and non-financial, as described below:

- Reviews are undertaken to assess compliance with Weir’s Code of Conduct procedures, including anti-bribery and corruption; this includes areas, such as policy and procedures, employee training, relationships with agents, accounting for employee expenses and corporate hospitality and gifts.
- The IT assurance programme for 2024 will focus on areas such as responsible AI framework review and supply chain effectiveness.
- ESG assurance will be a key feature of the 2024 plan, including review of the framework under development for ESG assurance and assessing key risks and controls as well as Internal Audit performing assurance and assurance readiness reviews.
- Wider risk assurance projects with a particular focus on Performance Excellence initiatives.
- An element of the Annual Plan is reserved for assurance coverage of any emerging risk or regulatory changes, including UK Corporate Governance reforms.

The Committee considered and approved the 2024 Internal Audit Strategy and Plan noting the inclusion of Performance Excellence and ESG assurance activity in particular.

Audit Committee report
continued

Internal Audit effectiveness
An external effectiveness review was performed by BDO LLP during the year. The review assessed Internal Audit against the professional Internal Audit Standards set out in The Global Institute of Internal Auditors' International Professional Practices Framework. The review also consisted of questionnaires to senior finance management. The review concluded that Internal Audit were performing well, conforming to required standards and comparing well to peers.

(iv) External audit
2023 Audit
Audit risks identified by PwC have changed from last year to reduce the audit risk for the valuation of pension assets from significant in the prior year to normal for the current year. This follows the pension buy-in during 2023 which has significantly decreased the volume of complex invested assets. Key audit matters are included in their Audit Report on pages 138 to 143.

The Group audit team visited the Netherlands in 2023 and field work has been carried out on a hybrid basis by component teams across the globe. Well established procedures are in place for component audit supervision and remote file reviews.

Auditor effectiveness
The effectiveness of the external audit process is highly dependent on appropriate audit risk identification at the start of the audit cycle and the quality of planning. PwC present their detailed audit plan to the Committee each year, identifying their assessment of the key risks, amongst other matters.

Our assessment of the effectiveness and quality of the audit covers a number of other matters, including consideration of the auditors judgement, skills and culture, a review of the reporting from the auditors to the Committee, a review of the latest FRC Audit Quality Inspection & Supervision Report and also by seeking feedback from management and Internal Audit on the overall conduct and effectiveness of the audit process and whether the agreed audit plan and any commitments made during the tender process have been met. This includes whether the auditors are considered to have a good understanding of the Group's business and sufficient knowledge of the industry, whether the level of challenge provided by the auditors is deemed appropriate and whether recommendations have been acted upon (and if not, why not).

Overall, management were satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process as satisfactory. It was also noted that the hybrid mixture of remote and on-site working through the 2022 audit process was effectively managed and efficient.

In addition, during 2023 the Committee were provided with a summary of the FRC's Audit Quality Inspection and Supervision Report. This showed a slight reduction in inspection results for PwC audits selected for review compared to the prior year, with no audits identified as requiring significant improvement.

The Committee held two private meetings with the external auditor in 2023. This provided opportunity for open dialogue and feedback from the Committee and the auditor without Executive management. Matters discussed included the auditors assessment of business risks and management activity thereon, the key audit firm and network level controls the auditors relied upon to address any identified risks to audit quality, the transparency and openness of management interactions, confirmation that there has been no restriction in scope placed on them by management and how they exercised professional scepticism and challenged management assumptions.

The Audit Committee Chair also meets with the PwC Group Engagement Leader outside the formal Committee process as necessary through the year. Such interactions are also important in the assessment of quality. Based on the work carried out and the FRC Audit Quality Inspection and Supervision Report, the Committee are of the view that the quality of the audit process is satisfactory.

Independence policy and non-audit services
A formal policy exists which provides guidelines on any non-audit services which may be provided and ensures that the nature of the advice to be provided cannot impair the objectivity of the auditor's opinion on the Group's Financial Statements.

The policy makes it clear that only certain types of service are permitted to be carried out by the auditors. All permitted non-audit services require the approval of the Chief Financial Officer and, where the expected cost of the service is in excess of £75,000, the approval of the Audit Committee Chair. If non-audit fees approach £0.5m during a calendar year, the Committee will consider imposing additional restrictions.

The auditor confirms their independence at least annually. The independence rules allow a maximum of five years as engagement leader of the Group. Kenneth Wilson is in his third year as PwC Group Engagement Leader.

Fees payable to PwC in respect of audit services, as set out in the table below, were approved by the Committee after a review of the level and nature of work to be performed and after being satisfied by PwC that the fees were appropriate for the scope of the work required.

The audit-related assurance work is primarily in relation to PwC's review of the half year results. The non-audit fees are primarily attributable to the appointment of PwC for assistance in the Offering Memorandum required for the five-year £300m Sustainability-Linked Notes. We are of the view that the level and nature of non-audit work does not compromise the independence of the external auditor.

Having considered the relationship with PwC, their qualifications, expertise, resources and effectiveness, the Committee concluded that they remained independent and effective for the purposes of the 2023 year end. As a result, the Committee recommended to the Board that PwC should be re-appointed as auditor at the next AGM.

	2023 (£m)	**2023 (% of total fees)**	2022 (£m)	2022 (% of total fees)
Audit services	**4.0**	**93 %**	3.8	97 %
Audit-related assurance services	**0.1**	**2 %**	0.1	3 %
Non-audit fee work	**0.2**	**5 %**	0.0	— %
Total fees	**4.3**	**100 %**	3.9	100 %

(v) Non financial reporting
In July 2023, the Committee received a report on ESG assurance, focusing on a preliminary evaluation of the existing reporting and control framework in relation to several key strategic ESG metrics. The objective of the report was to provide the Committee with an overview of the current and anticipated regulatory landscape and its impact on Weir, other ESG reporting and assurance obligations and how the Group intends to meet these requirements. Next steps were agreed to develop a broader ESG assurance roadmap which the Committee expect to be further updated on through 2024.

Engagement with external regulators
We are pleased to report that the Financial Reporting Council (FRC) included extracts from Weir's 2022 Annual Report & Accounts as examples of good practice in their "Review of Corporate Reporting" published in November 2023. The first extract was in relation to scope 3 emissions and the second was in relation to how we monitor and review the effectiveness of the Group's risk management and internal control frameworks. The FRC is committed to improving the quality of corporate reporting and their publication is intended to set out the FRC's view on the attributes of a good annual report and accounts in order to drive continuous improvement in the quality of reporting. The FRC's role is not to verify the information.

Audit Committee report
continued

Current year matters

Exceptional and adjusting items

The issue
Management exercises judgement on the classification of certain items as exceptional or adjusting.

Role of the Committee
We have received detailed reporting covering the following exceptional and other adjusting items:

i. overview of acquisition and integration related costs;

ii. the net credit in the year resulting primarily from the reversal of provisions taken in the prior year in relation to the wind down of our Minerals Russia operations;

iii. details of the costs incurred in relation to the Group's Performance Excellence programme which includes costs in relation to lean and capacity optimisation initiatives across North America, South America and Australia, and costs relating to the transition to Weir Business Services;

iv. details of the charge in respect of the US subsidiary's asbestos-related liabilities; and

v. disclosure of the amounts and related narrative reporting.

Our work has focused on ensuring that exceptional items met the criteria as such due to their size, nature and/or frequency, and, other adjusting items met the criteria being legacy items not relatable to current and ongoing trading.

We reviewed the detail of the net credit in respect of the Minerals Russia business wind down. Having reviewed this, we are satisfied that the reversal of the inventory and receivables impairments is appropriate following higher than anticipated recoveries since the provisions were booked in December 2022, at a time when there was still considerable uncertainty. In addition, we are comfortable that additional provision was made for new exposures which emerged in the year. We are satisfied that the additional provision and the credit arising from reversals of prior year provisions are appropriately reflected as exceptional items, consistent with the prior year.

We reviewed the charges in respect of the Group's Performance Excellence programme and confirm we are satisfied with their classification as exceptional items due to size and nature. Lean and capacity optimisation initiatives include service centre restructuring and the relocation of various distribution, manufacturing and production activities in North America, Australia and South America with costs largely related to severance. Costs in relation to Weir Business Services primarily reflect consulting and other costs associated with the establishment of Weir Business Services.

We received detailed reporting in respect of the findings and associated financial modelling from the latest US asbestos-related provision triennial actuarial review. The Committee noted the continuation of higher claims in the year with these trends also reflected in the updated actuarial review and resulting in the higher provision at 31 December 2023. The Committee are satisfied that the charge in the Consolidated Income Statement and its classification as an adjusting item is appropriate (see provisions section for further details).

We noted the exceptional and adjusting items reflected the way in which we, as members of the Board, reviewed the performance of the Group and were disclosed appropriately and consistently.

PwC reviewed all exceptional and adjusting items, testing a sample to supporting documentation and performing a detailed review of the latest US asbestos-related provision triennial actuarial review and associated financial modelling. Discussions were held with management to understand and challenge the assumptions and judgements, most notably with the US asbestos-related provision and Performance Excellence costs. PwC assessed the appropriateness of classification of all items as exceptional or adjusting items and confirmed the treatment and related disclosures were appropriate.

Consideration was also given to the current balance sheet position of all related provisions, including both new provisions and those remaining from previous years, with management providing details of the remaining liabilities and expected utilisation.

Conclusion
The Committee agrees with the accounting treatment and disclosure of these items in the Annual Report.

Find out more
See notes 6 and 22 of the Group Financial Statements

Audit Committee report
continued

Current year matters continued

Acquisition accounting for Motion Metrics

The issue
Management exercises judgement on the probability of contingent consideration becoming payable.

Role of the Committee
We received an update on the assessment of contingent consideration and the related disclosures in the financial statements displayed in note 14.

We considered the treatment of contingent consideration and agreed with the decision to continue to record this as nil and reassess at the next balance sheet date in light of ongoing performance.

PwC concurred with the treatment.

Conclusion
The Committee agrees with the conclusion reached on Motion Metrics contingent consideration in this Annual Report.

Acquisition accounting for Carriere Industrial Supply

The issue
Management exercises judgement on the type of intangible assets acquired and estimates are made of the fair value of all assets and liabilities.

Role of the Committee
We received a summary report from management which outlined:

i. the finalisation of the opening balance sheet required no adjustment to be made to the fair values reported in the 2022 Annual Report;

ii. the movements in deferred consideration in the year; and

iii. the related disclosures in the financial statements displayed in note 14.

We considered the finalisation of the opening balance sheet and movements in deferred consideration and agree with the accounting for these. We received confirmation from PwC that management's assumptions and calculations were appropriate.

Conclusion
The Committee agrees with the finalisation of the Carriere Industrial Supply Limited acquisition accounting and related disclosures in this Annual Report.

Acquisition accounting for Sentiantechnologies AB (SentianAI)

The issue
Management exercises judgement on the type of intangible assets acquired and estimates are made of the fair value of all assets and liabilities.

Role of the Committee
We received a summary report from management which outlined:

i. the provisional fair values;

ii. the consideration paid and deferred consideration payable;

iii. the contingent consideration arrangements as outlined in the share purchase agreement; and

iv. the related disclosures in the financial statements displayed in note 14.

We reviewed the provisional fair values, noting these are subject to finalisation within 12 months of acquisition. We considered the treatment of contingent consideration and agreed with the decision to record this as nil and reassess at the next balance sheet date in light of ongoing performance.

PwC concurred with the treatment.

Conclusion
The Committee agrees with the provisional fair values and related disclosure of the SentianAI acquisition in this Annual Report including the contingent consideration.

Find out more

See note 14 of the Group Financial Statements

Audit Committee report
continued

Recurring agenda items

Impairment

The issue
Management undertakes an annual detailed, formal impairment review of goodwill and other intangible assets, with judgements made on the relevant Cash Generating Units (CGUs) and estimates of available headroom.

Role of the Committee
The Group has two CGUs: Minerals and ESCO. The goodwill and other intangibles assets arising from the acquisition of SentianAI have been included within the Minerals CGU. The purchase price is considered to reflect the fair value of the assets and therefore the addition to the Minerals CGU is considered to have neutral impact on the impairment analysis.

The most significant estimates are in setting the assumptions underpinning the calculation of the value in use of the CGUs. We specifically reviewed:

i. the achievability of the long-term business plan numbers and macroeconomic assumptions underlying the valuation process; and

ii. long-term growth rates and discount rates used in the cash flow models for the CGUs.

Business plans and budgets were Board-approved and underpin the cash flow forecasts.

We noted that the impairment testing results for both CGUs produce significant headroom above carrying value for each and, as such, no sensitivity analysis was required. We discussed management's approach, the underlying plans which form the basis of the impairment review and the assumptions in relation to long-term growth and discount rates. We concluded the methodology and rates applied to be consistent and appropriate. We also reviewed the disclosures in the financial statements and the related narrative.

Further to their work benchmarking management's assumptions against their independently determined ranges and challenging underlying business plans, we also received confirmation from PwC that they are in agreement with management's conclusions.

Conclusion
We are satisfied that the impairment analysis supports the carrying value of the underlying assets in the CGUs and that no sensitivity disclosures are required.

Find out more
See note 15 of the Group Financial Statements

Inventory valuation

The issue
Management applies estimates on inventory valuation and provisioning.

Role of the Committee
Given the significant investment in inventory, and being cognisant of the impact of commodity cycles, this remains a judgement for specific consideration. Reporting has been received from management on the business drivers behind movements in both gross inventory and the related slow-moving and obsolete provision.

Conclusion
Based on the information provided, the Committee concluded that management action had been effective and that the level of provisioning appeared adequate.

Find out more
See note 17 of the Group Financial Statements

Pensions

The issue
The valuation of pension liabilities can be materially affected by the assumptions utilised by management on areas such as discount and inflation rates.

Role of the Committee
We received details of the key assumptions underpinning the valuation, taking assurance from the fact that external advice had been taken by the Company and that PwC had benchmarked these assumptions to their own internal ranges and consider them appropriate.

We noted the UK Main Scheme completed a further pensioner buy-in during the year, the accounting impact of which was not material but importantly this provided further de-risking of the scheme. We noted that PwC reduced the audit risk for the valuation of pension assets from significant in the prior year to normal for the current year following this buy-in transaction.

We noted the overall pension surplus reduced in the year primarily due to changes in market conditions impacting the financial assumptions.

The Committee are satisfied with the recognition of the asset on the Consolidated Balance Sheet. PwC concurred with this treatment.

Conclusion
The Committee is satisfied with the assumptions and related pension disclosures, including the appropriateness of continuing to recognise an asset in respect of the UK Main Scheme.

Find out more
See note 24 of the Group Financial Statements

Audit Committee report
continued

Recurring agenda items

Provisions

The issue
Significant balance sheet provisions are underpinned by management's key judgements on obligating events and timeframes over which a reliable estimate for provision values can be made.

Role of the Committee
As mentioned in the 'Exceptional and adjusting items' section above, we received detailed reporting in respect of the US asbestos-related provision and corresponding insurance asset. This included actual claims experience, the US asbestos-related provision planned triennial actuarial update undertaken in 2023 and the associated updated financial modelling, the results of which have led to an increase in the provision in the year and a reduction in the corresponding insurance asset. The Committee's focus was centred on gaining an understanding of:

i. actual claims and settlement data in the year;

ii. revised claims projections and estimated future settlement rates and values;

iii. their relation to the assumptions that underpin the discounted cash flow model;

iv. the period over which the liability can be reasonably estimated;

v. the position with regard to availability of insurance cover; and

vi. the adequacy and transparency of the disclosures in note 22.

This reporting confirmed the 2023 claims experience continued to trend higher than that modelled as part of the 2020 triennial actuarial review. Average settlement values have remained broadly stable for Mesothelioma cases and lower for Lung Cancer cases. However, settlement rates were slightly higher than that modelled for Mesothelioma and slightly lower for Lung cases. The Committee noted these trends were reflected in the updated triennial actuarial review, as well as the lengthening of the industry standard epidemiological decay model, resulting in an overall increase in the provision of £23.5m.

The reporting also considered the insurance coverage and confirmed that, based on the updated financial modelling, this is now expected to be sufficient to meet settlement and associated costs until early to mid 2025. The insurance asset reduced to £14.9m at 31 December 2023 (2022: £32.0m).

The Committee considered the ongoing appropriateness of basing the provision on ten years of projected claims (16 years for cash flows) and concluded it continues to be appropriate due to the inherent uncertainty resulting from the changing nature of the US litigation environment.

Taking the observed claims experience and updated triennial actuarial review under consideration and having discussed and challenged management assumptions and judgements in detail, the Committee are satisfied with the overall level of provisioning, the related insurance asset and the charge to the Consolidated Income Statement. A charge of £43.2m has been recognised in the Consolidated Income Statement and a net liability on the Consolidated Balance Sheet of £61.3m (2022: £20.7m).

The Committee also carefully reviewed the disclosures in the Annual Report, including the sensitivity analysis, and are comfortable that the disclosures presented by management are appropriate, particularly in light of continued inherent uncertainty in this area.

PwC's work in this area included a review of current year experience, the latest triennial actuarial review, management's updated financial model and the resulting impact on the financial statements. PwC provided confirmation that management's assumptions were reasonable and disclosures were appropriate.

With regard to other provisions (other than inventory), we received details of the nature of each provision and explanations of the key movements between the opening and closing balances. The Committee are satisfied with the accounting treatment and related disclosures in respect of other provisions in the financial statements.

Conclusion
We are satisfied that the current provisioning levels and approach are appropriate, as is the recognition of an insurance asset in relation to the US asbestos-related provision.

We have reviewed the disclosures with respect to the US asbestos-related provision, including sensitivity analysis and are satisfied with the disclosures.

Find out more
See note 22 of the Group Financial Statements

Audit Committee report
continued

Recurring agenda items continued

Tax charge and provisioning

The issue
The tax position is complex, with a number of international jurisdictions requiring management's judgement with regard to effective tax rates, tax compliance and tax provisioning.

Role of the Committee
The Committee receives a detailed report every six months, which covers the following key areas:

i. status of significant ongoing enquiries and tax audits with local tax authorities;

ii. the Group's effective tax rate for the current year; and

iii. the level of provisioning for known and potential liabilities, including significant movements on the prior period.

The Committee also receives an annual presentation on tax strategy and risk from the Group Head of Tax.

In recent years significant tax focus has been in respect of certain balance sheet deferred tax assets (DTA) which arose from the disposal of the Oil & Gas Division and which would remain available to the Group to offset future US taxable income of the continuing operations. The recognition of these assets in the future would depend on the level of future US profitability and the US tax law in force at that point in time.

The Committee were updated on the latest DTA modelling undertaken, which was based on the Group's latest Strategic Plan to forecast levels of future US group taxable income over a ten-year period. This concluded that it continued to remain appropriate to recognise the net DTA, which amounted to US$76.6m (£60.0m) at 31 December 2023. A key judgement in arriving at the supportable net DTA is the Group's current strategy of deferring the cash settlement of intra-group interest in respect of internal US loan financing. The Group will continue to monitor the US group's levels of taxable income and performance against the modelling undertaken and current assumptions around interest payment deferral, together with the impact of any reforms to the US tax code, in order to evaluate the appropriate ongoing level of balance sheet DTA in future periods.

The Committee were also updated on the Pillar 2 Global Minimum Tax rules and the associated impact assessment on the Group as well as the related disclosures in the financial statements.

Having considered the current year tax charge and provisions, the Committee are satisfied with the appropriateness of these including the continued DTA recognition. The Committee also takes comfort from the work done and conclusions reached by PwC in this area. PwC concurred with the appropriateness of the tax accounting including the continued DTA recognition.

Conclusion
Based on the information reviewed, we are satisfied that the tax charge and provisioning presented in these financial statements, including the recognition of the DTA is appropriate.

Find out more
See notes 8 and 23 of the Group Financial Statements

Fair, balanced and understandable

The issue
The Board is required to state that the Group's external reporting is fair, balanced and understandable. The Committee is requested by the Board to provide advice to support this.

Role of the Committee
The Committee received a report from management summarising the detailed approach that had been taken to ensure that the Group's external reporting is fair, balanced and understandable. This covered, but was not limited to, the following:

i. involvement of a cross section of management across the organisation during the preparation of the external reporting, including the Group Executive, Divisional VPs of Finance, Group Communications, Sustainability, Group Finance (including Group Tax and Group Treasury) and Company Secretariat;

ii. input from external advisers, including Company brokers and public relations agency;

iii. use of disclosure checklists for Corporate Governance and financial statement reporting;

iv. regular research to identify emerging practice and guidance from relevant regulatory bodies;

v. regular meetings involving the key contributors to the document, during which specific consideration was given to the fair, balanced and understandable assertion; and

vi. use of four 'cold' readers; three employees independent of the preparation process (including two members of the Senior Management group) and an external, independent proofreader.

Conclusion
The successful completion of this work has been reported to the Board.

Audit Committee report
continued

Recurring agenda items continued

Going concern

The issue
The Committee's role, as delegated by the Board, is to carry out an assessment of the adoption of the going concern basis of accounting and report to the Board accordingly.

Role of the Committee
We fulfilled our responsibilities in this area through the review and discussion of reporting received from management, which covered the following areas:

i. assessment of borrowing facilities available to the Group;
ii. review of budget and latest forecast information, including debt covenants, and associated financial modelling;
iii. liquidity and credit risk; and
iv. the existence of contingent liabilities.

When considering going concern, we specifically noted the Group completed the issue of £300m five-year Sustainability-Linked Notes in June 2023 and exercised the option to extend its US$800m Revolving Credit Facility (RCF) by one year to April 2028. The Committee also noted the Group reduced its RCF to US$600m in February 2024. Following these actions, the Committee noted the Group retained significant levels of liquidity over an extended maturity profile.

We also reviewed the outputs from financial modelling of future cash flows and the reverse stress testing performed in addition to the base modelling. This stress testing focused on the level of downside risk which would be required for the Group to breach its current lending facilities and related financial covenants. The review indicated that the Group continues to have sufficient headroom on both lending facilities and related financial covenants. The circumstances which would lead to a breach are not considered plausible.

We note the net debt to EBITDA on a lender covenant basis improved to 1.1 times and is in line with the Group's capital allocation policy. We note this is also significantly below the lender covenant of 3.5 times.

Finally, we note the work performed by PwC in this area and their conclusion that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Conclusion
The successful completion of this work has been reported to the Board. The Group's statement on going concern is included on page 136.

Viability statement

The issue
The Board approves the period of assessment, the stress testing scenarios to be modelled and the basis of financial modelling with respect to the Viability statement. The Committee's role, as delegated by the Board, is to review the output of the modelling underpinning the Viability statement and report to the Board accordingly.

Role of the Committee
We fulfilled our responsibilities in this area through the review and discussion of reporting received from management, which covered the following areas:

i. overview of the construct of the financial model and base case data underpinning the sensitivity and stress-test scenarios;
ii. results of financial modelling which reflected the crystallisation of those principal risks identified by the Board as having the greatest potential impact on the Group's viability, both individually and when taken together in a severe but plausible stress-test scenario;
iii. extent of mitigating actions included in the financial modelling, relative to the population of such actions that had been identified as within the control of management and the Board; and
iv. banking covenant calculations and assessment of facility headroom in each of the downside and stress-test scenarios.

Notwithstanding the opportunities that climate change presents to the business, we noted the specific consideration of climate change downside risks in the Group's viability modelling.

The Committee also received confirmation from PwC that they considered management's assessment of the Group's longer-term viability was consistent with the financial statements and their knowledge and understanding of the Group.

Conclusion
The successful completion of this work has been reported to the Board. The Group's Viability Statement is reported on page 70.

Directors' remuneration report

Penny Freer
Chair of the Remuneration Committee

Role of the Committee

The Remuneration Committee is responsible for determining the remuneration policy for the Chair of the Company, the Executive Directors and the members of the Group Executive. The Directors' Remuneration Policy is designed to reflect best practice, align with our purpose and values, incentivise performance and delivery of strategy, and attract and retain senior talent in a competitive labour market. The Committee actively listens to stakeholders in its decision-making process, including the voice of employees and our Shareholders. It also considers wider all-employee remuneration items, such as pay equity and fairness, employee benefit changes and employee share plan design.

Meeting attendance

Members	Attendance
Penny Freer (Chair)[1]	2/2
Clare Chapman[1]	4/4
Dame Nicola Brewer	4/4
Ben Magara	4/4
Stephen Young	4/4

1. With effect from 23 October 2023, Penny Freer was appointed as a member of the Remuneration Committee and with effect from 31 December 2023 succeeded Clare Chapman as Chair of the Committee, when Clare stepped down from the Board.

Find out more

The full responsibilities of the Remuneration Committee are set out in its Terms of Reference, which are reviewed annually and available at:

https://www.global.weir/investors/corporate-governance/board-committees

Dear Shareholder,

I am pleased to introduce our Directors' Remuneration Report for the year ended 31 December 2023. This is my first report as Chair of the Remuneration Committee, having taken over the role in December 2023.

I would like to thank Clare Chapman for her significant contribution during her time as Chair of the Remuneration Committee and I am very much looking forward to serving you in this new role.

2023 highlights

- Consideration of wider workforce remuneration themes, including the impact of global inflation and the associated cost of living, pay equity and fairness, and the feedback received from employees following the inclusion for the first time of a specific reward question in our annual employee engagement survey.
- Review and approval of remuneration decisions with regard to the recruitment of the new Chief Financial Officer.
- Determining the implementation of the Directors' Remuneration Policy in 2024, including the continued approach to 'windfall gains' in relation to the third and fourth tranches of the 2020 restricted share award vesting in 2024 and 2025.

Areas of focus 2024

- Continued focus on pay for performance and Executive remuneration considerate of the wider stakeholder experience, including Shareholders and employees.
- In line with the normal three-year renewal cycle, detailed review of our current Executive remuneration arrangements to ensure they continue to appropriately support our strategy ahead of the Directors' Remuneration Policy being presented to Shareholders for approval at the 2025 AGM.
- Continuing to positively influence the 'Fair Reward' agenda in relation to wider workforce remuneration, including i) actions in response to what we are learning from the employee voice and ii) oversight of Company initiatives which are related to pay equity and fairness.

I would like to thank Shareholders for their support of our Directors' Remuneration Report at the 2023 AGM. Our current Directors' Remuneration Policy, approved by Shareholders in April 2022, continues to support the Group's strategic ambitions and aligns with market best practice. In keeping with the normal three-year renewal cycle, the Committee will spend time in 2024 carefully reviewing the current policy, ahead of it next being presented to Shareholders for approval at the 2025 AGM.

We continue to experience unprecedented and unpredictable geographic, economic, political and societal events on the world stage. Given the global footprint of Weir operating in over 50 countries, most of our employees are affected by these issues in some way. It is against this backdrop that I want to recognise another year of tremendous contribution from our employees, who have played a pivotal role in delivering for our customers and which in turn has been a key contributory factor in the achievement of a strong set of business results. In particular, we recognise the cost of living challenges being faced by many of our employees and therefore in 2023 we significantly strengthened our salary review

Directors' remuneration report
continued

budgets globally relative to recent prior years. We have also taken a number of other actions to promote 'Fair Reward' for our employees and you can read more about these on page 112.

Our employee engagement score continues to be in the top quartile of the manufacturing sector. The new inclusion of a specific reward question in both the 2022 and 2023 employee engagement surveys means we have a source of rich and constructive comments from our employees about what we are doing well and what we can improve, as well as the ability to identify trends and develop more meaningful medium and long-term insights.

The Committee recognises that it has an important role to play in responding to the voice of our employees and ensuring that remuneration within Weir is attractive, retentive and aligned to long-term business strategy. Accordingly, we continue to strengthen the insight on wider remuneration matters which is provided to the Committee and which in turn informs decision making.

Performance context

We have delivered strong performance in 2023. Revenues are 9% higher than last year on a constant currency basis and adjusted profit before tax is £411m, increasing by 18% from 2022. Adjusted operating margins increased to 17.4%, exceeding our 2023 target of 17%. Free operating cash conversion, which measures the Group's efficiency at generating cash from its operating results, had an outcome in 2023 of 85%, firmly within our 2023 target range of 80%-90%. We continue to take advantage of the supportive conditions in mining markets and you can read more about our financial performance in the Financial Review on pages 38-41.

We have also made good progress against our strategic initiatives, aligned to our We are Weir framework:

- Our employee engagement score remains in the top 25% of the manufacturing benchmark group.
- We have achieved strong momentum in our Performance Excellence transformation programme, with initial cost savings realised and new opportunities identified which means we have doubled our initial cost saving target from £30m to £60m by 2026.
- We maintained a world class safety record in 2023, with a Total Incident Rate (TIR) of 0.42. We continue to place significant focus on our Zero Harm Behaviours Framework as we strive for a zero harm workplace.
- Our continued focus is on sustainability and transition to net zero. The inclusion of standalone ESG measures from 2022 onwards in our annual bonus plan transparently illustrates our priorities and performance in this critical area, including development of technology which uses less resources, reducing our own emissions aligned to SBTi, and working closely with customers to provide new and efficient solutions.

More detail on progress against our strategic initiatives and delivery against related 2023 targets can be found on pages 124-125.

Reflecting the high levels of confidence in our strategy and future prospects, the Board is recommending a final dividend of 20.8p per share, resulting in a total dividend of 38.6p for the year and which is 33% of adjusted EPS for the period. This is in line with our capital allocation policy of returning a third of adjusted EPS through the cycle.

2023 outcomes

The remuneration outcomes for the Executive Directors during 2023 reflect the strong business performance achieved in the year. The Committee also took into account the wider stakeholder experience when determining remuneration outcomes.

2023 annual bonus outcome

There was no change to our bonus framework for 2023. 60% of the bonus was based on financial measures, being Group PBTA (40% weighting) and cash conversion (20% weighting). The remaining 40% was based on non-financial elements, being strategic measures and ESG measures (20% weighting each), directly aligned to our We are Weir strategic framework.

For 2023, the Committee awarded a bonus of 85.5% of maximum opportunity, being 128.3% of salary for the CEO. In line with our remuneration policy, 30% of this bonus will be deferred into shares for three years.

Full details of achievement against targets are provided on page 123 and reflect the strong progress we have made in the year as outlined earlier in my letter.

Restricted share awards vesting in 2024

The third tranche of the 2020 restricted share award is due to vest in April 2024. The Committee made a downwards adjustment to the first two tranches of the award vesting in April 2022 and April 2023 to take into account the market volatility at the time of grant and concern around the potential for perceived 'windfall gains'. The Committee discussed the issue of 'windfall gains' again in advance of the third tranche vesting, and in light of Weir's continued strong performance and evolving market practice.

In considering the matter, the Committee recognised that a number of the business context and share price reference points that shaped the decision in respect of the first two tranches of the award continue to remain relevant. However, the Committee also recognised that Weir's business performance has been strong in the period since grant, and in particular over the course of 2023. Some of the key business performance highlights in the period since grant are as follows:

- The management team has delivered the value-accreting Oil & Gas disposal and the successful acquisition of Motion Metrics. They have also launched our Performance Excellence programme, with 2023 performance exceeding our 17% operating margin target, and our free operating cash conversion of 85% within our target of 80% to 90%.
- We re-joined the FTSE 100 index in December 2022 and have sustained this position.
- Our share price has increased by around 130% in the period since grant, compared to the FTSE 100 increase of around 34%. Our share price has also outperformed almost all of our sector peers over this time, outperforming the average increase by our mining peers by around 30% and the average increase by our UK industrial peers by around 90%. The Board believes this differentiated performance is the result of the continued successful execution of our strategy by a strong management team.
- We resumed our dividend in 2021, in line with our capital allocation policy, and since then we have returned over £192m to our Shareholders in the period to 31 December 2023.
- Management have also supported our colleagues throughout this time, in line with the values embedded in our We are Weir framework. We have provided one-off payments to recognise the challenges faced as a result of Covid-19, quarterly and mid-yearly salary increases for employees in high inflationary environments, and we have made awards of free shares under our Weir ShareBuilder plan to ensure all our employees can share in our long-term success.

Directors’ remuneration report
continued

Taking all of the above into account, the Committee has determined that the 15% downward adjustment agreed for the first two tranches of the award should be adjusted to 10% for the third tranche of the award, to reflect the strong business performance achieved in the year and to ensure that management are appropriately rewarded for their contribution to this performance. The intention is that this level of reduction will also apply to the fourth tranche of the award vesting in April 2025, to give an aggregate reduction to the 2020 restricted share award of 12.5%.

The scaled back third tranche of the 2020 restricted share award and the relevant tranches of the 2019 and 2021 restricted share awards will vest in April 2024 and be released following a further two-year holding period.

Board changes

Earlier in 2023, John Heasley informed the Board of his decision to step down from his role as CFO to take up a new role elsewhere, and resigned from the Board on 30 November 2023. His departure terms are consistent with our remuneration policy for resignations. His unvested restricted share awards lapsed and he will not receive an annual bonus payment in respect of 2023. Full details of his departure terms are set out on page 127.

As announced in November 2023, Brian Puffer will join as our new CFO from 1 March 2024. Brian’s remuneration arrangements have been set in accordance with our remuneration policy and reflect his calibre as an accomplished finance leader. His salary has been set at £500,000, with pension, benefits and incentive opportunities in line with our current approach for the CFO. Brian will also receive Weir share awards to compensate him for the share awards forfeited on leaving his previous employer. These awards are being made on a like-for-like basis to reflect the timing and value of the forfeited awards from the previous employer. More detail in respect of these awards can be found on page 126.

2024 decisions

Salaries

With effect from April 2024, the salary for the CEO will increase by 4% to £829,000. This is in line with the average increase for UK employees.

Pension contributions

Executive Directors will continue to receive a pension provision of 12% of salary, in line with the rate available to the wider UK workforce.

Annual bonus

The maximum bonus opportunity will remain at 150% of salary for the CEO and 125% of salary for the CFO, in line with the remuneration policy.

There is no proposed change to the bonus measures and weightings which continue to be aligned to our reward principles and the delivery of our We are Weir strategy:

- 40% PBTA;
- 20% cash conversion;
- 20% strategic measures; and
- 20% ESG measures.

The 2024 strategic measures will continue to focus on our long-term goals in areas such as innovation and technology and will also include ongoing measurement of progress against our Performance Excellence programme. The ESG measures will continue to focus on key people priorities, such as TIR and diversity as well as reducing both our own and our customers' environmental impacts.

The targets for 2024 will be fully disclosed in next year’s report, although where the information is not deemed to be commercially sensitive, the Committee has provided prospective disclosure of the 2024 strategic and ESG targets in this year’s report. The Committee continues to place strong emphasis on developing the strategic measures to focus on output based metrics and, where possible, to ensure that results can be benchmarked externally.

The strategic measures also form part of the annual bonus measures for the bonus-eligible wider workforce, creating strong alignment and focus across the company.

Restricted share awards

The Committee is confident that the introduction of restricted share awards to Executives and senior leaders since 2018 has been a key enabler to driving long-term orientation, value creation and alignment with Shareholders. New restricted share awards will be granted to the CEO and CFO in April 2024, with no change to the award sizes (CEO: 125% of salary; CFO: 100% of salary) or performance underpins from the 2023 awards. Further detail can be found on page 116. The awards will vest after three years and be subject to a holding period until five years from grant.

Looking ahead

In line with the normal three-year renewal cycle, our Directors’ Remuneration Policy will be presented to Shareholders for approval at the 2025 AGM. During 2024 we will therefore be undertaking a detailed review of our current remuneration arrangements to ensure that they continue to appropriately support our reward principles and the delivery of our We are Weir strategy.

The Remuneration Committee has engaged extensively with Shareholders over recent years and I look forward to continuing this transparent and open dialogue as we consider our 2025 Directors’ Remuneration Policy. We very much value the input of our major Shareholders.

This year the Remuneration Committee has again sought to take a simple and responsible approach to Executive pay, and decisions in the year have been made taking into account the experience of our employees, Shareholders and key stakeholders in the period. The Committee appreciated the strong endorsement of last year’s Directors’ Remuneration Report and we look forward to receiving Shareholder support again at the 2024 AGM.

Penny Freer
Chair of the Remuneration Committee
29 February 2024

Fair reward

Fair reward for employees

We believe in fair reward for all of our employees, regardless of where in the world they live or which part of our business they work in. This is reflected in our approach to reward as follows:

- Simple, transparent, effective and linked to business success.
- Delivered in a way that rewards fairly and appropriately in line with our culture.
- Enables attraction and retention, establishing us as an employer of choice.
- Rewards individual contribution whilst incorporating a focus on team performance to create collective accountability.
- Brings focus to sustainable improvement in the underlying business through linkage to our strategic framework.
- Encourages and enables long-term share ownership for all employees, rewarding long-term value creation.

Over the last 12 months and going into 2024, we have continued to progress a number of initiatives that are linked to the above and the delivery of fair reward.

Supporting our employees with the cost of living

Our global pay award budgets for the annual salary review effective March 2023 were significantly increased compared to the equivalent 2022 budgets as we sought to help our employees with the cost of living challenges created by global inflation. We have continued to take specific action in Turkey in recognition of the particularly high-inflation environment, with additional salary progression implemented during the year beyond the normal annual cyclical award. In Latin America, where the majority of our employees are covered by collective arrangements, we have continued to progress salary growth during 2023 in line with the higher inflation rates. Looking ahead to 2024, whilst we expect our global annual salary review budgets to be lower than those implemented in 2023, they will continue to be above the more normalised levels which we had typically operated in prior years, recognising that in many countries in which we operate, inflation and therefore the cost of living continues to be an issue.

Listening to the voice of the employee

In late 2022, we included a specific reward question in our global employee engagement survey for the first time, receiving the results from this in early 2023. We were delighted to achieve a scoring response which placed us in the top quartile of the manufacturing sector for this particular metric, with the scores augmented by over 2,400 comments left by individual employees in response to the question, providing a rich source of feedback and insight. Following comprehensive analysis of the data and comments, we have taken action across a number of global locations in response through local market benchmarking exercises and benefits enhancements. The same reward question was included again in the very latest employee engagement survey run later in 2023, and we were pleased to see that the results remained consistent with that of 2022, retaining our position in the manufacturing sector top quartile.

In addition to the insight received from the annual employee engagement survey, we continue to provide employees with other opportunities to provide feedback, for example through our 'Tell the Board' sessions or the global town halls which are hosted by the Group Executive. Our Employee Engagement Director is also a member of the Remuneration Committee which provides natural opportunity for remuneration matters to be a discussion and feedback area.

Delivering free shares to employees

In 2019, we launched our global all-employee free shares plan, ShareBuilder, which allows all of our employees, regardless of role or geography to become Shareholders in Weir. Since its launch in 2019, we have made ShareBuilder awards to over 17,000 individual employees, including in May 2023 when 1,628 new employees with the required 12 months' service received the latest award of £300 of free shares. We are also pleased to see that since beginning making the awards in 2019, c.70% of current employees who have received a vested award in that time have retained the free shares they received from ShareBuilder.

Enhancing our global employee benefits proposition

We have continued to progress our multi-year global benefits management programme, which allows us to develop and deliver a more coherent and consistent suite of employee global benefits.

During 2023 we have made a number of enhancements through the programme, including improvements to life insurance and healthcare benefits. This has spanned a number of countries and has in part been informed by the insight which we gained from our reward question in the global employee engagement survey.

We also increased our maternity leave provision across several countries following a comprehensive market benchmarking exercise. This will see a minimum of 12 weeks' fully paid maternity leave provided to employees in these countries and in 2024 we will further implement this as a minimum standard globally.

Following the acquisition of Motion Metrics in 2021, we have also taken steps in 2023 to accelerate the harmonisation of employment terms for these employees with the wider workforce, which includes employee benefits.

Our goal is to ensure that our benefits proposition is market competitive, promotes fairness and equity, leverages Weir's scale, and enables attraction and retention of talent.

Operating pay equity and fairness

In the second half of 2023, we entered into a new partnership with the Fair Wage Network to undertake a global benchmarking exercise to assess our individual rates of employee pay in every country in which we operate against the Fair Wage Network's living wage references for those locations. Good progress has been made during the second half of 2023, with anonymised data for c.12,000 employees being assessed by the Fair Wage Network. This work continues into 2024, with our objective to achieve formal certification in 2024 from the Fair Wage Network as recognition of our fair wage practices in Weir.

In addition to the new partnership with the Fair Wage Network, we have also continued with our established practices of undertaking both gender pay gap and equal pay analysis on a global basis. Our latest published UK gender pay report can be found on our website at www.genderpay.weir.

Looking ahead

Looking ahead to 2024, employee benefits and related policy will continue to be a key area of focus. Building on the 2023 enhancements made to maternity policy, we will consider where investment can be made in employee benefits and policy which further strengthens our ability to meet the demands of a modern workforce and which can also support in the achievement of a diverse employee population.

We will carry-over some activity from 2023 into 2024 including our aim to achieve certification from the Fair Wage Network on a global basis. In 2023 we undertook pilot financial wellbeing education sessions which we intend to offer across more countries in 2024.

Going forward, the continued regular inclusion of a reward question in our annual employee engagement survey will also allow us to build more meaningful data insights and trends over a longer period.

Remuneration at a glance

DIRECTORS' REMUNERATION POLICY

The key components of our remuneration framework are fixed pay, annual bonus and restricted share awards as set out in the Remuneration Policy on pages 117-122. Our objective is to appropriately reward the continuous improvement of our value-drivers and the delivery of sustained value over time.

FIXED PAY
Consists of salary, pension and benefits

+

ANNUAL BONUS
Includes a core financial component and an element based on the delivery of key objectives aligned to the strategic framework

Maximum: 150% (CEO) and 125% (CFO) of salary

30% deferred into shares for three years

+

RESTRICTED SHARE AWARDS
Encourages substantial long-term share ownership and increases emphasis on the creation of long-term value for end market customers and Shareholders

Award size: 125% (CEO) and 100% (CFO) of salary

Shares vest three years from grant and are released at year 5. Vesting subject to underpin

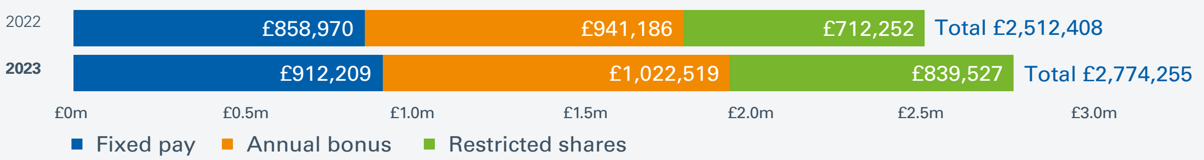
ANNUAL BONUS OUTCOME FOR THE YEAR ENDED 31 DECEMBER 2023

Further details, including information on the performance assessment of the strategic measures and ESG measures are set out on pages 123-125.

	Entry (20% payable)	Target	Maximum (100% payable)	FY23 Outcome	Payout % of maximum for each measure	Weighted payout %
PBTA (40% weighting) (defined as profit before tax and adjusting items from continuing operations)	£359.3m	£393.4m	£427.6m	**£442.1m**	**100.0%**	**40.0%**
CASH CONVERSION (20% weighting) (defined as free operating cash flow as a percentage of adjusted operating profit)	80.3%	85.0%	89.7%	**85.3%**	**62.6%**	**12.51%**
STRATEGIC MEASURES (20% weighting)	4%	12%	20%	**15.38%**	**76.9%**	**15.38%**
ESG MEASURES (20% weighting)	4%	12%	20%	**17.64%**	**88.2%**	**17.64%**
			Total			**85.53%**
			Jon Stanton Actual			**£1,022,519**

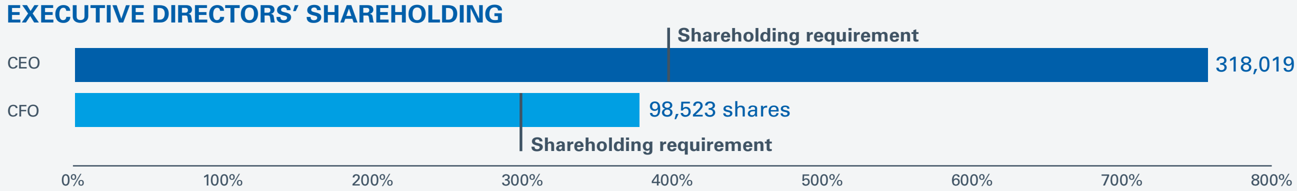
Note
John Heasley received no bonus after resigning on 30 November 2023.

2023 CEO SINGLE TOTAL FIGURE OF REMUNERATION



Notes
In 2022 the restricted shares value comprised the third 25% of the 2018 award vesting, the second 25% of the 2019 award vesting and the first 25% of the 2020 award vesting. The 2023 restricted shares value comprises the fourth and final 25% of the 2018 award vesting, the third 25% of the 2019 award vesting and the second 25% of the 2020 award vesting. The vesting values from the 2020 award in each of the 2022 and 2023 single figures incorporate the discretionary 15% reduction applied by the Remuneration Committee in view of 'windfall gains', and as disclosed in the 2021 and 2022 Directors' Remuneration Reports.

EXECUTIVE DIRECTORS' SHAREHOLDING



Notes
Shareholdings include interests in unvested restricted share awards which are not subject to performance measures.
The position shown for the CFO is at 30 November 2023 when John Heasley stepped down as CFO and resigned from the Board.

Directors’ remuneration in 2024

Implementation of remuneration policy in 2024

The table below summarises the key components of our remuneration framework and indicates how we intend to operate the policy in 2024.

	Operation	2024 implementation
Fixed		
Salary	Fixed remuneration, which reflects role, skills, and responsibilities.	• CEO – £829,000 • CFO – £500,000 The 4% increase for the CEO is aligned to the average increase for the wider UK workforce and will take effect from 1 April 2024. The CFO salary is in accordance with Brian Puffer's appointment terms, announced on 1 November 2023 and will take effect from 1 March 2024. The salary level is below the salary for our former CFO John Heasley, if his salary had been uplifted by 4% in line with the wider UK workforce at this year's salary review.
Pension	Executive Directors receive pension contributions of 12% per annum.	No change for 2024. Aligned with wider UK workforce.
Benefits	Car allowance, healthcare and life assurance.	No change for 2024.
Variable		
Annual bonus	Maximum opportunity: CEO 150% of base salary CFO 125% of base salary 30% deferred into shares for three years. Annual bonus awards will also be subject to malus and clawback provisions.	No change to maximum opportunities for 2024. No change to measures and weightings for 2024 as follows: • 40% PBTA (defined as profit before tax and adjusting items from continuing operations) • 20% Cash conversion (defined as free operating cash flow as a percentage of adjusted operating profit) • 20% Strategic measures • 20% ESG measures Given their overall commercial sensitivity, underlying targets across the financial measures will be disclosed in next year’s report provided they are no longer commercially sensitive at that point. Set out on the following page are details of the target priorities for 2024 for both the strategic measures and the ESG measures. Where not commercially sensitive to do so, we have provided prospective disclosure of the 2024 underlying targets for these. The results of performance against the targets for all strategic measures and ESG measures will be disclosed in next year's report.

Directors' remuneration in 2024
continued

Strategic and ESG annual bonus measures 2024

People

Strategic measures:	Target performance:	ESG measures:	Target performance:
Retain our talent.	Voluntary attrition rate of 11%.	Safety Total Incident Rate (TIR).	Improve our TIR to 0.385.
Succession planning.	8% improvement in total number of succession plans that have at least one named successor in the readiness pipeline.	Improve our female gender diversity.	Improve our female gender diversity across all job bands. For job bands 1-2, a 1.25% increase and for job bands 3-5, a 2.5% increase.
Maintain our engagement score in top quartile of Peakon's Manufacturing benchmark.	Maintain position in top quartile of Peakon's Manufacturing benchmark.	Health and wellbeing.	Maintain our Tier 2 ranking and improve on our 2023 CCLA Corporate Mental Health benchmark score.

Customer

Strategic measures:	Target performance:	ESG measures:	Target performance:
Execution of top growth initiatives.	Minerals – £m orders.* ESCO - $m orders and number of specific product conversions/ upgrades.*	Customer Avoided Emissions.	Tonnes CO_2e.*
Position Weir as a mining technology solutions partner.	Specific roadmap milestones.*	Customer water optimisation.	Specific milestones for water optimisation.*
Capture value from new strategic alliances.	Number of orders.*	Customer waste impact.	Specific milestones for customer waste impact.*

Technology

Strategic measures:	Target performance:	ESG measures:	Target performance:
Revenue from new products.	£m orders.*	Progress priority R&D projects.	Specific milestones for ETR themes:* • Move less rock • Use less energy • Use water wisely • Create less waste
Digitise our current business model.	Number of Synertrex® and Motion Metrics™ connected sites.*		
Enterprise Technology Roadmap execution progress.	Progress of R&D portfolio against Weir specific technology readiness levels.*		

Performance

Strategic measures:	Target performance:	ESG measures:	Target performance:
Lean Processes.	Process management scores by Division.*	Reduce scope 1&2 CO_2e vs 2019 base aligned to SBTi.	SBTi-aligned absolute reduction.*
Capacity Optimisation.	£m run rate savings (Minerals) and specific project milestones (ESCO).*	ESG data assurance roadmap.	Specific roadmap milestones.*
Functional Transformation.	£m run rate savings (WBS project) and specific project milestones (Target Enterprise Architecture).*	Further integrate climate risk and opportunity in strategic planning.	Specific project milestones.*

* Specific targets will be included in the 2024 Annual Report.

Directors’ remuneration in 2024
continued

	Operation	2024 implementation
Restricted share awards	Maximum award size: CEO 125% of base salary CFO 100% of base salary Awards subject to a 3-year vesting period and subsequent 2-year holding period. Vesting subject to the underpin. Prior to vesting, if any of the thresholds have not been met, it would trigger the Committee to consider whether a discretionary reduction was required. Restricted share awards will also be subject to malus and clawback provisions. The Remuneration Committee has the ability to make adjustment at the time of grant to address, if relevant, concerns about 'windfall gains' and taking into account latest Shareholder guidance. The Committee also retains discretion to review awards at the point of vesting, in accordance with our wider policy and principle of best practice.	No change to the award size or vesting schedule for 2024. No change to the underpin: **Balance sheet health** Breaching covenants • No breach of debt covenant or re-negotiation of covenant terms outside of a normal refinancing cycle **Investor returns** Return on Capital Employed (ROCE) • Maintain average ROCE over the vesting period above the average Weighted Average Cost of Capital for that period **Environmental, social and governance (ESG)** Sustainability Roadmap progress • Awarded a B listing or better by CDP[1] through the vesting period in recognition of climate change contribution **Corporate governance** Major governance failure • No material failure in governance or an illegal act resulting in significant reputational damage and/or material financial loss to the Group Note 1. CDP are one of the world’s leading climate change research groups https://www.cdp.net. CDP’s annual environmental disclosure and scoring process is respected as the gold standard of corporate environmental transparency. It ranks companies on a scale of A to D- based on the comprehensiveness of disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Weir’s score was A- in 2020 and 2021, improving to A in 2022 and again in 2023, reflecting our continued substantial progress in executing our sustainability strategy. The underpin for the 2024 award will be set such that if Weir’s score falls below a threshold of B for any year during the vesting period, this would trigger the Committee to consider an adjustment to vesting. The CDP methodology requires continuous improvement even to maintain a level of scoring and therefore the Committee believes this is an appropriate level at which to set the threshold for the underpin.
Other		
Shareholding guidelines	• CEO – 400% of base salary • CFO – 300% of base salary Shareholding guidelines continue post-employment. The requirement falls to half the normal level on leaving and then tapers down to zero after two years.	No change.
Chair and Non-Executive Director (NED) fees	Fees reflect responsibilities and time commitments for the role.	Chair and NED fees will increase by 4% effective 1 April 2024, which is aligned to the average increase for the wider UK workforce. • Chair’s fee – £364,000 • NED base fee – £72,900 • Chair of Committee fee – £19,000 • Senior Independent Director fee – £15,300 • Employee Engagement Director fee – £19,000

Directors' remuneration policy

Remuneration policy

The Directors' Remuneration Policy was approved by Shareholders at the AGM on 28 April 2022 and is intended to apply for three years. The Directors' Remuneration Policy is published on the Company's website at: https://www.global.weir/siteassets/pdfs/investors/board-committees/weir-group-directors-remuneration-policy-2023.pdf. This section sets out the Directors' Remuneration Policy with some minor amendments made to update references, where appropriate.

Policy table

Base salary

Purpose
To provide a salary that takes into account an individual's role, skills and responsibilities and enables the Group to attract and retain talented leaders.

Operation
Reviewed annually, with increases normally taking effect from 1 April. Salaries are set by reference to market practice for similar roles in companies of similar size and complexity. The Committee also takes into account personal performance, the wider employee context, and economic and labour market conditions.

Maximum value
While there is no stipulated maximum salary increase, increases will not normally be greater than the average salary increase for UK employees (or the relevant jurisdiction if an Executive Director is based outside the UK).
Different increases may be awarded at the Committee's discretion in instances such as where:

- there has been a significant increase in the size, complexity or value of the Group;
- there has been a change in role or responsibility;
- the individual is relatively new in the role and the salary level has been set to reflect this; and
- the individual is positioned below relevant market levels.

Pension

Purpose
To encourage long-term saving and planning for retirement.

Operation
A contribution into the Company's defined contribution pension plan or an equivalent cash allowance, or any other arrangement the Committee considers has the same economic benefit.

Maximum value
12% of base salary per annum in line with the maximum contribution rate available to the wider UK workforce.

Benefits

Purpose
To provide cost-effective benefits valued by individuals.

Operation
Benefits include, but are not limited to, healthcare, car allowance, liability insurance and death in service insurance.
Other benefits may be provided from time-to-time if considered reasonable and appropriate, such as relocation benefits or long-term disability insurance.

Maximum value

- Car allowance – no greater than £20,000 per annum
- Life assurance – 5 x base salary

The cost of providing insurance and healthcare benefits varies according to premium rates, so there is no formal maximum monetary value.

Directors’ remuneration policy
continued

Annual bonus

Purpose
To incentivise the delivery of our strategic plan and to reward the achievement of stretching performance on an annual basis.
To focus incentives on team performance to create collective accountability.

Operation
Measures, targets and weightings are reviewed and determined annually at the start of each financial year to ensure they are appropriate and support the Company’s strategy.
30% of any bonus will be deferred into an award of Weir Group shares, which will normally be released after three years. The deferred bonus shares are not ordinarily subject to any further conditions. Malus and clawback provisions may be applied in the event of:

- a material misstatement in the financial statements of the Group or a subsidiary/Division;
- the discovery that information used to determine an award was materially incorrect, mistaken or misrepresented;
- gross misconduct (leading to termination for cause);
- a material corporate failure in any Group company or a relevant business unit; or
- reputational damage causing significant damage to the Company and clearly attributable to the individual.

Maximum value

- CEO 150% of base salary
- CFO 125% of base salary

Performance assessment
Annual bonuses will be subject to such targets as the Committee considers appropriate each year.
Financial measures will normally be used to calculate at least 50% of the bonus, with the remainder being based on strategic, ESG and/or personal objectives.
The performance targets for financial measures are set in the context of the internal budget taking into account other relevant factors, such as external forecasts.
All financial measures are calibrated with payment on a straight-line basis between threshold (up to 20% of maximum bonus payable), stretch, and any points in between.
Payment of any non-financial measures component will be subject to a discretionary underpin (including individual performance).
In exceptional circumstances, the Committee has discretion to alter the measures and/or targets during the performance period if it believes the original measures and/or targets are no longer appropriate.
The Committee has discretion in exceptional circumstances to amend the payout level if it believes this will better reflect the Company’s underlying performance.

Share reward plan (SRP)

Purpose
To encourage and enable substantial long-term share ownership.
To reward the delivery of sustainable value over time.

Operation
The Committee may grant awards under the SRP on an annual basis.
Awards will vest at the end of a three-year period, subject to continued employment and assessment of the underpin.
Following vesting, an additional two-year holding period will also apply, such that vested shares are released five years from grant.
Awards will normally be in the form of conditional share awards, but may be awarded in other forms if appropriate (e.g. as nil cost options).
Malus and clawback (applicable for three years from vesting) provisions may be applied in the event of:

- a discovery of a material misstatement in the audited consolidated accounts of the Group or audited accounts of any Group company;
- action or conduct that can be considered as gross misconduct;
- events or behaviour that have a significant detrimental impact on the reputation of any Group company, and can be attributed to the individual award holder;
- the information used to determine the number of shares over which an award is granted, or vests is found to be materially incorrect, mistaken or misrepresented to the advantage of the award holder; and
- a material corporate failure in any Group company or a relevant business unit.

Maximum value
The Committee will determine the grant level each year. The maximum value of award that may be granted in respect of a financial year is:

- CEO 125% of base salary
- CFO 100% of base salary

The Committee has the ability to adjust award levels at the time of grant to address, if relevant, concerns about the potential for perceived ‘windfall gains’.

Performance assessment
No performance measures are associated with the awards.
The underpin will consist of a ‘basket’ of pre-determined key metrics that will best reflect overall business health over the vesting period. For each metric, a clearly defined and, where relevant, quantifiable ‘threshold’ will be set at the time of grant. Thresholds will be disclosed on a prospective basis.
Prior to vesting, if any of the thresholds have not been met, it would trigger the Committee to consider whether a discretionary downward adjustment was required.
In addition, the Committee will also have general discretion to reduce vesting levels if it believes this will better reflect the underlying performance of the Company over the period.

Directors' remuneration policy
continued

Shareholding requirements

Purpose
To ensure Executive Directors build and hold a significant shareholding long-term.
To align Executive Directors' interests with Shareholders.

Operation
Executive Directors are required to build up a shareholding in the Company over a five-year period.
All beneficially owned shares, deferred shares and unvested restricted share awards count towards an individual's shareholding (on a net of tax basis where relevant).
Until the shareholding requirement is met an Executive Director must retain 50% of net restricted share awards, performance share awards, and deferred bonus award shares.
Shareholding requirements continue post-employment:

- The requirement will fall to half the normal level on leaving.
- The requirement would then taper down to zero after two years.

Shareholding guidelines

- CEO 400% of base salary
- CFO 300% of base salary

All employee share plans

Purpose
To enable long-term share ownership for all employees, and to increase alignment with Shareholders.
To provide one common benefit to all employees.

Operation
Executive Directors may be entitled to participate in all-employee share plans on the same basis as all other employees.

Maximum value
The maximum value will be in line with the maximum value for all other employees.

Chair and non-executive directors' fees

Purpose
To attract and retain experienced and skilled Non-Executive Directors and to reflect the responsibilities and time commitment involved.
Fees are reviewed by reference to companies of similar size and complexity, economic and labour market conditions.
Additional fees may be made available to Non-Executive Directors, where appropriate, to reflect any additional time commitment or duties.
The Company may reimburse Non-Executive Directors for any business-related costs (such as travel and accommodation costs incurred in connection with their duties) and any associated tax on these costs.

Maximum value
Fees as prescribed in the Articles of Association.
Planned increases in fees will take into account general increases across the Group, along with market practice.

Choice of performance measures and targets

The performance measures selected for the annual bonus awards and the performance underpins selected for the restricted share awards are set on an annual basis by the Committee, to ensure that they remain appropriate to reflect the priorities for the Company in the year ahead. The annual bonus plan measures are chosen to align to our reward principles and the delivery of our strategy. The restricted shares performance underpins are chosen to align with our key underlying drivers of value. The targets for the performance measures are set taking into account a number of factors, including the Company's annual operating plan, strategic priorities, the economic environment and market conditions and expectations.

Dividends

Executive Directors are entitled to receive the value of dividends payable on any deferred bonus awards under the annual bonus or awards under the SRP up to the point of vesting. This value may be calculated assuming that the dividends were notionally reinvested in the Company's shares.

Common award terms

Awards granted under the share plans may be adjusted in the event of any variation of the Company's share capital or any demerger, special dividend or other event that may affect the current or future value of the awards.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office, this includes exercising any discretions available to it in connection with such payments (notwithstanding that they are not in line with this policy) where the terms of payment:

- came into effect before this policy was approved and implemented (including where such payments are in line with a previously approved policy); and
- were agreed at a time when the individual was not a Director of the Company and, in the opinion of the Committee, the payment is not in consideration for the individual becoming a Director.

This includes the vesting of any awards granted under the SRP.

Directors' remuneration policy
continued

Recruitment policy

The Committee's approach when considering the overall remuneration arrangements in the recruitment of an Executive Director is to take account of all relevant factors, such as the individual's remuneration package in their prior role and the market positioning of the package against the local market. We will not pay more than necessary to facilitate the recruitment.

Component	Policy and operation
Remuneration	The salary level, benefits, pension, annual bonus and annual SRP participation will be in line with the policy table, including the maxima shown.
Buy-out awards	The Committee will consider whether any buy-out awards are reasonably necessary to facilitate the recruitment of an Executive Director, and if there are any other compensation arrangements that would be forfeited on leaving the previous employer. The Committee will seek to structure any buy-out award taking into account relevant factors, including any performance conditions, the form in which it is to be paid and the timeframe of the award. Buy-out awards will generally be made on a like-for-like basis and will be no more generous in quantum than the awards being forfeited.
Other	The Committee may agree to meet certain mobility or relocation costs, including but not limited to, temporary living and transportation expenses. The Committee may also agree to meet the costs of relevant professional fees. Reasonable expenses and associated tax incurred as part of their recruitment will be reimbursed to the Executive Director.
Internal promotion to Executive Director	The Committee will honour existing remuneration arrangements made prior to and not in contemplation of promotion. The arrangements will continue to pay out in accordance with the respective rules and guidelines.

Service contracts and policy on payment of loss of office

It is the Committee's policy that there should be no element of reward for failure. The Committee's approach when considering payments in the event of termination is to take account of the individual circumstances including the reason for termination, contractual obligations of both parties as well as incentive plan and pension scheme rules.

If an Executive Director's service contract is terminated other than in accordance with its terms, the Committee will give full consideration to the obligation and ability of the individual to mitigate any loss they may suffer as a result of the termination of their contract.

Service contracts and letters of appointment are available for inspection at the Company's registered office.

Provision	Policy
Unexpired term	The unexpired term of Executive Directors' contracts is 12 months. Executive Directors have rolling contracts.
Change of control	No provisions in service contracts relate to a change of control. Refer to the relevant sections below for annual bonus and share plans provisions.
Notice period	Executive Directors have 12 months' notice by either the Company or the individual. This would be the normal policy for new appointments.
Contractual payments	Termination with contractual notice or termination by way of payment in lieu of notice (PILON) at the Company's discretion. Neither notice nor PILON will be given in the event of gross misconduct. The calculation of PILON will be at 1.2 x gross salary to reflect the value of salary and contractual benefits. PILON will be made where circumstances dictate that Executive Directors' services are not required for their full notice period. Contracts also allow for phased payments on termination which provides for mitigation, including remuneration from alternative employment. The Committee may authorise: • payments for statutory entitlements in the event of termination; • reasonable settlement of potential legal claims; and • payment of reasonable reimbursement of professional fees in connection with such agreements.
Annual bonus and deferred bonus awards	At the discretion of the Committee, where an individual leaves as a Good Leaver (as defined below), a pro rated payment (payable in such proportions of cash and shares as the Committee may determine) may be earned if employment ceases during the year. Any payment will be subject to the assessment of bonus targets. Dismissal for gross misconduct – all entitlements will be forfeited, including any unvested deferred bonus awards. All other departure events – existing rights are normally retained in respect of any deferred bonus awards. Vesting will take place at the normal vesting date unless the Committee determines otherwise. Malus and clawback provisions will continue to apply. Change in control – any bonus will normally be determined by the Committee up to the expected date of change in control taking into account both performance and the period of the financial year which has elapsed. Deferred bonus awards will vest on change in control.

Directors' remuneration policy
continued

Outstanding share plan awards	The treatment of awards will be governed by the rules of the relevant plan. Where an individual leaves as a Good Leaver (which includes for reasons of death, retirement, ill-health, injury or disability, redundancy, the sale of employing company or business, or other circumstances that the Committee determines) unvested awards will normally continue and vest on the normal vesting date, taking into account the assessment of any applicable underpins and pro-rated to reflect the proportion of the vesting period which has elapsed. The Committee may exercise its discretion to apply a different pro-rata methodology or to dis-apply time pro rating completely. Awards subject to a holding period will continue to be subject to that holding period as if employment had not ceased, except in the case of death, or in such other circumstances as the Committee may determine, when the holding period will end at that time. The rules provide flexibility that in the case of the participant's death (or such other exceptional circumstances as the Committee considers appropriate), awards will vest (and awards in the holding period will be released) at the time of death/leaving. If an individual leaves for any reason other than as a Good Leaver, any unvested awards will lapse on termination. Awards will remain subject to the operation of malus and clawback provisions. Change in control – the extent to which unvested awards vest will be determined by the Committee, taking into account the performance conditions and/or underpins as applicable and the proportion of the vesting period that has elapsed. Alternatively, awards may be exchanged for new equivalent awards in the acquiring company. The holding period applicable to any awards will end at the time of change in control.
All employee share plans	The rules of any all-employee share plans will apply in the event of termination of employment or change in control.
Relocation	The Committee may determine that share plan awards or deferred bonus awards should vest early if an Executive Director is relocated to a country where they would suffer a tax or regulatory disadvantage by holding the award.
Chair and Non-Executive Directors	Non-Executive Directors have letters of appointment. The letters do not contain any contractual entitlement to a termination payment and the Non-Executive Directors can be removed in accordance with the Company's Articles of Association. Notice periods are six months from the Company and no notice from the individual. There are no change in control provisions in the letters of appointment.

Service agreements and letters of appointment

The following table sets out the dates of each of the Executive Directors' service agreements, the dates of the Non-Executive Directors' letters of appointment and the date on which the Non-Executive is subject to election or re-election. Directors are required to retire at each Annual General Meeting and seek re-election by Shareholders.

Executive Director	Contract commencement date	Unexpired term (months)
Jon Stanton	28 July 2016	12
Brian Puffer[1]	1 March 2024	12

Non-Executive Director	Date of appointment	Date when next subject to election/re-election
Barbara Jeremiah	1 August 2017	25 April 2024
Andy Agg[2]	27 February 2024	25 April 2024
Dame Nicola Brewer	21 July 2022	25 April 2024
Penny Freer	23 October 2023	25 April 2024
Tracey Kerr	21 July 2022	25 April 2024
Ben Magara	19 January 2021	25 April 2024
Sir Jim McDonald[3]	1 January 2015	n/a
Srinivasan Venkatakrishnan[4]	19 January 2021	n/a
Stephen Young	1 January 2018	25 April 2024

1. Brian Puffer will join Weir Group as Chief Financial Officer and be appointed to the Board with effect from 1 March 2024.
2. Andy Agg joined the Board with effect from 27 February 2024.
3. Sir Jim McDonald will step down from the Board following the AGM on 25 April 2024.
4. Srinivasan Venkatakrishnan will step down from the Board on 31 March 2024.

Consideration of conditions elsewhere in the Group

The reward principles set out earlier in the Directors' Remuneration Report reflect the reward principles that apply to all employees across the Group. Although these principles apply across the Group, given the size of the Group and the geographical spread of its operations, the way in which the principles are implemented in practice varies. For example, annual bonus deferral applies at the more senior levels within the Group and participation in restricted share awards is typically limited to Senior Management and executives. All employees are eligible to participate in our global all-employee share plan, Weir ShareBuilder, and we offer competitive and fair rates of pay across the organisation.

Directors' remuneration policy
continued

Consideration of employee engagement

Meaningful engagement with customers and employees plays a crucial role in both innovation and the continuous improvement of the Weir business.

The Board recognises the importance of culture and effective employee relations in the creation of good work and good workplaces. The role of the Board therefore is to ensure that mechanisms are in place, and monitored, for effective employee engagement and that there is governance of the process for management standards and training to continue to assure ourselves of the leadership skills required to do engagement well. Given the multi-national nature of our business, the management team also recognise that their approaches to insight-gathering and dialogue need to reflect country practices so that engagement can be led well locally and be mindful of circumstances and culture.

As a Board, we recognise the importance of a Group-wide framework for employee dialogue, which is why our continued focus is to ensure that we broaden our Group-wide practices for gathering workforce views and engaging in meaningful dialogue and for measuring and further strengthening employee engagement. Monitoring of progress will take place at the Board in the form of an annual employee insights report.

We have in place a variety of employee voice channels, such as our global employee engagement survey and our 'Tell the Board' sessions, which provide employees with an opportunity to provide feedback on any topics that interest or concern them. Outputs from these channels are provided to the Board, and any remuneration concerns would be flagged to the Remuneration Committee for separate consideration. We also include a specific reward question in our annual employee engagement survey and the results we receive help us shape our reward agenda and actions.

Consideration of shareholder engagement

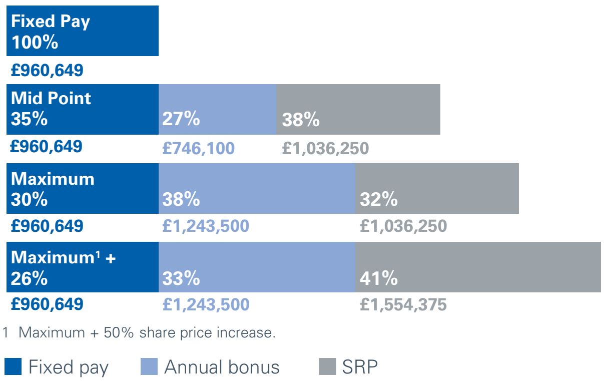
Shareholders and their representative bodies played a very active role in the development of our current remuneration policy, which was approved by Shareholders at the 2022 AGM.

The Committee remains committed to ongoing dialogue and will seek input from Shareholders when considering any further changes.

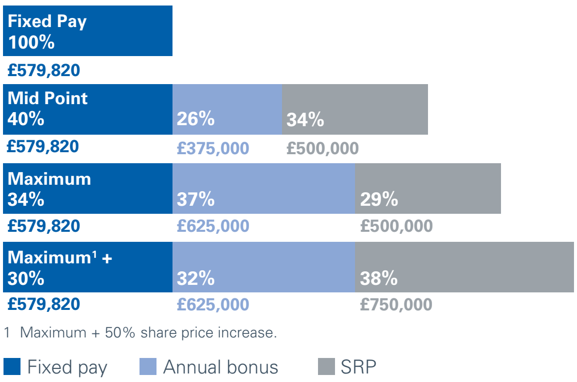
Pay at Weir

Application of remuneration policy

JON STANTON



BRIAN PUFFER



Notes to application of remuneration policy charts

The above chart illustrates the potential total remuneration for the Executive Directors in respect of the application of our Remuneration Policy. Brian Puffer will join Weir Group as Chief Financial Officer and be appointed to the Board with effect from 1 March 2024. The chart above has been determined in accordance with his appointment terms, announced on 1 November 2023.

Element of package	Assumptions used
Fixed Pay	Base salary: effective 1 April 2024 Benefits: benefits as disclosed in single total figure of remuneration for 2023. For Brian Puffer this includes an estimated 2024 benefits figure calculated as the annualised value of the benefits provided to the previous Chief Financial Officer in 2023 and as disclosed in the single total figure of remuneration on page 123. Pension: 12% pension contribution or cash allowance, which is also the maximum rate available to the wider UK workforce
Annual Bonus	Minimum: no bonus is earned Mid-point: 60% of maximum is earned (being the mid-point under the annual bonus between the threshold pay-out of 20% and maximum pay-out) Maximum: 100% of maximum is earned
SRP	Minimum: no vesting Mid-point: 100% vesting Maximum: 100% vesting Maximum +50%: As above for maximum performance but includes share price appreciation in respect of the SRP of 50%

Directors' remuneration report
continued

Single total figure of remuneration for Executive Directors (audited)
This section sets out how the Remuneration Policy was applied for the year ended 31 December 2023.

	Executive Director Jon Stanton		Former Executive Director John Heasley[5]	
	2023 (£)	2022 (£)	**2023 (£)**	2022 (£)
Base salary[1]	**785,750**	741,000	**442,167**	455,500
Benefits[2]	**32,169**	29,050	**18,168**	18,502
Pension[3]	**94,290**	88,920	**53,060**	54,660
Total fixed pay	**912,209**	858,970	**513,395**	528,662
Annual bonus	**1,022,519**	941,186	**0**	481,857
Restricted shares[4]	**839,527**	712,252	**413,397**	350,767
Total variable pay	**1,862,046**	1,653,438	**413,397**	832,624
Total pay	**2,774,255**	2,512,408	**926,792**	1,361,286

Notes to the total figure of remuneration for the Executive Directors (audited)
1. Salary - Jon Stanton's annual salary was £752,000 in the period 1 January 2023 to 31 March 2023 and £797,000 in the period 1 April 2023 to 31 December 2023. John Heasley's annual salary was £462,000 in the period 1 January 2023 to 31 March 2023 and £490,000 in the period 1 April 2023 to 30 November 2023.
2. Benefits – corresponds to the value of benefits in respect of the year ended 31 December 2023, as set out in the table below.
3. Pension – corresponds to the cash allowance provided to the Executive Directors during the year ended 31 December 2023. This equates to 12% of salary.
4. Restricted shares - the 2023 value comprises the fourth and final 25% of the 2018 award vesting on 30 April 2023, the third 25% of the 2019 award vesting on 9 April 2023 and the second 25% of the 2020 award vesting on 8 April 2023. The restricted share awards have been valued using the share price at the date of vest. The vesting in 2022 and 2023 of the first and second 25% tranches of the 2020 award incorporate the downward discretion applied by the Remuneration Committee to reduce the number of shares vesting on each occasion by 15% for 'windfall gains', as disclosed in the respective 2021 and 2022 Directors' Remuneration Reports. Of the 2023 restricted shares value shown above, £204,153 for Jon Stanton and £100,573 for John Heasley reflects the share price appreciation in the period since award. As previously communicated to Shareholders, the dividend underpin relating to the tranches of the 2018 and 2019 restricted share awards vesting in 2023 was not met following decisive action taken by the Board to withdraw the final dividend for 2019 and any dividend payments in 2020 in response to the outbreak of Covid-19. To recognise the breach of the dividend underpin, the Committee made a downwards adjustment to the tranches of the 2018 and 2019 restricted share awards vesting in 2021. In line with the approach taken last year, no further adjustments have been made to the tranches of these awards vesting in 2023. All other underpins for tranches of the awards vesting in 2023 were met.
5. John Heasley provided notice of his resignation on 27 July 2023 and then stepped down as CFO and resigned from the Board on 30 November 2023. During this period, John continued to receive his contractual salary and benefits. John received no annual bonus payment for 2023 and all unvested restricted share awards lapsed upon receipt of his notice.

	Jon Stanton	John Heasley
Benefits	**2023 (£)**	**2023 (£)**
Car allowance	**17,000**	**12,806**
Healthcare	**1,982**	**1,817**
Life assurance	**13,187**	**3,545**
Total	**32,169**	**18,168**

2023 annual bonus (audited)
The table below details the performance achieved against the stretching targets set at the beginning of the year. As a result, a bonus of 85.53% of maximum was payable to the Executive Directors. Jon Stanton's bonus award is 128.3% of salary as at 31 December 2023. John Heasley received no bonus after resigning on 30 November 2023. In accordance with our Remuneration Policy set out on page 118, 30% of the bonus for Executive Directors is deferred into shares for three years and is not ordinarily subject to any further conditions. Malus and clawback may be applied in the circumstances set out on page 118.

	Weighting	Entry	Mid-point	Maximum	Achievement	Pay-out (%)
Payout as % of maximum		20%	60%	100%		
PBTA[1]	40%	£359.3m	£393.4m	£427.6m	£442.1m	40.0%
Cash conversion[2]	20%	80.3%	85.0%	89.7%	85.3%	12.51%
Strategic measures	20%				See page 124	15.38%
ESG measures	20%				See page 125	17.64%
Total bonus	100%					**85.53%**

Notes
1. PBTA is defined as profit before tax and adjusting items. The performance targets and achievements are calculated using October 2022 closing exchange rates.
2. Cash conversion is defined as free operating cash flow as a percentage of adjusted operating profit.

The next two pages detail the annual bonus achievement on the strategic measures and ESG measures aligned to the pillars of our We are Weir Framework of People, Customer, Technology and Performance.

Directors' remuneration report
continued

Strategic measures (audited)

Below are the detailed results for the 2023 strategic measures. The % bonus contribution for each measure is determined by the result relative to threshold, target and maximum performance metrics, with the % bonus for a result between these points calculated on a straight-line basis.

People

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Retain our talent.	• 11% voluntary attrition rate.	• 9.4% voluntary attrition rate.	Green	**1.53%** out of 1.67%
Build our digital literacy.	• 71% of employees with more than one log-in to key software platform.	• 76.3% of employees with more than one log-in to key software platform.	Green	**1.67%** out of 1.67%
Employee engagement.	• Maintain our engagement score in top quartile of Peakon Manufacturing benchmark.	• Engagement score of 8.4, which is within top quartile of Peakon Manufacturing benchmark.	Green	**1.0%** out of 1.67%

Customer

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Execute top three strategic growth initiatives.	• Minerals: £371m orders.	• Minerals: £314m orders.	Red	**0%** out of 0.83%
	• ESCO: $272m orders.	• ESCO: $273.6m orders.	Green	**0.52%** out of 0.83%
Capture value from new strategic alliances.	• Four orders originating from new strategic alliances.	• Seven orders originating from new strategic alliances.	Green	**1.67%** out of 1.67%
Digitise our customer experience.	• 40% of Minerals customer quotes completed via online configurator.	• >90% of Minerals customer quotes completed via online configurator.	Green	**0.83%** out of 0.83%
	• 80% of ESCO customer quotes completed via online configurator.	• Near 100% of ESCO customer quotes completed via online configurator.	Green	**0.83%** out of 0.83%

Technology

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Revenue from new products.	• Minerals: £45m of revenue.	• Minerals: £108m of revenue.	Green	**1.25%** out of 1.25%
	• ESCO: $3m of revenue.	• ESCO: $3.1m of revenue.	Green	**0.78%** out of 1.25%
Digitise our current business model.	• Minerals: 45 Synertrex connected sites.	• Minerals: 63 Synertrex connected sites.	Green	**1.25%** out of 1.25%
	• ESCO: $37m sales from Motion Metrics.	• ESCO: $22.1m sales from Motion Metrics.	Red	**0%** out of 1.25%

Performance

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Performance Excellence process.	• Target IT architecture agreed.	• Delivered ambitions for IT architecture outcomes.	Green	**1.0%** out of 1.67%
Performance Excellence outcomes - improve our lean scores.	• Minerals: Sites achieving GEMBA Academy scores of 93% at Level 2, 50% at Level 3 and 10% at Level 4.	• Achieved our ambitions for our sites at Level 2 and 4.	Green	**0.56%** out of 0.83%
	• ESCO: achieve process management score for the critical processes at our fabrication and foundry sites of 3.4.	• ESCO: process management score of 3.7 achieved.	Green	**0.83%** out of 0.83%
Performance Excellence outcomes - savings from restructuring.	• £4.5m run rate.	• Exceeded our goal delivering £7.2m run rate of savings.	Green	**1.67%** out of 1.67%
		Total bonus for strategic measures (unrounded sum of the rounded individual bonus contributions in the table above)		**15.38%** out of 20% maximum

Directors' remuneration report
continued

ESG measures (audited)

Below are the detailed results for the 2023 ESG measures. The % bonus contribution for each measure is determined by the result relative to threshold, target and maximum performance metrics, with the % bonus for a result between these points calculated on a straight-line basis.

People

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Safety Total Incident Rate (TIR).	• Improve on our 2022 TIR.	• 0.42 TIR compared to the 2022 TIR of 0.41.	Red	**0%** out of 1.67%
Improve our gender diversity.	• Increase % of females in job bands 3-5 by 2.5%.	• % of females in job bands 3-5 increased by 3.1%.	Green	**1.67%** out of 1.67%
	• Increase % of females in job bands 1-2 by 1.25%.	• % of females in job bands 1-2 increased by 1.6%.	Green	**1.67%** out of 1.67%

Customer

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Develop our scope 4 value proposition.	• Develop scope 4 target for phase 1 products/solutions.	• Target developed for phase 1 products and externally benchmarked.	Green	**2.5%** out of 2.5%
Build customer-specific scope 3 and scope 4 data insight.	• Scope 3 and scope 4 data insights developed using customer asset level data.	• Data pipeline developed from customer projects and Weir digital tools.	Green	**2.5%** out of 2.5%

Technology

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Progress priority R&D projects.	• Move less rock: investigate correlation between ore content and crusher energy.	• Laboratory testing favourable with client site testing planned.	Green	**1.25%** out of 1.25%
	• Use less energy - Minerals: complete evaluation of microwave pre-treatment.	• Pre-treatment completed and design enhancement established.	Green	**0.63%** out of 0.63%
	• Use less energy - ESCO: laboratory validation of payload monitoring.	• Prototype validated in laboratory and delivered to customer site.	Green	**0.38%** out of 0.63%
	• Use water wisely: product design evaluated for cyclone separation control.	• Testing ongoing at Weir Technology Centre.	Green	**1.25%** out of 1.25%
	• Create less waste: distributed manufacturing.	• Additive manufacturing cell fully operational.	Green	**1.25%** out of 1.25%

Performance

Priority for 2023	Outcome required for on-target bonus achievement	Result	Rating	Bonus contribution
Reduce scope 1&2 CO_2e vs 2019 base aligned with SBTi.	• 15% absolute CO_2e reduction.	• 22.5% absolute CO_2e reduction achieved and verified.	Green	**2.5%** out of 2.5%
Enable emergent ESG reporting governance.	• Automation of scope 1, 2 & 3 data.	• Automated dashboard developed.	Green	**2.5%** out of 2.5%
		Total bonus for ESG measures[1] (unrounded sum of the rounded individual bonus contributions in the table above, and incorporating the downward adjustment detailed in Note 1 below).		**17.64%** out of 20% maximum

1. A downward adjustment has been made to the 2023 ESG bonus outcome to account for injuries inadvertently excluded from prior year TIR rates. The overall ESG bonus outcome has therefore been reduced from the formulaic 2023 outcome of 18.08% to 17.64%.

Rating key

Green: Outcome achieved meets or exceeds on-target.	Amber: Outcome achieved is between threshold and on-target.	Red: Outcome achieved is below threshold.

Directors' remuneration report
continued

Share scheme interests awarded during 2023 (audited)

The following table sets out awards granted to the Executive Directors in the year ended 31 December 2023.

	Share award	Award basis	Grant date	Face value of award	No of shares granted
Jon Stanton	Restricted Share (Conditional)[1]	125% salary	18 April 2023	£996,250	52,600
	Bonus (Deferred)[2]	30% bonus	18 April 2023	£282,358	14,908
John Heasley	Restricted Share (Conditional)[1]	100% salary	18 April 2023	£490,000	25,871
	Bonus (Deferred)[2]	30% bonus	18 April 2023	£144,550	7,632

Notes
1. There are no performance conditions associated with the restricted share awards. Awards will vest at the end of a three-year period and an additional two-year holding period will also apply, such that vested shares are released five years from grant. The face value of the restricted share award is based on the average of the closing price for the three days prior to the date of grant, being £18.94. John Heasley's restricted share award was subsequently forfeited upon receipt of his notice of resignation on 27 July 2023.
2. There are no performance conditions associated with the deferred bonus share awards. Awards will vest at the end of a three-year deferral period. The face value of the deferred bonus share award is based on the average of the closing price for the three days prior to the date of grant, being £18.94. John Heasley retains his deferred bonus share award post-employment in accordance with its terms and it remains subject to the three-year deferral period.

As there are no performance conditions attached to the 2023 restricted share awards there can be no threshold or maximum outcomes. Vesting is subject to continued employment and assessment of the underpin at the date of vesting in April 2026. Prior to vesting, if any of the thresholds set out below have not been met, it would trigger the Committee to consider whether a discretionary reduction was required.

Balance sheet health	Breaching covenants No breach of debt covenant or renegotiation of covenant terms outside a normal refinancing cycle.
Investor returns	Return on Capital Employed (ROCE) Maintain average ROCE over the vesting period above the average Weighted Average Cost of Capital for that period.
Environmental, Social and Governance (ESG)	Sustainability Roadmap progress Awarded a B listing or better by CDP through the vesting period in recognition of climate change contribution.
Corporate governance	Major governance failure No material failure in governance or an illegal act resulting in significant reputational damage and/or material financial loss to the Group.

Chief Financial Officer change

Joining arrangements for Brian Puffer

Brian Puffer will join Weir and be appointed to the Board of Directors as Chief Financial Officer (CFO) and Executive Director on 1 March 2024. Brian's remuneration arrangements have been set in accordance with our Directors' Remuneration Policy. His base salary will be £500,000 per annum, which is below the salary for our former CFO John Heasley, if his salary had been uplifted by 4% in line with the wider UK workforce at this year's salary review.

- Annual bonus opportunity is set at a maximum of 125% of salary and will be pro-rated for his period of employment in 2024. 30% of any bonus is deferred into Weir shares and will be released after three years.
- Eligible for an annual award of restricted shares of 100% of salary under the Share Reward Plan.
- In addition, will receive other standard benefits including a car allowance, healthcare, life assurance and a pension contribution of 12% of salary (or an equivalent cash allowance in lieu) which is in line with the maximum contribution rate available to the wider UK workforce.

Brian will forfeit various equity awards due to leaving his previous employer and the Remuneration Committee has agreed to grant restricted share awards to compensate him for the forfeited awards. The awards are being made on a like-for-like basis to reflect the nature, timing and value of the equity awards being forfeited. An overview of the expected Weir awards to be granted is provided below, with further details to be provided in next year's report once the awards have been granted.

Details of buy-out awards

- Replacement of two restricted share awards forfeited which had no performance conditions and a current estimated value of approximately £687k. The Weir awards will vest in February 2025 and February 2026 in accordance with the timing of the former employer's awards.
- Replacement of two share awards forfeited which had performance conditions and a current estimated value of approximately £420k. The final number of Weir shares vesting from these awards will be subject to the achievement of the original performance conditions attached to these awards (as disclosed in the former employer's annual report and accounts) and may be anywhere from nil to two times the initial number of Weir shares awarded. The Weir awards will vest in February 2025 and February 2026 in accordance with the timing of the former employer's awards.
- Replacement of market value options forfeited which had no performance conditions and a current estimated value of the gain under these options of approximately £752k. The Weir award will vest in March 2025 in accordance with the timing of the former employer's options becoming exercisable.
- Replacement of 2023 deferred bonus shares which would have been awarded in 2024 and which would have had no performance conditions and a current estimated value of approximately £157k. The Weir award will vest in 2028 in accordance with the timing of the former employer's award.

Total estimated buy-out awards of approximately £2.02m

Notes
The estimated values are calculated using the average of the former employer's closing share price for each trading day over the 30 day period to 31 December 2023.
The Weir awards will have the same value as the forfeited awards based on the Weir and former employer's share prices at the time of appointment. With regard to the replacement of the market value options, the forfeited options will be replaced with a Weir award with a value equal to the gain on the options at appointment based on the 90-day average former employer's share price to the date of appointment less the exercise price.

Directors' remuneration report
continued

The Remuneration Committee is satisfied that the structure of the buy-out awards is consistent with our Remuneration Policy. Vesting of all of the buy-out awards is conditional on remaining in employment at the vesting dates, not being under notice of termination of employment and satisfactory individual performance and conduct during the vesting period. Awards will be granted subject to the terms of the Weir Share Reward Plan including malus and clawback.

Leaving arrangements for John Heasley (audited)

John Heasley provided notice of his resignation on 27 July 2023 and then stepped down as Chief Financial Officer and resigned from the Board on 30 November 2023. John's departure terms are consistent with the terms of his service agreement and our Remuneration Policy for resignation:

- Contractual salary and benefits continued to be paid until 30 November 2023. A payment of £26,385 was made to John along with his final salary in November 2023 in lieu of unused annual leave entitlement at his date of leaving.
- No annual bonus was paid for 2023.
- All restricted share awards under the Share Reward Plan which had not yet vested were forfeited and lapsed.
- All restricted share awards under the Share Reward Plan which had vested but remained subject to an additional holding period continue to do so for the appropriate remaining time period in accordance with their terms.
- All deferred bonus shares awarded which remain subject to the three-year deferral continue to do so for the appropriate remaining time period in accordance with their terms.
- Malus and clawback provisions will continue to apply to the relevant shares which have vested under the Share Reward Plan or the unvested deferred bonus shares awarded in accordance with our Remuneration Policy.
- The in-employment shareholding requirement of 300% of salary falls to 150% upon leaving employment, tapering down to zero after two years.

Single total figure of remuneration for chair and non-executive directors (audited)

	Basic Fee (£)		Senior Independent Director/ Employee Engagement Non-Executive Director/Committee Chair Fee (£)		Taxable Benefits[6](£)		Total Fees (£)	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Barbara Jeremiah	**346,750**	248,644	**–**	4,485	**24,138**	15,887	**370,888**	269,016
Dame Nicola Brewer[1]	**69,425**	29,898	**12,270**	–	**1,888**	3,825	**83,583**	33,723
Clare Chapman[2]	**69,425**	66,750	**18,125**	17,425	**1,968**	5,142	**89,518**	89,317
Penny Freer[3]	**13,641**	–	**–**	–	**2,982**	–	**16,623**	–
Ebbie Haan[4]	**21,973**	66,750	**–**	–	**760**	2,808	**22,733**	69,558
Mary Jo Jacobi[5]	**21,973**	66,750	**5,737**	17,425	**2,208**	25,805	**29,918**	109,980
Tracey Kerr	**69,425**	29,898	**–**	–	**2,978**	5,438	**72,403**	35,336
Ben Magara	**69,425**	66,750	**–**	–	**2,578**	3,628	**72,003**	70,378
Sir Jim McDonald	**69,425**	66,750	**14,550**	9,508	**3,270**	656	**87,245**	76,914
Srinivasan Venkatakrishnan	**69,425**	66,750	**–**	–	**1,688**	2,678	**71,113**	69,428
Stephen Young	**69,425**	66,750	**18,125**	17,425	**5,431**	5,988	**92,981**	90,163

Notes
1. Dame Nicola Brewer succeeded Mary Jo Jacobi as Employee Engagement Director following the AGM on 27 April 2023.
2. Clare Chapman stepped down from the Board with effect from 31 December 2023.
3. Penny Freer was appointed to the Board on 23 October 2023 and succeeded Clare Chapman as Chair of the Remuneration Committee with effect from 31 December 2023.
4. Ebbie Haan stepped down from the Board following the AGM on 27 April 2023.
5. Mary Jo Jacobi stepped down from the Board following the AGM on 27 April 2023.
6. Taxable benefits includes travel and accommodation to attend Board meetings. The amounts in the table include the grossed-up cost of the UK tax to be paid by the Company on behalf of the Directors.

Payments for loss of office (audited)

Leaving arrangement for John Heasley, who stepped down as CFO and resigned from the Board on 30 November 2023, are set out above. There were no payments for loss of office.

Payments to past directors (audited)

No payments were made to past Directors.

Directors' remuneration report
continued

Statement of directors' shareholdings and share interests (audited)

	As at 31 December 2023					
	Shares owned outright	Scheme Interests				
		Unvested restricted share awards with underpin and no performance conditions	Unvested deferred bonus share awards with no performance conditions	Shares owned outright (% of salary)	Shares owned outright plus scheme interests (% of salary)[6]	Shareholding requirement (% of salary)
Jon Stanton[1]	185,038	225,646	25,261	438%	753%	400%
John Heasley[2]	92,050	–	12,945	352%	377%	300%
Barbara Jeremiah	9,750	–	–	–	–	–
Dame Nicola Brewer	500	–	–	–	–	–
Clare Chapman[3]	456	–	–	–	–	–
Penny Freer	–	–	–	–	–	–
Ebbie Haan[4]	1,000	–	–	–	–	–
Mary Jo Jacobi[5]	5,000	–	–	–	–	–
Tracey Kerr	–	–	–	–	–	–
Ben Magara	–	–	–	–	–	–
Sir Jim McDonald	500	–	–	–	–	–
Srinivasan Venkatakrishnan	500	–	–	–	–	–
Stephen Young	7,904	–	–	–	–	–

Notes
1. The share price of £18.865 on 31 December 2023 has been used to calculate Jon Stanton's shares owned outright and scheme interests percentages of salary.
2. The values shown for John Heasley reflect the position when he resigned on 30 November 2023. The share price of £18.73 on 30 November 2023 has been used to calculate John's shares owned outright and scheme interests percentages of salary. In accordance with our Remuneration Policy, all restricted share awards subject to an underpin which had not yet vested were forfeited and lapsed upon receipt of notice of John's resignation. John's unvested deferred bonus share awards which remained subject to a deferral period on 30 November 2023 will continue to be subject to the remaining deferral time period and vest to John in future in accordance with their terms.
3. Reflects the shares owned outright position when Clare Chapman stepped down from the Board with effect from 31 December 2023.
4. Reflects the shares owned outright position when Ebbie Haan stepped down from the Board following the AGM on 27 April 2023.
5. Reflects the shares owned outright position when Mary Jo Jacobi stepped down from the Board following the AGM on 27 April 2023. The interest in 5,000 shares shown above is through a holding of 10,000 American Depository Receipts (ADRs). One ADR being equivalent to 0.5 ordinary shares.
6. The value of scheme interests is included in the percentage assessment against the shareholding requirement given there are no performance conditions attached to the scheme interests. The value of scheme interests are on an estimated net-of-tax basis.

There have been no changes in the interests of each Director between 31 December 2023 and the date of this Report.

External appointments
During the year, Jon Stanton was a Non-Executive Director of Imperial Brands PLC. He received £118,035 in fees. John Heasley was a Non-Executive Director of Royal Scottish National Orchestra Society Ltd. He received no fees.

CEO pay ratio
The table below shows our CEO pay ratio at 25th, median and 75th percentile of our UK employees as at 31 December 2023. The 25th, median and 75th percentile employees were determined by calculating total pay for the 2023 financial year using payroll data from 1 January 2023 to 31 December 2023. The ratios for 2019 to 2023 have been determined using Option A of the regulations given Option A is the most robust approach and preferred by Shareholders. The increase in the pay ratio from 2022 to 2023 is primarily due to i) the higher annual bonus for the CEO resulting from strong business performance and ii) the share price growth between April 2022 and April 2023 meaning the CEO's restricted shares which vested in April 2023 had a higher value at vest than those which vested in April 2022. We are satisfied that the median pay ratio is consistent with the pay, reward and progression policies for our UK employees.

Financial year	Calculation Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option A	69:1	57:1	39:1
2022	Option A	67:1	53:1	39:1
2021	Option A	53:1	42:1	30:1
2020	Option A	27:1	22:1	17:1
2019	Option A	56:1	44:1	34:1

	Jon Stanton	25th percentile	Median	75th percentile
Total pay	£2,774,255	£40,042	£49,045	£71,369
Base Salary	£785,750	£22,217	£22,610	£67,823

Notes
Total pay for the percentile employees includes the following pay elements: base salary, annual bonus, restricted shares, ShareBuilder, annual leave adjustment, shift premium and allowance, sick pay, overtime pay, first aid allowance, living allowances, employer pension contribution and the provision of private medical and life assurance. We have uprated pay for part-time employees and new joiners accordingly to calculate full-time equivalent total pay. The median employee in the table above was on maternity leave for part of the year and therefore not in receipt of full base salary in the calculation period. For employees other than the CEO, annual bonuses considered for the purposes of the calculation are those which are paid in the financial year, as wider workforce bonuses related to 2023 performance remain to be determined at the time of the calculation. We offer competitive and fair rates of pay across the organisation, and employees are eligible to participate in our global all-employee share plan, Weir ShareBuilder.

Directors' remuneration report
continued

Gender pay

For 2023, our mean gender pay gap has remained broadly consistent as being in favour of females when compared to 2022, changing slightly from -9% to -7%. Our median gender pay gap in favour of females has changed from -13% to -18%. Whilst our outcomes show we are generally well positioned on gender pay, we recognise that this is largely due to the high number of males who are working in lower paid production and field roles. We continue to take action and set targets to appoint more females across our workforce, albeit noting that our female gender pay percentages can be influenced significantly by only small changes in the female workforce. For example, a small volume of female attrition and maternity leave cases have reduced the number of females in the upper quartile pay band from 35% in 2022 to 30% in 2023. The median gender bonus gap for 2023 is significantly in favour of females due to the value of the 18 shares from our 2020 ShareBuilder award vesting in November 2022. Whilst ShareBuilder is gender agnostic, given the mainly male profile of our UK workforce it significantly impacts both the mean and median bonus for males. A copy of the full Gender Pay report can be found on our website www.genderpay.weir

The requirements and our outcomes

The UK Government's Gender Pay Gap Regulation requires legal entities with 250 or more employees to publish details of their gender pay and bonus gap. In Weir, there is one employing entity required to publish this data, but we have taken the opportunity to publish the consolidated data for our UK employees as this is more representative of our UK organisation.

Gender pay and equal pay

The gender pay gap is different from equal pay, which relates to men and women being paid the same for similar roles or work of equal value. Our pay policies are designed to ensure equal pay for equal jobs and we have processes in place to ensure pay levels are reviewed consistently.

Mean and median pay and bonus gap

	Mean	Median
Gender pay gap	-7%	-18%
Gender bonus gap	-27%	-2,103%

Proportion of males and females receiving a bonus

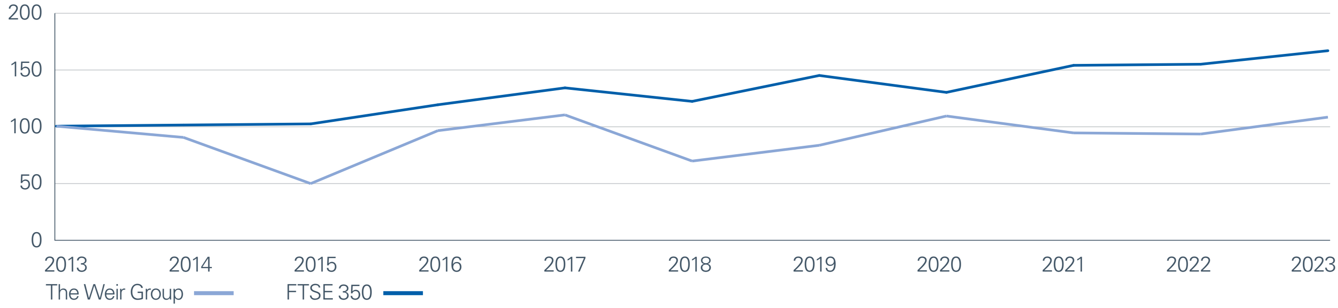
Male	81%
Female	81%

Proportion of males and females in each pay quartile band

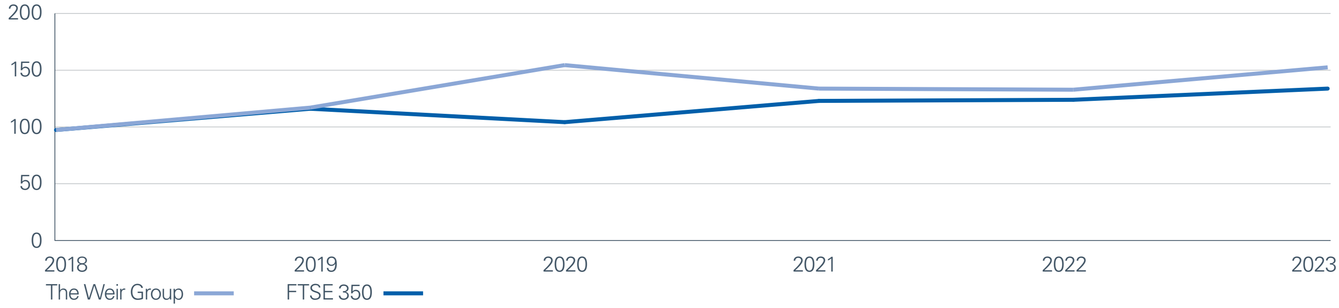
	Male	Female
Upper	70%	30%
Upper middle	79%	21%
Lower middle	87%	13%
Lower	74%	26%

Historical TSR performance

The graph below shows Weir's TSR performance against the performance of the FTSE 350 over the ten-year period to 31 December 2023. The FTSE 350 was chosen because it is a broad equity index of which Weir is a constituent.



The graph below shows Weir's TSR performance against the performance of the FTSE 350 over the five-year period to 31 December 2023, providing a view of relative performance which is broadly aligned to the tenure of the current Executive team.



Directors' remuneration report
continued

Change in Chief Executive's remuneration over 10 years

The table below shows the total remuneration over the period 1 January 2014 to 31 December 2023, as well as outcomes under the annual bonus and long-term incentive plans.

Single total figure £000	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jon Stanton	–	–	281[1]	1,441	2,400	1,434	897	1,768	2,512	2,774
Keith Cochrane	1,456	1,065	1,012[2]	–	–	–	–	–	–	–

Annual bonus (% of maximum)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jon Stanton	–	–	38%	70%	62%	38%	0%[3]	52%	83%	86%
Keith Cochrane	61%	20%	40%	–	–	–	–	–	–	–

Long-term incentive (% of maximum)[4]	2014	2015	2016	2017	2018	2019	2020	2021[5]	2022[6]	2023[6]
Jon Stanton	–	–	0%	0%	75%	45%	100%	93%	92%	92%
Keith Cochrane	0%	0%	0%	–	–	–	–	–	–	–

Notes

1. Relates to the period Jon Stanton was CEO from 1 October 2016.
2. Relates to the period Keith Cochrane was on the Board to 30 September 2016.
3. The formulaic annual bonus outcome for 2020 was 46%, however this was waived by the Executive Directors.
4. The final award under the Long Term Incentive Plan was made in 2017 and which vested at 45% of maximum in 2019 as shown above. From 2018, restricted shares were awarded to the CEO which have no performance conditions. Vesting of the restricted shares commenced from 2020 onwards and will ordinarily be at 100% of the shares initially granted, subject to an underpin consisting of a basket of threshold metrics being met.
5. The value of 93% in 2021 incorporates the respective 10% and 5% downwards adjustment to the tranches of the 2018 and 2019 restricted share awards vesting in 2021 to reflect the technical breach of the dividend underpin, as previously communicated to Shareholders.
6. The value of 92% in each of 2022 and 2023 incorporates the 'windfall gains' related downwards adjustment of 15% to the first and second tranches of the 2020 restricted share award in these years, as previously communicated to Shareholders..

Percentage change in remuneration of board directors and wider employee population

The table below shows the percentage change in elements of remuneration for the Board Directors.

The employee population comprises those employed by The Weir Group PLC.

	% Change 2022-2023			% Change 2021-2022			% Change 2020-2021			% Change 2019-2020		
	Salary/ Fees[5]	Taxable Benefits[5]	Bonus[5]	Salary/ Fees[5]	Taxable Benefits[5]	Bonus[5]	Salary/ Fees[5]	Taxable Benefits[5]	Bonus[5]	Salary/ Fees[5]	Taxable Benefits[5]	Bonus[5]
Average UK Employee	(0.3%)	52.6%	26.8%	9.1%	(34.2%)	69.3%	0.2%	26.6%	73.6%	(3.3%)	(36.6%)	(65.4%)
Jon Stanton (CEO)	6.0%	10.7%	8.6%	5.4%	7.0%	71.4%	2.3%	0.5%	n/a	0.7%	28.3%	(100%)
John Heasley (CFO)[1]	(2.9%)	(1.8%)	(100%)	5.3%	(3.0%)	71.0%	2.3%	(1.3%)	n/a	0.7%	7.2%	(100%)
Barbara Jeremiah	37.0%	51.9%	—%	225.3%	18813.1%	—%	2.3%	(87.8%)	—%	21.8%	n/a	—%
Dame Nicola Brewer	173.2%	(50.6%)	—%	n/a	n/a	—%	n/a	n/a	—%	n/a	n/a	—%
Clare Chapman	4.0%	(61.7%)	—%	3.8%	n/a	—%	2.3%	(100%)	—%	0.7%	n/a	—%
Penny Freer[2]	n/a	n/a	—%	n/a	n/a	—%	n/a	n/a	—%	n/a	n/a	—%
Ebbie Haan[3]	(67.1%)	(72.9%)	—%	3.8%	n/a	—%	2.3%	(100%)	—%	15.6%	n/a	—%
Mary Jo Jacobi[4]	(67.1%)	(91.4%)	—%	3.8%	n/a	—%	2.3%	(100%)	—%	0.7%	(92.4%)	—%
Tracey Kerr[3]	132.2%	(45.2%)	—%	n/a	n/a	—%	n/a	n/a	—%	n/a	n/a	—%
Ben Magara	4.0%	(28.9%)	—%	9.0%	n/a	—%	n/a	n/a	—%	n/a	n/a	—%
Sir Jim McDonald	10.1%	398.5%	—%	18.6%	n/a	—%	2.3%	n/a	—%	0.7%	n/a	—%
Srinivasan Venkatakrishnan	4.0%	(37.0%)	—%	9.0%	n/a	—%	n/a	n/a	—%	n/a	n/a	—%
Stephen Young	4.0%	(9.3%)	—%	3.8%	n/a	—%	2.3%	(100%)	—%	0.7%	n/a	—%

Notes

1. John Heasley provided notice of his resignation on 27 July 2023 and then stepped down as CFO and resigned from the Board on 30 November 2023. During this period, John continued to receive his contractual salary and benefits.
2. Penny Freer was appointed to the Board on 23 October 2023.
3. Ebbie Haan stepped down from the Board following the AGM on 27 April 2023.
4. Mary Jo Jacobi stepped down from the Board following the AGM on 27 April 2023.
5. The n/a values shown reflect that a % change cannot be calculated given the nil value in the previous year. The Single Total Figure of Remuneration for Executive Directors on page 123 and the Single Total Figure of Remuneration for Chair and Non-Executive Directors on page 127 provide further detail.

Directors' remuneration report
continued

Relative importance of spend on pay

The table below shows the change in total staff pay for continuing operations between 2023 and 2022, and dividends paid out in respect of 2023 and 2022.

Financial year	2023 £m	2022 £m	Percentage Change
Overall spend on pay for employees	**632.9**	604.9	4.6 %
Profit distributed by way of dividend	**95.9**	66.7	43.8 %

Details of the overall spend on pay for employees can be found in note 5 to the Group Financial Statements on page 164. Details of the dividends declared and paid are contained in note 11 to the Group Financial Statements on page 171.

Complying with UK Corporate Governance Code 2018

The following table summarises how our Remuneration Policy set out on pages 117-122 fulfils the factors set out in provision 40 of the UK Corporate Governance Code 2018.

Clarity	Remuneration arrangements should be transparent and promote effective engagement with Shareholders and the workforce.	The Committee is committed to providing open and transparent disclosures to Shareholders and the workforce with regards to executive remuneration arrangements. The 2023 Directors' Remuneration Report sets out the remuneration arrangements for the Executive Directors in a clear and transparent way. There is also an AGM where Shareholders can ask any questions on the remuneration arrangements.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Our remuneration arrangements for Executive Directors, as well as those throughout the organisation, are simple in nature and understood by all participants. The structure for Executive Directors consists of fixed pay (salary, benefits, pension), annual bonus scheme and a restricted share plan.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based plans, are identified and mitigated.	The Committee considers that the structure of incentive arrangements does not encourage inappropriate risk-taking. Under the annual bonus, discretion may be applied where formulaic outcomes are not considered reflective of underlying Company performance. There are robust underpins in place for restricted share awards. Malus and clawback provisions also apply to variable incentives.
Predictability	The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The annual bonus scheme is the only scheme currently in operation for Executive Directors where there is variability in payouts depending on the performance of the Company. The restricted share awards are subject to share price movements and therefore aligned with the Shareholder experience. The potential value and composition of the Executive Directors' remuneration packages at below threshold, mid-point, maximum and maximum including a 50% share price increase scenarios are provided in the Directors' Remuneration Policy.
Proportionality	The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	Payments from annual bonus require robust performance against challenging conditions. Performance conditions have been designed to link with Group strategy and consist of financial and non-financial metrics. The Committee has discretion to override formulaic outturns to ensure that they are appropriate and reflective of overall performance.
Alignment to culture	Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	We granted free shares under Weir ShareBuilder to all employees newly-attaining 12 months' service by the 2023 award date. ShareBuilder is our global all employee share plan, and is part of our ambition of making all Weir colleagues Shareholders. The variable incentive schemes, performance measures and underpins are designed to be consistent with the Company's purpose, values and strategy.

Directors' remuneration report
continued

The Remuneration Committee in 2023
There were four Committee meetings during 2023.

Role	Name	Title
Chair and members	Clare Chapman[1] Dame Nicola Brewer Penny Freer[2] Mary Jo Jacobi[3] Ben Magara Stephen Young	Independent Non-Executive Directors
Internal attendees	Barbara Jeremiah Jon Stanton Rosemary McGinness Craig Gibson Gillian Kyle[4] Caroline Hagg[5] Graham Vanhegan	Chair Chief Executive Officer Chief People Officer Group Head of Reward Deputy Company Secretary Corporate Lawyer Chief Legal Officer and Company Secretary and Secretary to the Committee
Committee's external adviser	Deloitte LLP	Adviser to Committee

Notes
1. Clare Chapman stepped down from the Board and Chair of the Remuneration Committee with effect from 31 December 2023.
2. Penny Freer was appointed to the Board and as a member of the Remuneration Committee on 23 October 2023 and succeeded Clare Chapman as Chair of the Remuneration Committee with effect from 31 December 2023.
3. Mary Jo Jacobi stepped down from the Board and a member of the Remuneration Committee following the AGM on 27 April 2023.
4. Until August 2023.
5. From August 2023.

Internal advisers provided important information to the Committee and attended meetings. None of the individuals were involved in any decisions relating to their own remuneration.

Deloitte LLP was appointed by the Committee in 2016 following a competitive tender process, and provided services to the Committee for the year ended 31 December 2023. Fees paid to Deloitte LLP for work that materially assisted the Committee were £134,700 charged on a time and material basis. Deloitte LLP also provided other services to the Weir Group in the year, principally tax advisory and compliance services. Deloitte is a signatory to the Remuneration Consultants' Group Voluntary Code of Conduct and the Committee is satisfied that Deloitte's advice was objective and independent. The Committee is comfortable that the Deloitte engagement partner and team that provides advice to the Committee do not have connections with the Company or its Directors that may impair their independence.

Committee's performance
The Committee's Terms of Reference are reviewed on an annual basis and were last updated in December 2023. A copy can be found on our website: https://www.global.weir/globalassets/investors/role-of-the-board/weir-group-remuneration-committee---terms-of-reference-2023.pdf

The Committee was evaluated as part of the 2023 Board Effectiveness Review (see page 89), and it was concluded that the Committee was fulfilling its terms of reference effectively.

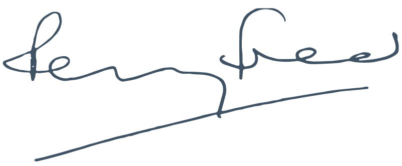
Shareholding voting
The table below sets out the voting by Shareholders on the resolution to approve the Directors' Remuneration Report at the AGM held in April 2023.

	For	Against	Total Votes Cast	Withheld
Remuneration Report	209,599,282 (95.29%)	10,370,788 (4.71%)	219,970,070 (84.73%)	15,680

The table below sets out the voting by Shareholders on the resolution to approve the current Directors' Remuneration Policy at the AGM held in April 2022.

	For	Against	Total Votes Cast	Withheld
Remuneration Policy	193,938,328 (90.47%)	20,430,745 (9.53%)	214,369,073 (82.57%)	5,321,171

Annual General Meeting
This report will be submitted to Shareholders for approval at the Annual General Meeting to be held on 25 April 2024.



Penny Freer
Chair of the Remuneration Committee

29 February 2024

Directors' report

The Directors present their report for the year ended 31 December 2023.

Disclosures set out elsewhere in this Annual Report

The following cross-referenced material, which would otherwise be required to be disclosed in this Directors' Report, is incorporated into the Director's Report.

Subject matter	Page reference
Particulars of any important events, if any, affecting the Company which have occurred since the end of the financial year	208
An indication of likely future developments in the business of the Company	16 to 17
An indication of the activities of the Company in the field of research and development	30 to 31
Details of employee policy and involvement	26, 81 to 83
Details of engagement with other stakeholders	84 to 86
Greenhouse gas emissions and energy consumption	56 to 57
Principal risks and uncertainties	60 to 69
Section 172 statement	26, 81 to 86
Corporate Governance Report	71 to 132

Disclosures required under Listing Rule 9.8.4R

For the purposes of LR 9.8.4C, the information to be disclosed under the Listing Rule 9.8.4 is set out in the table below.

Subject matter	Page reference
Shareholder waiver of dividends (LR 9.8.4(12))	134

Paragraphs (1), (2), (4), (5), (6), (7), (8), (9), (10), (11), (13) and (14) of Listing Rule 9.8.4 are not applicable.

Company number

The Weir Group PLC is registered in Scotland under company number SC002934 with its registered address at 10th Floor, 1 West Regent Street, Glasgow, G2 1RW, Scotland.

2024 Annual General Meeting

The Annual General Meeting will be held on 25 April 2024 at 2.30pm at the Head Office, 1 West Regent Street, Glasgow, G2 1RW.

The Notice of Meeting, along with an explanation of the proposed resolutions, are set out in a separate document which accompanies this Annual Report and can be downloaded from the Company's website. The Company conducts the vote at the AGM by poll and the result of the votes, including proxies, is published on the Company's website after the meeting.

Dividend

The Directors have recommended a final dividend of 20.8p per share for the year ended 31 December 2023. Payment of this dividend is subject to shareholder approval at the Annual General Meeting to be held on 25 April 2024.

Substantial shareholders

As at 31 December 2023, the following substantial interests in the Company's ordinary share capital had been notified to the Company in accordance with Disclosure Guidance and Transparency Rule 5 (DTR 5). It should be noted that these holdings may have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold under DTR 5 is crossed.

Shareholder	Number of voting rights	Percentage of voting rights
Baillie Gifford & Co	12,917,453	4.98%
Black Creek Investment Management	13,130,259	5.06%
Massachusetts Financial Services Company	12,955,326	4.99%

Between 31 December 2023 and 29 February 2024, the Company was notified of the following changes to the table above:

- On 6 February 2024, Black Creek Investment Management Inc. notified the Company that, on 2 February 2024, its interest in ordinary shares had decreased to 12,910,988 (4.97% of voting rights).
- On 23 February 2024, Black Creek Investment Management Inc. notified the Company that, on 21 February 2024, its interest in ordinary shares had increased to 12,993,988 (5.00% of voting rights).

Directors' report
continued

Employee-related information
The average number of employees in the Group during the period is given in note 5 to the Group Financial Statements on page 165.

Group companies operate within a framework of HR policies, practices and regulations appropriate to their market sector and country of operation. Policies and procedures for recruitment, training and career development promote equality of opportunity regardless of gender, sexual orientation, age, marital status, disability, race, religion or other beliefs and ethnic or national origin. At Weir, we strive to build an inclusive culture in which all employees have the opportunity to succeed and to be able to do the best work of their lives. The Group remains committed to the fair treatment of people with disabilities, including: giving full and fair consideration to applications made by people with disabilities, having regard to their particular aptitudes and abilities; continuing the employment of, and arranging training for, employees who have become disabled during the course of their employment; and offering training, career development and promotion opportunities for people with disabilities. Meaningful dialogue with our employees is actively encouraged. Further details on our employees can be found on page 82.

Use of financial instruments
The information required in respect of financial instruments as required by Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is given in note 30 to the Group Financial Statements on page 201.

Share capital and rights attaching to the company's shares
Details of the issued share capital of the Company, which comprises a single class of ordinary shares of 12.5p each are set out in note 25 to the Group Financial Statements on page 193. The rights attaching to the shares are set out in the Company's Articles of Association. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Voting rights
The Company's Articles of Association provide that on a show of hands at a general meeting of the Company, every holder of ordinary shares present in person and by proxy and entitled to vote shall have one vote and on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held.

The Notice of the AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. The Company conducts the vote at the AGM by poll and the result of the poll will be released to the London Stock Exchange and posted on the Company's website as soon as practicable after the meeting.

The Articles of Association may only be amended by a special resolution passed at a general meeting of Shareholders.

Transfer of shares
There are no restrictions on the transfer of ordinary shares in the Company, other than as contained in the Articles of Association:

- The Directors may refuse to register any transfer of any certificated share which is not fully paid up, provided that this power will not be exercised so as to disturb the market in the Company's shares.
- The Directors may also refuse to register the transfer of a certificated share unless it is delivered to the Registrar's office, or such other place as the Directors have specified, accompanied by a certificate for the shares to be transferred and such other evidence as the Directors may reasonably require to prove title of the intending transferor.

Certain restrictions may from time to time be imposed by laws and regulations, for example, insider trading laws, in relation to the transfer of shares.

Employee benefit trust arrangements (including waiver of dividends)
The Group has a nominee arrangement with Computershare Investor Services PLC (the 'Computershare Nominee') and employee benefit trusts with Estera Trust (Jersey) Limited (the 'Estera EBT') and Computershare Trustees (Jersey) Limited (the 'Computershare EBT').

The Computershare EBT purchased 1,246,700 shares in the market at an aggregate value of £24,042,263 on behalf of the Company for satisfaction of any future vesting of the awards granted under the Share Reward Plan and the ShareBuilder plan.

During the period, the SRP vested and the trustees of the Computershare EBT transferred 439,191 ordinary shares to employees to satisfy the SRP awards and transferred 2,160 shares to Computershare Nominee to be held on behalf of participants and subject to the rules of the SRP Deferred Bonus Plan.

During the period, the ShareBuilder plan vested and the trustees of the Computershare EBT transferred 7,428 ordinary shares to employees to satisfy the ShareBuilder plan awards.

Both the Estera EBT and Computershare Nominee agreed to waive any right to all dividend payments on shares held by them with the exception of shares held in respect of awards which have a dividend entitlement.

Details of the shares held by the Computershare Nominee, the Computershare EBT and the Estera EBT are set out in note 25 to the Group Financial Statements on page 193.

The 1,006,456 shares held in the Computershare Nominee are the shares in respect of which dividends have not been waived. The 180,523 shares held in the Computershare Nominee are subject to post vesting restrictions.

The Computershare Nominee held 0.39% of the issued share capital of the Company as at 31 December 2023. The shares are held on behalf of employees and former employees of the Group.

The Computershare EBT held, through nominee account Computershare Nominees (Channel Islands) Limited, 0.65% of the issued share capital of the Company as at 31 December 2023. This is held in trust on behalf of the Company for satisfaction of any future vesting of the awards granted under the Share Reward and ShareBuilder Plans.

The voting rights in relation to these shares are exercised by the trustees. The Computershare EBT may vote or abstain from voting with the shares or accept or reject any offer relating to shares, in any way they see fit, without incurring any liability and without being required to give reasons for their decision.

Directors' report
continued

Authority to issue shares
At the 2023 Annual General Meeting, shareholders renewed the directors' authority to allot shares in the Company up to an aggregate nominal amount equivalent to two thirds of the shares in issue (of which one third must be offered by way of rights issue). No shares were issued under this authority during the year ended 31 December 2023.

A further special resolution passed at the 2023 Annual General Meeting granted authority to the directors to allot equity securities in the Company for cash, without regard to the pre-emption provisions of the Companies Act 2006 in certain circumstances. No shares were issued under this authority during the year ended 31 December 2023.

At the forthcoming Annual General Meeting, the Board will again seek shareholder approval to renew these authorities to allot shares.

Authority to purchase own shares
At the 2023 Annual General Meeting, shareholders renewed the Company's authority to make market purchases of up to 25.9m ordinary shares (representing approximately 10% of the issued share capital excluding treasury shares). No shares were purchased under this authority during the year ended 31 December 2023. At the forthcoming Annual General Meeting, the Board will again seek shareholder approval to renew the annual authority for the Company to make market purchases at the same level.

Directors
The names of the persons who were directors of the Company as at the date of this report are set out on pages 73 to 76. During the financial year, the following individuals also acted as directors of the Company:

- Ebbie Haan (resigned 27 April 2023)
- Mary-Jo Jacobi (resigned 27 April 2023)
- John Heasley (resigned 30 November 2023)
- Clare Chapman (resigned 31 December 2023)

As announced on 5 December 2023, Brian Puffer will be appointed as director of the Company with effect from 1 March 2024.

Appointment and replacement of Directors
The provisions about the appointment and re-election of Directors of the Company are contained in the Articles of Association. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board. All directors retire and seek election or re-election (as applicable) at each annual general meeting in line with the UK Corporate Governance Code.

Powers of Directors
The business of the Company is managed by the Directors, who may exercise all the powers of the Company, subject to the provisions of the Company's Articles of Association, any special resolution of the Company and any relevant legislation.

Directors' indemnities
The Company has granted indemnities to each of its Directors in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities as Directors to the extent permitted by the Companies Act 2006 and the Company's Articles of Association. In addition, Directors and Officers of the Company and its subsidiaries and trustees of its pension schemes are covered by Directors' and Officers' liability insurance.

Pension scheme indemnities
The Group operates a closed defined benefit pension scheme in the UK which provides retirement and death benefits for employees and former employees of the Group: The Weir Group Pension and Retirement Savings Scheme. The corporate trustee of the pension scheme is The Weir Group Pension Trust Limited, a subsidiary of The Weir Group PLC. Qualifying pension scheme indemnity provisions, as defined in section 235 of the Companies Act 2006, were in force for the financial year ended 31 December 2023 and remain in force for the benefit of each of the Directors of The Weir Group Pension Trust Limited. These indemnity provisions cover, to the extent permitted by law, certain losses or liabilities incurred as a Director or officer of the corporate trustees of the pension schemes.

Directors' share interests
Details regarding the share interests of the directors (and the persons closely associated with them) in the share capital of the Company are set out in the Directors' Remuneration Report on page 128.

Change of control – significant agreements
The following significant agreements contain provisions entitling the counterparties to require prior approval, exercise termination, alteration or similar rights in the event of a change of control of the Company.

The Group has in place a US$600m multi-currency revolving credit facility (the 'Facility') which is due to mature in April 2028. Under the terms of this Facility, if there is a change of control of the Company, the Company has 30 days from the date of the change of control to agree terms for continuing the Facility. If at the end of the 30 days no agreement is reached between the Company and the banks, then any lender may request, by not less than 30 days' notice to the Company, that its commitment be cancelled and all outstanding amounts be repaid to that lender at the expiry of such notice period.

The Company has issued US$800m Sustainability-Linked Notes. If a Change of Control Repurchase Event occurs, the Company will be required to make an offer to each Holder of the Notes to repurchase all or any part of the Notes of such Holders at a repurchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of repurchase. A Change of Control Repurchase Event means the occurrence of both a Change of Control and a Rating Event.

The Company has also issued £300m Sustainability-Linked Notes. If a Change of Control Repurchase Event occurs, the Company will be required to make an offer to each Holder of the Notes to repurchase all or any part of the Notes of such Holders at a repurchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of repurchase. A Change of Control Repurchase Event means the occurrence of both a Change of Control and a Rating Event.

Directors' report
continued

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Political donations
The Group did not make any political donations or incur any political expenditure, or make any contributions to a non-UK political party, during the year.

Branches
The Company, through various subsidiaries, has established branches in a number of different countries in which the Group operates.

Disclaimer and forward-looking statements
This Annual Report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents and advisers, do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed. This Annual Report may contain statements that are not based on current or historical fact and/or that are forward-looking in nature. Please refer to the cautionary statement on page 1.

Disclosure of information to auditor
Each of the directors who held office at the date of approval of this Directors' Report confirms that:

- so far as each Director is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- each Director has taken all of the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern
These financial statements have been prepared on the going concern basis.

As discussed in the Chief Executive Officer's review, the Group capitalised on positive conditions in the mining markets in 2023 and executed strongly, delivering year-on-year growth in revenue and operating profit, significantly expanding operating margins and meeting our cash conversion target.

As discussed in the Financial Review, the Group has extended the maturity profile of its debt financing, with the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028, and exercise of the one year extension of the Revolving Credit Facility to April 2028. As a result of strong cash generation in the year, the Group reduced its Revolving Credit Facility by US$200m to US$600m in February 2024. Following these actions, the Group retains substantial levels of liquidity over the medium term.

While the Group has delivered strong financial results in the current year and enters 2024 with a strong order book, supportive mining markets and a clear strategy to capitalise on the attractive long-term structural trends in our markets, macroeconomic and geopolitical uncertainty persists. Recognising these uncertainties, the Group performed financial modelling of future cash flows, which cover a period of 12 months from the approval of the 2023 Annual Report and Financial Statements.

The financial modelling included reverse stress testing which focused on the level of downside risk which would be required for the Group to breach its current lending facilities (note 20 to the Group Financial Statements) and related financial covenants (note 31 to the Group Financial Statements). The review indicated that the Group continues to have sufficient headroom on both lending facilities and related financial covenants. The circumstances which would lead to a breach are not considered plausible.

The Directors, having considered all available relevant information, have a reasonable expectation that the Group has adequate resources to continue to operate as a going concern.

The Directors' Report has been approved by the Board of Directors in accordance with the Companies Act 2006.

On behalf of the Board of Directors

Graham Vanhegan
Chief Legal Officer and Company Secretary

29 February 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law.)

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and the UK-adopted International Accounting Standards, have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Group's performance, business model and strategy.

Each of the Directors, as at the date of this report, confirms to the best of their knowledge that:

- The Group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board of Directors

Jon Stanton
Chief Executive Officer

29 February 2024

Independent auditors' report to the members of The Weir Group PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- The Weir Group PLC's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006;
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2023 (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2023; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 5 of Notes to the Group Financial Statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

The Group is organised into two continuing Divisions: Minerals and ESCO. On 1 February 2021, the Group completed its disposal of the majority of the Oil & Gas Division, and the disposal of the Group's shareholding in the remaining joint venture in the Oil & Gas Division was completed on 30 June 2021. The sale of the Oil & Gas Division has been disclosed as a discontinued operation in the current and prior year. Each continuing division conducts its business in a number of locations around the world. Many of the business locations (or components) are of a similar size, so we scoped our audit to ensure we had appropriate coverage of the Group. We included components that accounted for the largest share of the Group's results or where we considered there to be areas of significant risk.

Overview

Audit scope

- We conducted audit work on 13 components in seven countries. We conducted full scope audits on seven of these components, specified scope on three components and specified procedures on the remaining three components.
- The 13 components where we performed audit work accounted for 69% of total Group revenue and 61% of adjusted profit before tax from continuing operations.

Key audit matters

- Valuation of pension liabilities (Group and Company)
- Accounting for asbestos-related claims (Group)

Materiality

- Overall Group materiality: £20,300,000 (2022: £17,375,000) based on 5% of profit before tax and adjusting items from continuing operations.
- Overall Company materiality: £18,000,000 (2022: £15,000,000) based on 1% of net assets.
- Performance materiality: £15,251,000 (2022: £13,031,250) (Group) and £13,500,000 (2022: £11,250,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of The Weir Group PLC

continued

Valuation of pension assets (Group and Company), which was a key audit matter last year, is no longer included because of the reduction of the audit risk associated with the valuation of pension assets as a result of the 2023 pension buy-in which has significantly decreased the volume of complex invested assets. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of pension liabilities (Group and Company) Note 2 to the Group financial statements – Accounting policies – Note 1 to the Company financial statements – Accounting policies – Note 24 to the Group financial statements – Retirement benefits – Note 8 to the Company financial statements – Retirement benefits – Audit Committee report The Group operates a number of defined benefit pension plans, giving rise to a defined benefit obligation of £712.9m as at 31 December 2023 (2022: £719.2m). In respect of the Company, there is a liability of £563.4m as at 31 December 2023 (2022: £560.1m). These balances are significant in the context of the overall Balance Sheet of the Group and of the Company. The valuation of pension liabilities requires judgement and technical expertise in choosing appropriate assumptions such as discount rate, inflation and mortality. Management engaged external actuarial experts to assist them in selecting appropriate assumptions and to calculate the liabilities. Inappropriate selection of assumptions or methodologies for calculating the pension liabilities could result in a material difference in the value of the liabilities. The use of a regulated and qualified 3rd party mitigates the risk to a degree, however it remains a judgemental area with significant values involved.	We reviewed the independent actuary's report on the assumptions and methodology used to calculate the pension liabilities and compliance of management's approach with the relevant accounting standard IAS 19 'Employee Benefits' (Revised). We used our actuarial experts to assess whether the assumptions used in calculating the pension liabilities are reasonable by: • Assessing whether mortality assumptions are appropriate in line with the demographics of each significant plan and, where applicable, with UK industry benchmarks; • Verifying that the methodology of the discount and inflation rate assumptions is in line with the accounting framework and the position of the assumptions are within our acceptable ranges; and • Performing independent testing of the roll-forward approach to calculate the liabilities for the significant plans and compared against management's actuary's results. Based on our procedures, we concluded management's key assumptions individually and collectively were acceptable. We assessed the related disclosures included in the Group and Company financial statements and consider them to be appropriate and in compliance with IAS 19.
Accounting for asbestos related claims (Group) Note 2 to the Group financial statements – Accounting policies – Note 22 to the Group financial statements – Provisions – Audit Committee report Total asbestos related provisions as at 31 December 2023 amounted to £78.7m (2022: £55.2m). This consists of a provision of £76.2m (2022: £52.7m) for the Group's liabilities arising from asbestos-related damages claims in the US and £2.5m (2022: £2.5m) in the UK. The valuation of the liability involves significant estimation. In arriving at the estimate of the liability, management is required to make assumptions that include the number and value of claims and the time period over which the liability can be reliably measured. As a result, there is a high degree of uncertainty in this estimate and management uses an independent actuary to assist with this assessment. The Group has insurance cover in place to partially offset the US provision of £14.9m as at 31 December 2023 (2022: £32.0m) which is recognised within other receivables. After deduction of the insurance asset there is a net provision for the estimated uninsured US liability of £61.3m (2022: £20.7m).	We performed procedures on both the UK and US asbestos liabilities. The US provision is the more significant and has a greater level of estimation uncertainty. Management obtains a triennial actuarial estimate of the US asbestos liability from an independent expert and the most recent assessment was performed by external actuarial consultants in 2023. We involved our PwC actuarial experts to assess the 2023 valuation and the reasonableness of the methodology used by the independent expert. We evaluated management's underlying assumptions used in its calculation which included testing of: • The mathematical accuracy of the underlying calculations in management's model; • The input data to management's model, such as the average cost per claim and the number of settled claims to source data, which we verified directly with the Group's external lawyers and to the independent actuarial assessment; and • The reasonableness of forecast number and value of claims to be settled to the actuarial assessment for the period of provision. We evaluated the appropriateness of management's assessment of the timescale over which a liability can be reliably measured, which remains at 10 years plus cash flows for a further 6 years. We also examined the insurance cover held by the Group and recalculated the expected date of insurance exhaustion to be in line with that disclosed by management. In addition, we validated that the insurance cover remains active and currently continues to settle claims as expected. We tested the reasonableness of the provision made for the estimated uninsured liability. Finally, we tested the disclosures in the financial statements and checked for compliance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and IAS 1 'Presentation of Financial Statements' and consider them to be appropriate.

Independent auditors' report to the members of The Weir Group PLC

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into two continuing Divisions: Minerals and ESCO. On 1 February 2021, the Group completed its disposal of the majority of the Oil & Gas Division, and the disposal of the Group's shareholding in the remaining joint venture in the Oil & Gas Division was completed on 30 June 2021. The sale of the Oil & Gas Division has been disclosed as a discontinued operation in the current and prior year. Each continuing division conducts its business in a number of locations around the world. Many of the business locations (or components) are of a similar size, so we scoped our audit to ensure we had appropriate coverage of the Group. We included components that accounted for the largest share of the Group's results or where we considered there to be areas of significant risk.

The Group's components vary significantly in size and we identified seven components that, in our view, required an audit of their complete financial information due to their relative size or risk characteristics. Of these full scope component audits, two were based in the UK and were performed by members of the Group engagement team. These covered central functions and Head Office managed balances, including the asbestos provision, treasury, uncertain tax provisions, post-retirement benefits, goodwill, intangibles and the consolidation.

The remaining five full scope component audits were performed by other PwC network firms. Other PwC network firms also performed specific scope audits over a further three components, which covered all line items on the income statement and specified line items on the balance sheet. Specified procedures audits were performed on the remaining three components and this work was completed by the Group audit team.

The scope of work at each component was determined by its contribution to the Group's overall financial performance or balance sheet and its risk profile. Where component audits were performed by teams from other PwC network firms, members of the Group engagement team were involved in their work throughout the audit. We maintained regular communication and conducted formal interim and year end video calls with all full and specified scope component teams. The discussions during the audit also included divisional management. Members of the Group audit team visited one of our overseas locations.

Of the 13 components in scope, we deemed three to be financially significant to the Group.

The impact of climate risk on our audit

Our Group and component audits considered the impact of climate change. As part of our audit, we made enquiries with management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made in the Sustainability review in the Strategic report. We also read the Group's governance process in response to climate risk and read additional reporting made by the Group including its Carbon Disclosure Project ("CDP") public submission. Our testing involved:

- Making enquiries with local and Group management and the Group sustainability team to obtain their risk assessment and understand the governance processes in place to address climate risk impacts;
- Reviewing the Group's CDP submission made during 2023; and
- Obtaining an understanding of the carbon reduction commitments made by the Group and the impact of these on the financial statements.

In 2023, the Group's scope 1, 2 and 3 emissions reduction targets were approved by the Science Based Targets Initiative (SBTi). The targets include absolute reductions in scope 1 and 2 emissions of 30% and scope 3 emissions of 15% by 2030, versus a 2019 baseline. Management does not consider the annual capital expenditure and operating costs required to deliver the plan across the target period to be material to the financial plans of the Group.

Using our knowledge of the business, we focused our work on how the impact of climate commitments made by the Group would impact the assumptions within the discounted cash flows prepared by management that are used in the Group's goodwill and indefinite life asset impairment tests. We also evaluated whether the impact of both physical and transitional risks had been appropriately included in management's going concern and viability assessments.

We challenged the completeness of management's climate impact assessment by reading the external reporting made by management, including the CDP submission in 2023, as well as internal climate plans and board minutes. We also considered the completeness of the impact on financial statement line items by comparing management's assessment of the impact of climate risk, including the potential impact on the underlying assumptions and estimates as outlined in the basis of preparation in note 1 of the Notes to the Group Financial Statements.

Finally, we assessed the consistency of the information in the front half of the Annual Report regarding Task Force on Climate-Related Financial Disclosures (TCFD) and the financial statements.

Independent auditors' report to the members of The Weir Group PLC

continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£20,300,000 (2022: £17,375,000).	£18,000,000 (2022: £15,000,000).
How we determined it	5% of profit before tax and adjusting items from continuing operations.	1% of net assets.
Rationale for benchmark applied	It is clear from the Annual Report that this profit measure is used by shareholders in evaluating the underlying business performance. We applied a lower materiality to the audit of exceptional items.	The nature of the Company's activities supports a net asset basis for the calculation of materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £600,000 and £14,000,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £15,251,000 (2022: £13,031,250) for the Group financial statements and £13,500,000 (2022: £11,250,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,000,000 (Group audit) (2022: £868,000) and £900,000 (Company audit) (2022: £750,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Review and evaluation of management's cash flow forecasts and the process by which they were determined and approved, agreeing the forecasts with the latest Board approved budgets and confirming the mathematical accuracy of underlying calculations;
- Assessment of management's forecast assumptions for base case and severe but plausible downside scenarios on the Group's ability to continue as a going concern; and
- Consideration of the Group's liquidity and availability of financing to support the going concern basis of accounting.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of The Weir Group PLC

continued

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of The Weir Group PLC

continued

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing Rules, the Companies Act 2006 and UK and overseas tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management, internal audit and Group General Counsel, including consideration of known or suspected instances of non compliance with laws and regulations and fraud or matters reported on the Group's Ethics Hotline;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of Board Minutes;
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to the classification of costs as exceptional; and
- Identifying and testing journal entries, in particular any journal entries posted by senior management or unexpected users and unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not obtained all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- The Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 28 April 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement is eight years, covering the years ended 31 December 2016 to 31 December 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Kenneth Wilson

Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Glasgow

29 February 2024

Consolidated Income Statement
for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 Adjusted results £m	Year ended 31 December 2023 Adjusting items (note 6) £m	Year ended 31 December 2023 Statutory results £m	Year ended 31 December 2022 Adjusted results £m	Year ended 31 December 2022 Adjusting items (note 6) £m	Year ended 31 December 2022 Statutory results £m
Continuing operations							
Revenue	4	**2,636.0**	**—**	**2,636.0**	2,472.1	—	2,472.1
Continuing operations							
Operating profit before share of results of joint ventures		**456.3**	**(90.4)**	**365.9**	392.3	(87.3)	305.0
Share of results of joint ventures	16	**2.5**	**—**	**2.5**	2.5	—	2.5
Operating profit		**458.8**	**(90.4)**	**368.4**	394.8	(87.3)	307.5
Finance costs	7	**(66.4)**	**—**	**(66.4)**	(51.0)	—	(51.0)
Finance income	7	**18.7**	**—**	**18.7**	3.7	—	3.7
Profit before tax from continuing operations		**411.1**	**(90.4)**	**320.7**	347.5	(87.3)	260.2
Tax (expense) credit	8	**(110.9)**	**20.1**	**(90.8)**	(92.5)	44.9	(47.6)
Profit for the year from continuing operations		**300.2**	**(70.3)**	**229.9**	255.0	(42.4)	212.6
(Loss) profit for the year from discontinued operations	9	**—**	**(1.3)**	**(1.3)**	1.2	—	1.2
Profit (loss) for the year		**300.2**	**(71.6)**	**228.6**	256.2	(42.4)	213.8
Attributable to:							
Equity holders of the Company		**299.5**	**(71.6)**	**227.9**	255.8	(42.4)	213.4
Non-controlling interests		**0.7**	**—**	**0.7**	0.4	—	0.4
		300.2	**(71.6)**	**228.6**	256.2	(42.4)	213.8
Earnings per share	10						
Basic – total operations				**88.2p**			82.5p
Basic – continuing operations		**115.9p**		**88.7p**	98.4p		82.0p
Diluted – total operations				**87.7p**			82.0p
Diluted – continuing operations		**115.3p**		**88.2p**	97.8p		81.5p

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Profit for the year		**228.6**	213.8
Other comprehensive (expense) income			
Losses taken to equity on cash flow hedges		**(0.4)**	—
Cost of hedging taken to equity on fair value hedges		**(0.8)**	—
Exchange (losses) gains on translation of foreign operations		**(159.1)**	223.1
Reclassification of foreign currency translation reserve on disposal of operations		**—**	0.1
Exchange gains (losses) on net investment hedges		**27.6**	(124.9)
Reclassification adjustments on cash flow hedges		**0.5**	0.5
Reclassification adjustments on fair value hedges		**0.1**	—
Tax credit (charge) relating to above items	8	**0.1**	(0.1)
Items that are or may be reclassified to profit or loss in subsequent periods		**(132.0)**	98.7
Other comprehensive (expense) income not to be reclassified to profit or loss in subsequent periods:			
Remeasurements on defined benefit plans	24	**(28.2)**	65.3
Tax credit (charge) relating to above item	8	**7.1**	(16.3)
Items that will not be reclassified to profit or loss in subsequent periods		**(21.1)**	49.0
Net other comprehensive (expense) income		**(153.1)**	147.7
Total net comprehensive income for the year		**75.5**	361.5
Attributable to:			
Equity holders of the Company		**76.1**	360.8
Non-controlling interests		**(0.6)**	0.7
		75.5	361.5
Total net comprehensive income (expense) for the year attributable to equity holders of the Company			
Continuing operations		**77.4**	359.6
Discontinued operations	9	**(1.3)**	1.2
		76.1	360.8

Consolidated Balance Sheet
at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
ASSETS			
Non-current assets			
Property, plant & equipment	12	**490.5**	462.2
Intangible assets	13	**1,316.0**	1,409.9
Investments in joint ventures	16	**12.2**	15.1
Deferred tax assets	23	**111.3**	92.5
Other receivables	18	**53.8**	76.8
Retirement benefit plan assets	24	**30.1**	50.0
Total non-current assets		**2,013.9**	2,106.5
Current assets			
Inventories	17	**608.1**	679.1
Trade & other receivables	18	**526.2**	528.9
Derivative financial instruments	30	**7.9**	8.9
Income tax receivable		**29.4**	41.3
Cash & short-term deposits	19	**707.2**	691.2
Total current assets		**1,878.8**	1,949.4
Total assets		**3,892.7**	4,055.9
LIABILITIES			
Current liabilities			
Interest-bearing loans & borrowings	20	**286.2**	406.3
Trade & other payables	21	**581.3**	623.5
Derivative financial instruments	30	**6.4**	13.2
Income tax payable		**1.9**	7.4
Provisions	22	**47.6**	35.3
Total current liabilities		**923.4**	1,085.7
Non-current liabilities			
Interest-bearing loans & borrowings	20	**1,111.1**	1,082.1
Other payables	21	**0.6**	1.0
Derivative financial instruments	30	**2.3**	—
Provisions	22	**80.7**	62.9
Deferred tax liabilities	23	**46.9**	51.4
Retirement benefit plan deficits	24	**28.0**	34.9
Total non-current liabilities		**1,269.6**	1,232.3
Total liabilities		**2,193.0**	2,318.0
NET ASSETS		**1,699.7**	1,737.9
CAPITAL & RESERVES			
Share capital	25	**32.5**	32.5
Share premium		**582.3**	582.3
Merger reserve		**332.6**	332.6
Treasury shares		**(29.0)**	(14.3)
Capital redemption reserve		**0.5**	0.5
Foreign currency translation reserve		**(238.7)**	(108.5)
Hedge accounting reserve		**1.4**	1.9
Retained earnings		**1,008.2**	899.5
Shareholders' equity		**1,689.8**	1,726.5
Non-controlling interests		**9.9**	11.4
TOTAL EQUITY		**1,699.7**	1,737.9

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024. The financial statements also comprise the notes on pages 150 to 208.

Jon Stanton
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Total operations			
Cash flows from operating activities	26		
Cash generated from operations		**525.5**	447.8
Additional pension contributions paid		**(9.3)**	(9.7)
Exceptional and other adjusting cash items		**(18.0)**	(14.2)
Exceptional cash items - acquired vendor liabilities		**—**	(9.7)
Income tax paid		**(103.9)**	(93.4)
Net cash generated from operating activities		**394.3**	320.8
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	26	**(6.9)**	(15.2)
Purchases of property, plant & equipment		**(79.1)**	(56.1)
Purchases of intangible assets		**(7.6)**	(6.6)
Other proceeds from sale of property, plant & equipment and intangible assets		**4.2**	4.4
Disposals of discontinued operations, net of cash disposed and disposal costs	9,26	**(0.4)**	(0.1)
Exceptional cash item - disposal of ESCO Russia	26	**—**	(2.0)
Interest received		**15.1**	4.6
Dividends received from joint ventures	16	**4.1**	2.7
Net cash used in investing activities		**(70.6)**	(68.3)
Cash flows from financing activities			
Proceeds from borrowings		**512.6**	822.8
Repayments of borrowings		**(627.6)**	(958.9)
Lease payments		**(31.0)**	(30.5)
Settlement of external debt of subsidiary on acquisition		**(0.2)**	—
Settlement of derivative financial instruments		**(0.5)**	(0.3)
Interest paid		**(55.0)**	(49.9)
Dividends paid to equity holders of the Company	11	**(95.9)**	(66.7)
Dividends paid to non-controlling interests		**(0.9)**	(0.3)
Purchase of shares for employee share plans		**(24.0)**	(20.0)
Net cash used in financing activities		**(322.5)**	(303.8)
Net increase (decrease) in cash & cash equivalents		**1.2**	(51.3)
Cash & cash equivalents at the beginning of the year		**477.5**	500.0
Foreign currency translation differences		**(31.3)**	28.8
Cash & cash equivalents at the end of the year	19	**447.4**	477.5

The cash flows from discontinued operations included above are disclosed separately in note 9.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2021	32.5	582.3	332.6	(5.3)	0.5	(206.5)	1.5	705.9	1,443.5	11.0	1,454.5
Profit for the year	—	—	—	—	—	—	—	213.4	213.4	0.4	213.8
Exchange gains on translation of foreign operations	—	—	—	—	—	222.8	—	—	222.8	0.3	223.1
Reclassification of foreign currency translation reserve on disposal of operations	—	—	—	—	—	0.1	—	—	0.1	—	0.1
Exchange losses on net investment hedges	—	—	—	—	—	(124.9)	—	—	(124.9)	—	(124.9)
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.5	—	0.5	—	0.5
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	65.3	65.3	—	65.3
Tax relating to other comprehensive income	—	—	—	—	—	—	(0.1)	(16.3)	(16.4)	—	(16.4)
Total net comprehensive income for the year	—	—	—	—	—	98.0	0.4	262.4	360.8	0.7	361.5
Cost of share-based payments inclusive of tax credit	—	—	—	—	—	—	—	8.9	8.9	—	8.9
Dividends	—	—	—	—	—	—	—	(66.7)	(66.7)	—	(66.7)
Purchase of shares for employee share plans	—	—	—	(20.0)	—	—	—	—	(20.0)	—	(20.0)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.3)	(0.3)
Exercise of share-based payments	—	—	—	11.0	—	—	—	(11.0)	—	—	—
At 31 December 2022	**32.5**	**582.3**	**332.6**	**(14.3)**	**0.5**	**(108.5)**	**1.9**	**899.5**	**1,726.5**	**11.4**	**1,737.9**

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023 continued

	Share capital £m	Share premium £m	Merger reserve £m	Treasury shares £m	Capital redemption reserve £m	Foreign currency translation reserve £m	Hedge accounting reserve £m	Retained earnings £m	Attributable to equity holders of the Company £m	Non-controlling interests £m	Total equity £m
At 31 December 2022	**32.5**	**582.3**	**332.6**	**(14.3)**	**0.5**	**(108.5)**	**1.9**	**899.5**	**1,726.5**	**11.4**	**1,737.9**
Profit for the year	–	–	–	–	–	–	–	227.9	227.9	0.7	228.6
Losses taken to equity on cash flow hedges	–	–	–	–	–	–	(0.4)	–	(0.4)	–	(0.4)
Cost of hedging taken to equity on fair value hedges	–	–	–	–	–	–	(0.8)	–	(0.8)	–	(0.8)
Exchange losses on translation of foreign operations	–	–	–	–	–	(157.8)	–	–	(157.8)	(1.3)	(159.1)
Exchange gains on net investment hedges	–	–	–	–	–	27.6	–	–	27.6	–	27.6
Reclassification adjustments on cash flow hedges	–	–	–	–	–	–	0.5	–	0.5	–	0.5
Reclassification adjustments on fair value hedges	–	–	–	–	–	–	0.1	–	0.1	–	0.1
Remeasurements on defined benefit plans	–	–	–	–	–	–	–	(28.2)	(28.2)	–	(28.2)
Tax relating to other comprehensive expense	–	–	–	–	–	–	0.1	7.1	7.2	–	7.2
Total net comprehensive income for the year	–	–	–	–	–	(130.2)	(0.5)	206.8	76.1	(0.6)	75.5
Cost of share-based payments inclusive of tax credit	–	–	–	–	–	–	–	7.1	7.1	–	7.1
Dividends	–	–	–	–	–	–	–	(95.9)	(95.9)	–	(95.9)
Purchase of shares for employee share plans	–	–	–	(24.0)	–	–	–	–	(24.0)	–	(24.0)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(0.9)	(0.9)
Exercise of share-based payments	–	–	–	9.3	–	–	–	(9.3)	–	–	–
At 31 December 2023	**32.5**	**582.3**	**332.6**	**(29.0)**	**0.5**	**(238.7)**	**1.4**	**1,008.2**	**1,689.8**	**9.9**	**1,699.7**

Notes to the Group Financial Statements

1. Authorisation of financial statements and statement of compliance

The Consolidated Financial Statements of The Weir Group PLC (the 'Company') and its subsidiaries (together, the 'Group') for the year ended 31 December 2023 ('2023') were approved and authorised for issue in accordance with a resolution of the Directors on 29 February 2024. The comparative information is presented for the year ended 31 December 2022 ('2022').

The Consolidated Financial Statements of The Weir Group PLC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards.

The Weir Group PLC is a public limited company, limited by shares, incorporated in Scotland, United Kingdom and is listed on the London Stock Exchange. The principal activities of the Group are described in note 4.

2. Accounting policies

Basis of preparation

These financial statements are presented in Sterling. All values are rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated.

The financial statements are also prepared on a historic cost basis except where measured at fair value as outlined in the accounting policies.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue to operate for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis of preparing the financial statements. In forming this view the Directors have reviewed the Group's budget and sensitivity analysis as discussed further in the Directors' Report on pages 133 to 136.

Basis of consolidation

The Consolidated Financial Statements include the results, cash flows and assets and liabilities of The Weir Group PLC and its subsidiaries, and the Group's share of results of its joint venture. For consolidation purposes, subsidiaries and joint ventures prepare financial information for the same reporting period as the Company using consistent accounting policies.

A subsidiary is an entity controlled, either directly or indirectly, by the Company, where control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of a subsidiary acquired during the period are included in the Group's results from the effective date on which control is transferred to the Group. The results of a subsidiary sold during the period are included in the Group's results up to the effective date on which control is transferred out of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group and are presented within equity in the Consolidated Balance Sheet, separately from the Company Shareholders' equity.

A full list of the Company's related undertakings can be found on pages 224 to 230.

New accounting standards, amendments and interpretations

The accounting policies that follow are consistent with those of the previous period, with the exception of the following standards, amendments and interpretations which are effective for the year ended 31 December 2023:

- IFRS 17 'Insurance contracts' as amended in December 2021;
- Definition of Accounting Estimates - amendments to IAS 8;
- International Tax Reform - Pillar Two Model Rules - amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12; and
- Disclosure of Accounting Policies - amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above are not considered to have a material impact on the Consolidated Financial Statements of the Group.

The following new accounting standards and interpretations have been published but are not mandatory for 31 December 2023:

- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 1 - Non-current liabilities with covenants;
- Amendments to IAS 21 - Lack of exchangeability;
- Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements; and
- Amendments to IFRS 16 - Lease liability in a sale and leaseback.

These amendments have not been early adopted by the Group. The impact assessment is ongoing, however, from initial review these standards are not expected to have a material impact on the Group in the current or future reporting periods.

Climate change

Climate change is considered to be a key element of our overall sustainability roadmap. As well as considering the impact of climate change across our business model, the Directors have considered the impact on the financial statements in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Climate change is not considered to have a material impact on the financial reporting judgements and estimates arising from our considerations. Overall, sustainability is recognised in the market as a growth driver for Weir and a key part of our investment case. This is consistent with our assessment that climate change is not expected to have a detrimental impact on the viability of the Group in the medium-term. Specifically we note the following:

- The impact of climate change has been included in the modelling to assess the viability and going concern status of the Group, both in terms of the preparation of our Strategic Plan, which underpins our viability statement modelling, and the modelling of our severe, but plausible downside scenarios;

Notes to the Group Financial Statements
continued

- Our assessment of the carrying value of goodwill and intangible assets included consideration of scenario analysis of potential climate change on our end markets and this did not introduce a set of circumstances that were considered could reasonably lead to an impairment;
- The impact on the carrying value and useful lives of tangible assets has been considered and while we continue to invest in projects to reduce our carbon impact, there is not considered to be a material impact on our existing asset base;
- In May 2021, the Group successfully completed the issuance of five-year US$800m Sustainability-Linked Notes. The cost of meeting our linked targets in 2024 has been considered within the above modelling and the impact is not material; and
- In June 2023, the Group successfully completed the issuance of five-year £300m Sustainability-Linked Notes. The cost of meeting our linked targets in 2026 has been considered within the above modelling and the impact is not material.

Further detail on our science-based targets and performance against them is included in the Emissions Strategy in the Strategic Report.

Use of estimates and judgements
The Group's material accounting policy information is set out below. The preparation of the Consolidated Financial Statements, in conformity with IFRS, requires management to make judgements that affect the application of accounting policies and estimates that impact the reported amounts of assets, liabilities, income and expense.

Management bases these judgements on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates, which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

Areas requiring significant judgement in the current year and on a recurring basis are presented to the Audit Committee, as summarised on pages 103 to 108.

Critical judgments and estimates
The areas where management considers critical judgements and estimates to be required, which are areas more likely to be materially adjusted within the next 12 months due to inherent uncertainty regarding estimates and assumptions, are those in respect of the following:

Retirement benefits (estimate)
The assumptions underlying the valuation of retirement benefit assets and liabilities include discount rates, inflation rates and mortality assumptions, which are based on actuarial advice. Changes in these assumptions could have a material impact on the measurement of the Group's retirement benefit obligations. Sensitivities to changes in key assumptions are provided in note 24.

Provisions (judgement/estimate)
Management judgement is used to determine when a provision is recognised, taking into account the commercial drivers that gave rise to it, the Group's previous experience of similar obligations and the progress of any associated legal proceedings. The calculation of provisions typically involves management estimates of associated cash flows and discount rates. The key provision, which currently requires a greater degree of management judgement and estimate is the US asbestos provision and associated insurance asset, details of which are included in note 22.

Deferred taxation (estimate)
The level of current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the interpretation of complex international tax regulations and, in some cases, the outcome of decisions by tax authorities in various jurisdictions around the world, together with the ability of the Group to utilise tax attributes within the time limits imposed by the relevant tax legislation. The value of the recognised US deferred tax asset in relation to US tax attributes is based on expected future US taxable profits with reference to the Group's ten-year forecast period and assumptions over the intended use of these tax attributes during this period. The application of this model and its underlying assumptions may result in future changes to the deferred tax asset recognised. In particular, the recognition of US deferred tax assets relating to deferred intra-group interest deductions is based upon the current policy and modelling demonstrating full utilisation of that attribute over the ten-year forecast period. If the current policy were to change then the utilisation of this tax attribute, as demonstrated by the model, may reduce resulting in a reduction in US deferred tax asset recognised of a maximum of £37.6m (2022: £41.2m).

Other estimates
Taxation (estimate)
The Group faces a variety of tax risks, which result from operating in a complex global environment, including the ongoing reform of both international and domestic tax rules in some of the Group's larger markets and the challenge to fulfil ongoing tax compliance filing and transfer pricing obligations given the scale and diversity of the Group's global operations.

The Group makes provision for open tax issues where it is probable that an exposure will arise including, in a number of jurisdictions, ongoing tax audits and uncertain tax positions including transfer pricing which are by nature complex and can take a number of years to resolve. In all cases, provisions are based on management's interpretation of tax law in each country, as supported where appropriate by discussion and analysis undertaken by the Group's external advisers, and reflect the single best estimate of the likely outcome or the expected value for each liability. Provisions for uncertain tax positions are included in current tax liabilities and total £5.4m at 31 December 2023 (2022: £7.1m).

The Group believes it has made adequate provision for such matters although it is possible that amounts ultimately paid will be different from the amounts provided, but not materially within the next 12 months.

Accounting policies
Adjusting items
In order to provide the users of the Consolidated Financial Statements with a more relevant presentation of the Group's performance, statutory results for each year have been analysed between:

- adjusted results; and
- the effect of adjusting items.

The principal adjusting items are summarised below. These specific items are presented on the face of the Consolidated Income Statement, along with the related adjusting items' taxation, to provide greater clarity and a better understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's underlying results with prior years and assessment of trends in financial performance. This split is consistent with how business performance is measured internally.

Notes to the Group Financial Statements
continued

Intangibles amortisation
Intangibles amortisation is expensed in line with the other intangible assets policy, with separate disclosure provided to allow visibility of the impact of both:

- intangible assets recognised via acquisition, which primarily relate to items that would not normally be capitalised unless identified as part of an acquisition opening balance sheet. The ongoing costs associated with these assets are expensed; and
- ongoing multi-year investment activities, which previously included our IT transformation strategy and digitalisation strategy.

In the prior year, amortisation of £7.4m was included within adjusting items in relation to assets which are part of ongoing multi-year investment activities. As these assets are now fully amortised, no charge has been recognised during the current year.

Exceptional items
Exceptional items are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. Exceptional items may include, but are not restricted to: profits or losses arising on disposal or closure of businesses; the cost of significant business restructuring; significant impairments of intangible or tangible assets; adjustments to the fair value of acquisition-related items such as contingent consideration and inventory; acquisitions and other items deemed exceptional due to their significance, size or nature.

Other adjusting items
Other adjusting items are those that do not relate to the Group's current ongoing trading and, due to their nature, are treated as adjusting items. For example these may include, but are not restricted to, movements in the provision for asbestos-related claims or the associated insurance assets, which relate to the Flow Control Division that was sold in 2019, but the provision remains with the Group and is in run-off, or past service costs related to pension liabilities.

Further analysis of the items included in the column 'Adjusting items' in the Consolidated Income Statement are provided in notes 5 and 6 to the financial statements.

Discontinued operations
In compliance with IFRS 5 'Non-current assets held for sale and discontinued operations', when it is known that a significant component of the Group will be held for sale or disposed of the results are disclosed within one line in the Consolidated Income Statement, with the comparative periods also restated. In the Consolidated Balance Sheet, the assets and liabilities of the component, in the current period only, are reported as current assets/liabilities held for sale.

As a discontinued operation, the component is measured at the lower of its carrying amount and fair value less costs to sell. At the time of disposal the foreign currency translation reserve will be recycled to the Consolidated Income Statement and included in the gain or loss on disposal.

Business combinations
The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Any goodwill arising from the business combination is accounted for in line with the goodwill policy below.

Acquisition costs are expensed as incurred.

On the acquisition of a business, management assesses: (i) the Purchase Price Allocation (PPA) in order to attribute fair values to separately identifiable intangible assets providing they meet the recognition criteria and (ii) the fair values of other assets and liabilities. The fair values of these intangible assets are dependent on estimates of attributable future revenues, margins and cash flows, as well as appropriate discount rates. In addition, the allocation of useful lives to acquired intangible assets requires the application of judgement based on available information and management expectations at the time of recognition. The valuation of other tangible assets and liabilities involves aligning accounting policies with those of the Group, reflecting appropriate external market valuations for property, plant and equipment, assessing recoverability of receivables and inventory, and exposures to unrecorded liabilities.

Joint venture
The Group has a long-term contractual arrangement with another party, which represents a joint venture. The Group's interests in the results and assets and liabilities of its joint venture are accounted for using the equity method.

This investment is carried in the Consolidated Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets less any impairment in value. The Consolidated Income Statement reflects the share of results of operations of the investment after tax. Where there has been a change recognised directly in the investee's equity, the Group recognises its share of any changes and discloses this when applicable in the Consolidated Statement of Comprehensive Income.

Any goodwill arising on the acquisition of a joint venture, representing the excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets, liabilities and contingent liabilities, is included in the carrying amount of the joint venture and is not amortised. To the extent that the net fair value of the joint venture's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the joint venture's profit or loss in the year in which the investment is acquired.

Foreign currency translation
The financial statements for each of the Group's subsidiaries and joint ventures are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which an entity operates.

At the entity level, transactions denominated in foreign currencies are translated into the entity's functional currency at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling on the balance sheet date. Currency translation differences are recognised in the Consolidated Income Statement except when hedge accounting is applied and for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss.

Notes to the Group Financial Statements
continued

On consolidation, the results of foreign operations are translated into Sterling at the average exchange rate for the year and their assets and liabilities are translated into Sterling at the exchange rate ruling on the balance sheet date. Currency translation differences, including those on monetary items that form part of a net investment in a foreign operation, are recognised in the foreign currency translation reserve and in other comprehensive income.

In the event that a foreign operation is sold, the gain or loss on disposal recognised in the Consolidated Income Statement is determined after taking into account the cumulative currency translation differences that are attributable to the operation. As permitted by IFRS 1, the Group elected to deem cumulative currency translation differences to be £nil as at 27 December 2003. Accordingly, the gain or loss on disposal of a foreign operation does not include currency translation differences arising before that date.

In the Consolidated Cash Flow Statement, the cash flows of foreign operations are translated into Sterling at the average exchange rate for the year.

Revenue recognition

Revenue is the consideration the Group expects to receive from customers in exchange for goods and services. Revenue is recognised in the Consolidated Income Statement when control of goods and services is transferred to the customer. Transfer of control is deemed to be over time where the following criteria are met:

- The customer concurrently receives and consumes the benefits from the Group’s performance;
- The Group’s performance creates or enhances a customer-controlled asset; or
- The Group’s performance does not create an asset with an alternative use and the Group has a right to payment for performance completed to date.

Where the above criteria are not met, then revenue is recognised at a point in time when control is transferred to the customer.

Revenue is shown net of sales taxes, discounts and after eliminating sales within the Group. No revenue is recognised where recovery of the consideration is not probable or there are significant uncertainties regarding associated costs, or the possible return of goods. Variable consideration is recognised only if it is highly probable that there will not be a significant revenue reversal. The consideration is an estimation based on the terms of the contract and other available information. Liquidated damages can result in variable consideration and will only be recognised as a deduction from revenue where there is a history of recurring liquidated damages, for example, for the same customer or product line with the value of the reduction being the most likely amount from a range of possible outcomes. The adjustment to revenue will be monitored throughout the contract and adjusted as liquidated damages become more or less likely. Volume discounts are deducted from revenue based on the most reliable estimates of volumes to be purchased. The timing of payment from customers is generally aligned to revenue recognition, subject to agreed payment terms usually in line with industry standards. Certain contracts may include milestone payments which do not necessarily align to revenue recognition: a contract asset is recorded where revenue is recognised in advance of customer invoicing, and a contract liability is recognised where cash is received in advance of revenue recognition.

Sale of goods

This policy is applicable to the sale of both original equipment and spare parts whether sold individually, in bulk or as part of a cross-selling marketing strategy. Contracts for the provision of both original equipment and spare parts, and where required services, are combined if one or more of the following is met:

- The contract achieves a single commercial objective and is negotiated as a package;
- The price or performance of one contract influences the amount of consideration to be paid in the other contract; or
- The goods or services in the separate contracts represent a single performance obligation.

Each cross-selling contract is reviewed to identify the performance obligations in relation to original equipment and spare parts with them only being combined if they are not capable of being distinct and are not distinct in the context of the contract.

Revenue from the sale of goods is recognised in line with incoterms which in the majority of transactions is at the point of despatch. This reflects when the customer obtains control of the product and can determine its future use and location. For larger orders where multiple units are delivered in instalments as part of one performance obligation, revenue will be recognised over time in line with delivery. These items are a series of distinct goods that have the same pattern of transfer of control being the fulfilment of the incoterm, provided the customer has control of the goods as they are delivered.

Where the sale of product requires customer inspection, this is deemed to be part of the main performance obligation so revenue is not recognised until the inspection has been completed and approved by the customer. In instances where commissioning is provided, the transfer of control for the sale of goods is at the point of despatch where commissioning is a separate performance obligation or once commissioning is complete where combined in the sale of goods performance obligation. A separate performance obligation for commissioning is identified where a customer could obtain the same service from a third-party supplier with revenue in respect of commissioning being recognised once the commissioning is complete.

Provision of services

The revenue recognition of provision of services is dependent on the nature of the contracts. Shorter-term contracts tend to be for ‘one-off’ service provision, which means the customer only consumes the benefit from the Group’s performance when the work is complete. Revenue is therefore recognised at a point in time for such contracts. For other contracts, revenue from the rendering of services is generally recognised over time where the customer concurrently receives and consumes a benefit from the Group’s performance over the period of the contract duration. Revenue from services is recognised in proportion to the stage of completion of the performance obligations at the balance sheet date. The stage of completion is assessed by reference to the transfer of control over time, which usually corresponds to the contractual agreement with each separate customer and the costs incurred on the contract to date in comparison with the total forecast costs of the contract.

Notes to the Group Financial Statements
continued

Construction contracts
Revenue for construction contracts is recognised over time as the contracts usually contain discrete elements separately transferring control to customers over the life of the contract and the Group's performance does not create an asset with an alternative use.

The stage of completion of a contract is determined either by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, or by reference to the completion of a physical proportion of the contract work. Both these methods are faithful depictions of the transfer of control given the Group has a right to payment for performance completed to date. The basis used is dependent upon the nature of the underlying contract. For instances where the work is subject to formal customer acceptance procedures, revenue will only be recognised once the customer review has been completed and approved by the customer as this is the point both parties are in agreement that control has been transferred in line with contract terms. Losses on contracts are recognised in the year when such losses become probable.

Property, plant & equipment
Property, plant and equipment comprises owned assets and right-of-use assets that do not meet the definition of investment property.

Owned assets
Owned property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment losses. Freehold land and assets under construction are not depreciated. Depreciation of property, plant and equipment is provided on a straight-line basis so as to charge the cost less residual value to the Consolidated Income Statement over the expected useful life of the asset concerned, and is in the following ranges:

Freehold buildings, long leasehold land and buildings	10 – 40 years
Plant and equipment	3 – 20 years

Right-of-use assets and lease liabilities
At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether it has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset throughout the period of use.

The Group recognises a lease liability and right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or where the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group's incremental borrowing rate is calculated by taking the government borrowing rate in any given currency and adding the estimated Group credit spreads for a variety of tenors. An interpolation is performed annually to obtain one rate for each of the major lease currencies based on the weighted average life of the lease book.

Lease payments consist of the following components:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option); and
- payments of penalties for terminating the lease (if the lease term reflects the lessee exercising the option to terminate the lease).

The right-of-use asset is measured as equal to the lease liability and adjusted for:

- lease payments made to the lessor at or before the commencement date;
- lease incentives received;
- initial direct costs associated with the lease; and
- an initial estimate of restoration costs.

The right-of-use asset is depreciated using the straight-line method over the lease term. In addition, the right-of-use asset is periodically reduced by any impairment losses.

The Group has adopted the exemption available for short-term leases, with payments being recognised on a straight-line basis over the lease term. Short-term leases are defined as leases with a lease term of 12 months or less.

The Group has adopted the exemption available for low value assets, with payments being recognised on a straight-line basis over the lease term. Leases relating to laptops, desktop computers, mobile phones, photocopiers, printers and other office equipment, where the asset value is less than £3,500 or the local currency equivalent have been treated as low value. Where the lease contract meets both short-term and low value exemptions, the annual cost of the lease is reported within expenses relating to short-term leases.

For each lease, the lease term has been calculated as the non-cancellable period of the lease contract, except where the Group is reasonably certain that it will exercise contractual extension options. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. In certain circumstances, the Group will refer to the five-year Strategic Plan period as an appropriate period to consider whether the 'reasonably certain' criteria are met.

Notes to the Group Financial Statements
continued

Goodwill
Goodwill arises on the acquisition of businesses and represents any excess of the cost of the acquired entity over the Group's interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities determined at the date of acquisition. Acquisition costs are recognised in the Consolidated Income Statement in the year in which they are incurred. Goodwill in respect of an acquired business is recognised as an intangible asset. Goodwill is carried at cost less any recognised impairment losses and is tested at least annually or where there are indicators of impairment.

The carrying amount of goodwill allocated to a cash generating unit is taken into account when determining the gain or loss on disposal of the unit.

An assessment of probable contingent consideration is recognised at the date of acquisition or disposal. For acquisitions, subsequent changes to the fair value of the contingent consideration are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date that the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year. If the change does not qualify as a measurement period adjustment, it is reflected in the Consolidated Income Statement as an adjusting item. For disposals, any subsequent change in contingent consideration is adjusted against the disposal proceeds and the gain or loss on disposal.

Other intangible assets
Intangible assets acquired separately are measured at cost on initial recognition. An intangible resource acquired in a business combination is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably.

An intangible asset with a finite life is amortised on a straight-line basis so as to charge its cost, which in respect of an acquired intangible asset represents its fair value at the acquisition date, to the Consolidated Income Statement over its expected useful life. An intangible asset with an indefinite life is not amortised but is tested at least annually for impairment and carried at cost less any recognised impairment losses.

Brand names
Brands are recognised as a result of a business combination. The brand is recognised if it is separable from the remaining business and is expected to generate future economic benefits. Internally generated brands are not capitalised in accordance with IAS 38 'Intangible assets'.

Brands are fair valued at acquisition and subsequently measured at cost less any accumulated impairment. All subsequent expenditure is expensed to the Consolidated Income Statement as incurred.

Due to the long-term nature of the brands, the Group has assessed that they have indefinite useful lives, with the exception of Motion Metrics, which is amortised over 15 years. An annual impairment exercise is completed for brands with an indefinite useful life, to confirm that the value in use, based on discounted cash flows, exceeds the carrying value.

Customer and distributor relationships
Customer and distributor relationships are recognised as part of a business combination if they are separable from the acquired business or arise from contractual or legal rights. They represent the relationships that the acquiree has built up over a significant period of time and will provide repeat custom to the business which will generate future economic benefit.

The assets are initially recorded at fair value at acquisition and subsequently recognised at cost less accumulated amortisation and impairment. All subsequent expenditure is charged to the Consolidated Income Statement as incurred. Amortisation is charged to the Consolidated Income Statement over the useful life of the asset. The useful life can vary depending on the circumstances of each acquisition. The useful lives range from five to 30 years.

If there are any indicators of impairment an assessment of the value in use of the relationships is completed. If the carrying value exceeds the value in use the variance is accounted for as an impairment to the asset with a corresponding charge to the Consolidated Income Statement.

Software
Software assets can be purchased, acquired or internally generated. Software that is not an integral part of related hardware is recognised as an intangible asset.

Software is recognised at cost less accumulated amortisation and impairment. Amortisation is spread over the estimated useful life of the software which can range from four to eight years.

Software as a Service (SaaS) arrangements provide the Group with the right to access cloud-based software applications over a contractual period. The software remains the intellectual property of the developer and as a result the Group does not recognise an intangible asset in relation to subscription fees and costs incurred to customise or configure the software. The related costs are recognised in the Consolidated Income Statement when the service is received.

Costs incurred to enhance or develop an existing intangible asset or develop new software code that meet the definition and recognition criteria of an intangible asset are capitalised as intangible software assets. Amortisation is recognised over the expected useful life of the software.

Trademarks and intellectual property
Trademarks and intellectual property are legally protected rights that are expected to generate future revenues. On acquisition, they are measured at fair value based on discounted expected cash flows. Assets are subsequently held at cost less accumulated amortisation and impairment.

The assets are amortised based on the period in which the legal protection is in place or the asset is expected to generate revenues. The amortisation period for the currently capitalised trademarks ranges from six to 15 years.

Other
Other intangible assets are stated at cost less accumulated amortisation and any recognised impairment losses. The expected useful life of other intangible assets is up to six years.

Notes to the Group Financial Statements
continued

Research & development costs
All research expenditure is charged to the Consolidated Income Statement in the year in which it is incurred.

Development expenditure is charged to the Consolidated Income Statement in the year in which it is incurred unless it relates to the development of a new product or technology and meets the following requirements:

- it is incurred after the technical feasibility and commercial viability of the product has been proven;
- the development costs can be measured reliably;
- future economic benefits are probable; and
- the Group intends, and has sufficient resources, to complete the development and to use or sell the asset.

Any such capitalised development expenditure is amortised on a straight-line basis so it is charged to the Consolidated Income Statement over the expected life of the resulting product or technology.

Government grants
Government grants are recognised at their fair value where it is certain that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are deducted in arriving at the carrying amount of the related asset.

Impairment of non-current assets
All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying values might be impaired. Additionally, goodwill and intangible assets with an indefinite life are subject to an annual impairment test.

An impairment loss is recognised to the extent that an asset's carrying value exceeds its recoverable amount, which represents the higher of the asset's fair value less costs to sell and its value in use. An asset's value in use represents the present value of the future cash flows expected to be derived from the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is conducted for the cash generating unit to which it belongs. Similarly, the recoverable amount of goodwill is determined by reference to the discounted future cash flows of the cash generating units to which it is allocated.

Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of an asset shall not be increased above the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Impairment losses recognised in respect of goodwill are not reversed.

Inventories
Inventories are valued at the lower of cost and net realisable value, with due allowance for any obsolete or slow-moving items. Cost represents the expenditure incurred in bringing inventories to their existing location and condition and comprises the cost of raw materials, direct labour costs, other direct costs and related production overheads. Raw material cost is generally determined on a first-in, first-out basis. Net realisable value is the estimated selling price less costs to complete and sell.

Financial assets & liabilities
The Group's principal financial assets and liabilities, other than derivatives, comprise bank overdrafts, short-term borrowings, loans and fixed-rate notes, cash and short-term deposits. The Group also has other financial assets and liabilities such as trade receivables, trade payables and leases which arise directly from its operations.

A financial asset is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss. Under IFRS 9 'Financial instruments' where the modification is not substantial, any difference in the modified cash flows is recognised in profit or loss.

Reimbursement asset
The Group has several insurance policies in place with regards to legal claims in relation to alleged asbestos exposure as discussed in note 22. In accordance with IAS 37 'Provisions, contingent liabilities and contingent assets' a reimbursement asset is only recognised when it is virtually certain that the asset will be received and there is a corresponding liability recognised. The value recognised is the lower of the amount confirmed by the insurer under the policy and the provision for the related liability. If receipt of the asset is probable the asset is not recognised but disclosed.

Trade receivables
Trade receivables, which are generally of a short-term nature, are recognised at original invoice amount where the consideration is unconditional. If they contain significant financing components, trade receivables are instead recognised at fair value. The Group holds trade receivables to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details of the Group's impairment policies and the calculation of the loss allowance are provided in note 18 and the policy in respect of invoice discounting is included in note 30.

Cash & cash equivalents
Cash and cash equivalents comprise cash in hand, deposits available on demand and other short-term highly liquid investments with a maturity on acquisition of three months or less and bank overdrafts and short-term borrowings with a maturity on acquisition of three months or less. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

Trade payables
Trade payables are recognised and carried at original invoice amount. The Group's supply chain financing programme policy and assessment for the period is provided in note 21.

Notes to the Group Financial Statements
continued

Interest-bearing loans & borrowings
Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Borrowings are classified as current liabilities unless the Group has an unconditional right to settle the liability at least 12 months after the balance sheet date.

Provisions, contingent liabilities & contingent assets
A provision is recognised in the Consolidated Balance Sheet when the Group has a legal or constructive obligation as a result of a past event, the obligation can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A contingent liability is disclosed if there is a possible obligation as a result of a past event that might, but will probably not, require an outflow of economic benefits; or there is a present obligation as a result of a past event that probably requires an outflow of economic benefits, but where the obligation cannot be measured reliably.

A contingent asset is disclosed if an inflow of economic benefits is probable arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Derivative financial instruments & hedge accounting
The Group uses derivative financial instruments, principally forward foreign currency contracts and cross-currency swaps, to reduce its exposure to exchange rate movements. The Group also uses foreign currency borrowings as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Additionally, the Group periodically uses interest rate swaps to manage its exposure to interest rate risk. The Group does not hold or issue derivatives for speculative or trading purposes.

Derivative financial instruments are recognised as assets and liabilities measured at their fair values at the balance sheet date. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates and counterparty and the Group's own credit risk. The fair value of interest rate swaps and cross-currency swaps is calculated as the present value of the estimated future cash flows based on interest rate curves, spot foreign exchange rates and counterparty and own credit risk. Changes in their fair values are recognised in the Consolidated Income Statement, except where hedge accounting is used, provided the conditions specified by IFRS 9 are met. Hedge accounting is applied in respect of hedge relationships where it is both permissible under IFRS 9 and practical to do so. When hedge accounting is used, the relevant hedging relationships are classified as fair value hedges, cash flow hedges or net investment hedges, as appropriate.

Where the hedging relationship is classified as a fair value hedge, the carrying amount of the hedged asset or liability will be adjusted by the increase or decrease in its fair value attributable to the hedged risk and the resulting gain or loss will be recognised in the Consolidated Income Statement where, to the extent that the hedge is effective, it will be offset by the change in the fair value of the hedging instrument.

For fair value hedges in which the spot element of the hedging instrument has been designated to the hedge, the changes in the forward element of the hedging instrument is recognised within other comprehensive income in the costs of hedging reserve within equity.

Where the hedging relationship is classified as a cash flow or net investment hedge, to the extent that the hedge is effective, changes in the fair value of the hedging instrument will be recognised directly in other comprehensive income. For the cash flow hedge, when the hedged asset or liability is recognised in the financial statements, the accumulated gains and losses recognised in other comprehensive income will be either recycled to the income statement or, if the hedged item results in a non-financial asset, will be recognised as adjustments to its initial carrying amount. For net investment hedges, gains and losses on hedging instruments designated as hedges of the net investments in foreign operations are recognised in other comprehensive income to the extent that the hedging relationship is effective. Gains and losses accumulated in the foreign currency translation reserve are recycled to the income statement when the foreign operation is disposed of.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised through other comprehensive income is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss that was reported in equity is immediately reclassified to the income statement in the period.

Derivatives embedded in non-derivative host contracts, which are not already measured at fair value through profit or loss, are recognised separately as derivative financial instruments when their risks and characteristics are not closely related to those of the host contract and the host contract is not stated at its fair value with changes in its fair value recognised in the Consolidated Income Statement.

Where items are recognised in the Consolidated Income Statement, these are presented within operating profit or finance costs dependent on their nature.

Share-based payments
Equity settled share-based incentives are provided to employees under the Group's Share Reward Plan (SRP), formerly the Long Term Incentive Plan (LTIP), the Weir ShareBuilder Plan (WSBP) and as a consequence of occasional one-off conditional awards made to employees.

The fair value of SRP awards and one-off conditional awards at the date of the grant is calculated using appropriate option pricing models and the cost is recognised on a straight-line basis over the vesting period. Adjustments are made to reflect expected and actual forfeitures during the vesting period due to failure to satisfy service or performance conditions, where applicable. The conditions of the SRP for the Executive Directors, which took effect in 2018, are summarised in the Directors' Remuneration Policy, which can be found on the Company's website at www.corporategovernance.weir. The conditions of the SRP for Senior Management are summarised in note 28.

The fair value of WSBP awards at grant date is calculated as the share price at the date of the grant less an adjustment for loss of reinvestment return on the dividend equivalent. There are no performance conditions attached to these awards, but participants who leave the Company prior to vesting lose their right to the awards. The terms of the share awards granted under the WSBP are set out on the plan's website at www.sharebuilder.weir.

Notes to the Group Financial Statements
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Treasury shares
The Weir Group PLC shares held by the Company, or those held in Trust, are classified in Shareholders' equity as treasury shares and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken directly to retained earnings. No gain or loss is recognised in total comprehensive income on the purchase, sale, issue or cancellation of equity shares.

Post-employment benefits
Post-employment benefits comprise pension benefits provided to certain current and former employees in the UK, US and Canada and post-retirement healthcare benefits provided to certain employees in the US.

For defined benefit pension and post-retirement healthcare plans, the annual service cost is calculated using the projected unit credit method and is recognised over the future service lives of participating employees, in accordance with the advice of qualified actuaries. Current service cost and administration expenses are recognised in operating costs and net interest on the net pension liability is recognised in finance costs.

The finance cost recognised in the Consolidated Income Statement in the year reflects the net interest on the net pension liability. This represents the change in the net pension liability resulting from the passage of time, and is determined by applying the discount rate to the opening net liability, taking into account employer contributions paid into the plan, and hence reducing the net liability, during the year.

Past service costs resulting from enhanced benefits are recognised immediately in the Consolidated Income Statement. Actuarial gains and losses, which represent differences between interest on the plan assets, experience on the benefit obligation and the effect of changes in actuarial assumptions, are recognised in full in other comprehensive income in the year in which they occur.

The defined benefit liability or asset recognised in the Consolidated Balance Sheet comprises the net total for each plan of the present value of the benefit obligation, using a discount rate based on yields at the balance sheet date on appropriate high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and are denominated in the currency in which the benefits are expected to be paid minus the fair value of the plan assets, if any, at the balance sheet date. The balance sheet asset recognised is limited to the present value of economic benefits which the Group expects to recover by way of refunds or a reduction in future contributions. In order to calculate the present value of economic benefits, consideration is also given to any minimum funding requirements.

For defined contribution plans, the cost represents the Group's contributions to the plans and these are charged to the Consolidated Income Statement in the year in which they fall due, along with any associated administration costs.

Taxation
Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year.

Deferred tax liabilities represent tax payable in future years in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future years in respect of deductible temporary differences, the carry forward of unutilised tax losses and the carry forward of unused tax credits. Deferred tax is measured on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base with the following exceptions:

i) Deferred tax arising from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination, that, at the time of the transaction, affects neither accounting nor taxable profit or loss, is not recognised;

ii) Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future; and

iii) A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Current and deferred tax is recognised in the Consolidated Income Statement except if it relates to an item recognised directly in equity, in which case it is recognised directly in equity.

The Group also recognises provisions in the Consolidated Balance Sheet for uncertain tax positions as disclosed above in other accounting estimates.

3. Alternative performance measures
The Consolidated Financial Statements of The Weir Group PLC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which we believe distort period-on-period comparisons. These are considered alternative performance measures. This information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance and value creation. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Alternative performance measures as reported by the Group may not be comparable with similarly titled amounts reported by other companies.

Below we set out our definitions of alternative performance measures and provide reconciliations to relevant GAAP measures.

Adjusted results and adjusting items
The Consolidated Income Statement presents Statutory results, which are provided on a GAAP basis, and Adjusted results (non-GAAP), which are management's primary area of focus when reviewing the performance of the business. Adjusting items represent the difference between Statutory results and Adjusted results and are defined within the accounting policies section above. The accounting policy for Adjusting items should be read in conjunction with this note. Details of each adjusting item are provided in note 6. We consider this presentation to be helpful as it allows greater comparability of the underlying performance of the business from year to year.

Notes to the Group Financial Statements
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EBITDA
EBITDA is operating profit from continuing operations, before exceptional items, other adjusting items, intangibles amortisation, and excluding depreciation of owned assets and right-of-use assets. EBITDA is a widely used measure of a company's profitability of its operations before any effects of indebtedness, taxes or costs required to maintain its asset base. EBITDA is used in conjunction with other GAAP and non-GAAP financial measures to assess our operational performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided.

	2023 £m	2022 £m
Continuing operations		
Operating profit	368.4	307.5
Adjusted for:		
Exceptional and other adjusting items (note 6)	64.9	51.4
Adjusting amortisation (note 6)	25.5	35.9
Adjusted operating profit	458.8	394.8
Non-adjusting amortisation (note 5)	12.2	5.7
Adjusted earnings before interest, tax and amortisation (EBITA)	471.0	400.5
Depreciation of owned property, plant & equipment (note 12)	39.9	47.0
Depreciation of right-of-use property, plant & equipment (note 12)	31.6	31.4
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	542.5	478.9

Operating cash flow (cash generated from operations)
Operating cash flow excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. This is a useful measure to view or assess the underlying cash generation of the business from its operating activities. A reconciliation to the GAAP measure 'Net cash generated from operating activities' is provided in the Consolidated Cash Flow Statement.

Free operating cash flow and free cash flow
Free operating cash flow (FOCF) is defined as operating cash flow (cash generated from operations), adjusted for net capital expenditure, lease payments, dividends received from joint ventures and purchase of shares for employee share plans. FOCF provides a useful measure of the cash flows generated directly from the operational activities after taking into account other cash flows closely associated with maintaining daily operations.

Free cash flow (FCF) is defined as FOCF further adjusted for net interest, income taxes, settlement of derivative financial instruments, additional pension contributions and non-controlling interest dividends. FCF reflects an additional way of viewing our available funds that we believe is useful to investors as it represents cash flows that could be used for repayment of debt, dividends, exceptional and other adjusting items, or to fund our strategic initiatives, including acquisitions, if any.

The reconciliation of operating cash flows (cash generated from operations) to FOCF and subsequently FCF is as follows.

	2023 £m	2022 £m
Operating cash flow (cash generated from operations)	525.5	447.8
Net capital expenditure from purchase & disposal of property, plant & equipment and intangibles	(82.5)	(58.3)
Lease payments	(31.0)	(30.5)
Dividends received from joint ventures	4.1	2.7
Purchase of shares for employee share plans	(24.0)	(20.0)
Free operating cash flow (FOCF)	392.1	341.7
Net interest paid	(39.9)	(45.3)
Income tax paid	(103.9)	(93.4)
Settlement of derivative financial instruments	(0.5)	(0.3)
Additional pension contributions paid	(9.3)	(9.7)
Non-controlling interest dividends	(0.9)	(0.3)
Free cash flow (FCF)	237.6	192.7

Notes to the Group Financial Statements
continued

Free operating cash conversion
Free operating cash conversion is a non-GAAP key performance measure defined as free operating cash flow divided by adjusted operating profit on a total Group basis. The measure is used by management to monitor the Group's ability to generate cash relative to operating profits.

	2023 £m	2022 £m
Adjusted operating profit	**458.8**	394.8
Free operating cash flow	**392.1**	341.7
Free operating cash conversion %	**85%**	87%

Working capital as a percentage of sales
Working capital as a percentage of sales is calculated based on working capital as reflected below, divided by revenue, as included in the Consolidated Income Statement. It is a measure used by management to monitor how efficiently the Group is managing its investment in working capital relative to revenue growth.

	2023 £m	2022 £m
Working capital as included in the Consolidated Balance Sheet		
Other receivables	**53.8**	76.8
Inventories	**608.1**	679.1
Trade & other receivables	**526.2**	528.9
Derivative financial instruments (note 30)	**(0.8)**	(4.3)
Trade & other payables	**(581.3)**	(623.5)
Other payables	**(0.6)**	(1.0)
	605.4	656.0
Adjusted for:		
Insurance contract assets (note 18)	**(57.5)**	(77.9)
Interest accruals	**12.3**	5.3
Deferred consideration (note 21)	**1.6**	2.0
	(43.6)	(70.6)
Working capital	**561.8**	585.4
Revenue	**2,636.0**	2,472.1
Working capital as a percentage of sales	**21%**	24%

Net debt
Net debt is a widely used liquidity metric calculated by taking cash and cash equivalents less total current and non-current debt. A reconciliation of net debt to cash and short-term deposits and interest-bearing loans and borrowings is provided in note 26. It is a useful measure used by management and investors when monitoring the capital management of the Group. Net debt, excluding lease liabilities and converted at the exchange rates used in the preparation of the Consolidated Income Statement, is also the basis for covenant reporting as included in note 31.

Notes to the Group Financial Statements
continued

4. Segment information

Continuing operations includes two operating Divisions: Minerals and ESCO. These two Divisions are organised and managed separately based on the key markets served and each is treated as an operating segment and a reportable segment under IFRS 8 'Operating segments'. The operating and reportable segments were determined based on the reports reviewed by the Chief Executive Officer, which are used to make operational decisions.

The Minerals segment is a global leader in engineering, manufacturing and service processing technology used in abrasive, high-wear mining applications. Its differentiated technology is also used in infrastructure and general industrial markets. The ESCO segment is a global leader in the provision of Ground Engaging Tools (GET) for large mining machines. It operates predominantly in mining and infrastructure markets where its highly engineered technology improves productivity through extended wear life, increased safety and reduced energy consumption.

Following the acquisition of Sentiantechnologies AB (SentianAI) on 21 November 2023 and Carriere Industrial Supply Limited (CIS) on 8 April 2022, these entities have been included in the Minerals and ESCO segments respectively. SentianAI is a developer of innovative cloud-based Artificial Intelligence solutions to the mining industry. CIS is a premier manufacturer and distributor of highly engineered wear parts and aftermarket service provider to the Canadian mining industry.

The Chief Executive Officer assesses the performance of the operating segments based on operating profit from continuing operations before exceptional and other adjusting items ('segment result'). Finance income and expenditure and associated interest-bearing liabilities and financing derivative financial instruments are not allocated to segments as all treasury activity is managed centrally by the Group Treasury function. The amounts provided to the Chief Executive Officer with respect to assets and liabilities are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

Transfer prices between business segments are set on an arm's length basis, in a manner similar to transactions with third parties.

The segment information for the reportable segments for 2023 and 2022 is disclosed below. Information related to discontinued operations is included in note 9.

	Minerals		ESCO		Total continuing operations	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Revenue						
Sales to external customers	**1,937.4**	1,780.5	**698.6**	691.6	**2,636.0**	2,472.1
Inter-segment sales	**0.1**	0.1	**2.5**	3.2	**2.6**	3.3
Segment revenue	**1,937.5**	1,780.6	**701.1**	694.8	**2,638.6**	2,475.4
Eliminations					**(2.6)**	(3.3)
					2,636.0	2,472.1
Sales to external customers – 2022 at 2023 average exchange rates						
Sales to external customers	**1,937.4**	1,734.6	**698.6**	688.2	**2,636.0**	2,422.8
Segment result						
Segment result before share of results of joint ventures	**375.7**	323.5	**119.4**	107.5	**495.1**	431.0
Share of results of joint ventures	**—**	—	**2.5**	2.5	**2.5**	2.5
Segment result	**375.7**	323.5	**121.9**	110.0	**497.6**	433.5
Corporate expenses					**(38.8)**	(38.7)
Adjusted operating profit					**458.8**	394.8
Adjusting items					**(90.4)**	(87.3)
Net finance costs					**(47.7)**	(47.3)
Profit before tax from continuing operations					**320.7**	260.2
Segment result – 2022 at 2023 average exchange rates						
Segment result before share of results of joint ventures	**375.7**	317.5	**119.4**	106.9	**495.1**	424.4
Share of results of joint ventures	**—**	—	**2.5**	2.5	**2.5**	2.5
Segment result	**375.7**	317.5	**121.9**	109.4	**497.6**	426.9
Corporate expenses					**(38.8)**	(38.9)
Adjusted operating profit					**458.8**	388.0

Notes to the Group Financial Statements
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Revenues from any single external customer do not exceed 10% of Group revenue.

	Minerals		ESCO		Total continuing operations	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Timing of revenue recognition						
At a point in time	**1,825.2**	1,682.7	**685.3**	681.9	**2,510.5**	2,364.6
Over time	**112.3**	97.9	**15.8**	12.9	**128.1**	110.8
Segment revenue	**1,937.5**	1,780.6	**701.1**	694.8	**2,638.6**	2,475.4
Eliminations					**(2.6)**	(3.3)
					2,636.0	2,472.1

Geographical information

Geographical information in respect of revenue for 2023 and 2022 is disclosed below. Revenues are allocated based on the location to which the product is shipped.

	2023 £m	2022 £m
Revenue by geography		
UK	**23.9**	34.8
US	**412.4**	418.1
Canada	**420.8**	378.3
Asia Pacific	**347.4**	288.2
Australasia	**412.4**	336.3
South America	**576.3**	540.8
Middle East & Africa	**317.4**	295.3
Europe & FSU	**125.4**	180.3
Revenue	**2,636.0**	2,472.1

	2023 £m	2022 £m
An analysis of the Group's revenue is as follows:		
Original equipment	**552.3**	456.0
Aftermarket parts	**1,864.3**	1,825.7
Sales of goods	**2,416.6**	2,281.7
Provision of services – aftermarket	**160.7**	141.9
Construction contracts – original equipment	**54.3**	45.5
Subscription services	**4.4**	3.0
Revenue	**2,636.0**	2,472.1

Notes to the Group Financial Statements
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	Minerals		ESCO		Total Group	
	2023	2022	**2023**	2022	**2023**	2022
	£m	£m	**£m**	£m	**£m**	£m
Assets & liabilities						
Intangible assets	**567.9**	600.8	**748.0**	809.0	**1,315.9**	1,409.8
Property, plant & equipment	**312.3**	303.4	**168.4**	147.6	**480.7**	451.0
Working capital assets	**844.9**	902.0	**288.1**	307.3	**1,133.0**	1,209.3
	1,725.1	1,806.2	**1,204.5**	1,263.9	**2,929.6**	3,070.1
Investments in joint ventures	**—**	—	**12.2**	15.1	**12.2**	15.1
Segment assets	**1,725.1**	1,806.2	**1,216.7**	1,279.0	**2,941.8**	3,085.2
Corporate assets					**950.9**	970.7
Total assets					**3,892.7**	4,055.9
Working capital liabilities	**476.6**	543.7	**129.9**	139.9	**606.5**	683.6
Segment liabilities	**476.6**	543.7	**129.9**	139.9	**606.5**	683.6
Corporate liabilities					**1,586.5**	1,634.4
Total liabilities					**2,193.0**	2,318.0
Other segment information - total Group						
Segment additions to non-current assets	**79.7**	68.7	**46.6**	29.4	**126.3**	98.1
Corporate additions to non-current assets					**1.3**	1.1
Total additions to non-current assets					**127.6**	99.2
Other segment information - total Group						
Segment depreciation & amortisation	**65.0**	73.8	**42.2**	43.1	**107.2**	116.9
Segment impairment of property, plant & equipment	**1.4**	1.3	**—**	—	**1.4**	1.3
Segment impairment of intangible assets	**—**	0.3	**—**	—	**—**	0.3
Corporate depreciation & amortisation					**2.0**	3.1
Total depreciation, amortisation & impairment					**110.6**	121.6

The asset and liability balances include right-of-use assets and lease liabilities. Refer to note 12 for depreciation on right-of-use assets.

Corporate assets primarily comprise cash and short-term deposits, asbestos-related insurance asset, Trust Owned Life Insurance policy investments, derivative financial instruments, income tax receivable, deferred tax assets and elimination of intercompany as well as those assets which are used for general head office purposes. Corporate liabilities primarily comprise interest-bearing loans & borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany and retirement benefit deficits as well as liabilities relating to general head office activities. Segment additions to non-current assets include right-of-use assets.

Geographical information

Geographical information in respect of non-current assets for 2023 and 2022 is disclosed below. Assets are allocated based on the location of the assets and operations. Non-current assets consist of property, plant & equipment, intangible assets and investments in joint ventures.

	2023	2022
	£m	£m
Non-current assets by geography		
UK	**308.8**	310.3
US	**707.6**	765.5
Canada	**168.8**	177.7
Asia Pacific	**195.1**	184.6
Australasia	**201.8**	210.5
South America	**81.4**	82.9
Middle East & Africa	**97.6**	105.1
Europe & FSU	**57.6**	50.6
Non-current assets	**1,818.7**	1,887.2

Notes to the Group Financial Statements
continued

5. Revenues & expenses
The following disclosures are given in relation to continuing operations.

	Year ended 31 December 2023			Year ended 31 December 2022		
	Adjusted results £m	Adjusting items £m	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m
A reconciliation of revenue to operating profit is as follows:						
Revenue	2,636.0	—	2,636.0	2,472.1	—	2,472.1
Cost of sales	(1,641.1)	(1.6)	(1,642.7)	(1,573.4)	(24.8)	(1,598.2)
Gross profit	994.9	(1.6)	993.3	898.7	(24.8)	873.9
Other operating income	5.9	—	5.9	10.4	—	10.4
Selling & distribution costs	(291.4)	(2.4)	(293.8)	(279.8)	(4.2)	(284.0)
Administrative expenses	(253.1)	(86.4)	(339.5)	(237.0)	(58.3)	(295.3)
Share of results of joint ventures	2.5	—	2.5	2.5	—	2.5
Operating profit	458.8	(90.4)	368.4	394.8	(87.3)	307.5

	Year ended 31 December 2023			Year ended 31 December 2022		
	Adjusted results £m	Adjusting items £m	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m
Operating profit from continuing operations is stated after charging (crediting):						
Cost of inventories recognised as an expense	1,641.1	—	1,641.1	1,573.4	—	1,573.4
Depreciation of property, plant & equipment (note 12)	71.5	—	71.5	78.4	—	78.4
Lease expenses (note 12)	14.5	—	14.5	12.2	—	12.2
Amortisation of intangible assets (note 13)	12.2	25.5	37.7	5.7	35.9	41.6
Net foreign exchange losses	9.2	—	9.2	14.3	—	14.3
Net impairment charge of trade receivables (note 18)	1.5	1.9	3.4	1.7	8.3	10.0
Exceptional and other adjusting items (note 6)[1]	—	63.0	63.0	—	43.1	43.1

1. Items not separately disclosed above.

Research & development costs
Research & development costs for continuing operations amount to £47.3m (2022: £48.1m) of which £46.4m (2022: £46.9m) was charged directly to cost of sales in the income statement and £0.9m (2022: £1.2m) was capitalised (note 13).

Government grants
In the year to 31 December 2023, ESCO has benefited from two government grants. Both grants are recorded in deferred income when received and are amortised to the Consolidated Income Statement on a straight-line basis. The first grant is in relation to research & development projects in Motion Metrics under which £0.5m (2022: £nil) was received in the year. As this grant is received in phases, there was no deferred income balance at 31 December 2023 in relation to this grant. The second grant is in relation to operating expenditure associated with the relocation and construction of the new Xuzhou foundry. In the year £0.5m (2022: £nil) was recognised in the Consolidated Income Statement under this grant and £4.8m was held in deferred income (2022: £nil) at 31 December 2023. There are no unfulfilled conditions or other contingencies attaching to either grant.

	2023 £m	2022 £m
Employee benefits expense		
Wages & salaries	549.3	525.0
Social security costs	47.5	44.7
Other pension costs		
Defined benefit plans	0.1	0.4
Defined contribution plans	29.0	26.8
Share-based payments – equity settled transactions (note 28)	7.0	8.0
	632.9	604.9

Details of Directors' remuneration is disclosed in note 29.

Notes to the Group Financial Statements
continued

	2023 Number	2022 Number
The average monthly number of people employed by the Company and its subsidiaries is as follows:		
Minerals	**9,185**	8,880
ESCO	**2,577**	2,507
Group companies	**301**	482
	12,063	11,869

At 31 December 2023, the total number of people employed by the Group, including contingent workers, was 12,391 (2022: 12,627).

The total fees payable by the Group to our auditors for work performed in respect of the audit and other services provided to the Company and its subsidiary companies during the year are disclosed below.

	2023 £m	2022 £m
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company and Consolidated Financial Statements	**2.2**	2.3
Fees payable to the Company's auditors for other services		
The audit of the Company's subsidiaries	**1.8**	1.5
Audit-related assurance services	**0.1**	0.1
Other non-audit services	**0.2**	—

6. Adjusting items

	2023 £m	2022 £m
Recognised in arriving at operating profit from continuing operations		
Intangibles amortisation (note 5)	**(25.5)**	(35.9)
Exceptional items		
Acquisition and integration related costs	**(0.7)**	(2.4)
Russian operations wind down	**7.7**	(44.0)
Performance Excellence programme	**(28.8)**	(2.9)
Other restructuring and rationalisation activities	**0.1**	0.4
	(21.7)	(48.9)
Other adjusting items		
Asbestos-related provision	**(43.2)**	(2.5)
Total adjusting items	**(90.4)**	(87.3)

Recognised in arriving at operating profit from discontinued operations		
Exceptional items		
Finalisation of Oil & Gas related tax assessment	**(1.3)**	—
Total adjusting items (note 9)	**(1.3)**	—

Continuing operations

Intangibles amortisation

Intangibles amortisation of £25.5m (2022: £35.9m) relates to acquisition related assets. In the prior year the £35.9m amortisation charge included £7.4m in relation to ongoing multi-year investment activities, as outlined in the accounting policy in note 2.

Exceptional items

Exceptional items in the year include £0.7m of acquisition and integration related costs. These costs were cash settled during the year.

During the prior year exceptional costs of £44.0m were recognised in the Consolidated Income Statement in respect of the wind down of Russia operations. Of this total, £39.1m arose from the uncertainty over recoverability of assets in the Minerals division, with provisions made for the majority of Weir Minerals Russia's closing third-party net assets of £19.5m, severance costs of £3.3m, customer penalties of £1.8m and other costs of £0.8m mainly relating to staff retention. Exceptional charges were also recognised in other Minerals entities, including provision for 'made to order' inventory prohibited from being shipped of £7.0m, receivables from sanctioned customers of £2.8m, and severance and incremental warehousing costs totalling £3.9m. A further £4.9m arose from the loss on disposal of the ESCO Russia operations. In the current year a net credit of £7.7m has been recognised, primarily in respect of the reversal of previously impaired inventory and receivables, as working capital recoveries have exceeded initial expectations. These reversals were partially offset by £2.0m of additional inventory provision made for newly emerging contract exposures in the first half of the year and £1.9m of additional receivables provisions.

Notes to the Group Financial Statements
continued

As a result of our ongoing Performance Excellence programme, an exceptional charge of £28.8m has been recorded. The three-year programme aims to transform the way we work with more agile and efficient business processes, with a focus on customer and service-delivery. The programme includes capacity optimisation, lean processes and global business services. Costs of £16.5m, primarily severance, have been recognised under the capacity optimisation and lean processes pillars of the programme due to the relocation of facilities, service centre restructuring and transfer of certain manufacturing operations across the USA, Australia and South America. Of these costs, £9.1m have been cash settled in the year. The remaining costs of £12.3m primarily relate to consulting fees and other costs associated with establishing Weir Business Services, with £5.2m being cash settled in the year.

Also included within exceptional items is a £0.1m credit for the release of an unutilised prior year provision for restructuring and rationalisation activities in China.

Other adjusting items
A charge of £43.2m (2022: £2.5m) has been recorded in respect of movements in the US asbestos-related liability and associated insurance asset that relate to legacy products sold by a US-based subsidiary of the Group. Further details of this are included in note 22.

Discontinued operations
Exceptional items
A charge of £1.3m has been recognised in the period in relation to the gain on sale of discontinued operations (note 9). This relates to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division, which was disposed of in 2021.

7. Finance (costs) income
Finance costs

	2023 £m	2022 £m
Interest payable on financial liabilities	**(54.1)**	(38.1)
Interest and finance charges payable on lease liabilities	**(4.8)**	(4.0)
Change in fair value of forward points in cross-currency swaps and forward contracts	**(0.1)**	(0.5)
Finance charges related to committed loan facilities	**(5.2)**	(6.6)
Finance charges related to discounting of trade receivables	**(0.7)**	(0.5)
Other finance costs - retirement benefits	**(1.5)**	(1.3)
	(66.4)	(51.0)

Finance income

	2023 £m	2022 £m
Interest receivable on financial assets	**16.1**	3.7
Other finance income - retirement benefits	**2.6**	—
	18.7	3.7

Notes to the Group Financial Statements
continued

8. Tax expense
Income tax (expense) credit from total operations

	2023 £m	2022 £m
Consolidated Income Statement		
Current income tax		
UK corporation tax	**3.9**	2.2
Adjustments in respect of previous years	**(1.3)**	(2.2)
Total UK corporation tax	**2.6**	—
Foreign tax	**(115.3)**	(89.8)
Adjustments in respect of previous years	**1.9**	2.8
Total current income tax	**(110.8)**	(87.0)
Deferred income tax		
Origination & reversal of temporary differences	**21.1**	11.0
Adjustment to estimated recoverable deferred tax assets	**0.2**	31.3
Effect of changes in tax rates	**(4.1)**	0.2
Adjustments in respect of previous years	**2.8**	(1.9)
Total deferred tax[1]	**20.0**	40.6
Total income tax expense in the Consolidated Income Statement	**(90.8)**	(46.4)
Total income tax (expense) credit is attributable to:		
Profit from continuing operations	**(90.8)**	(47.6)
Loss from discontinued operations	**—**	1.2
	(90.8)	(46.4)

1. Includes £10.5m of a deferred tax credit relating to foreign tax (2022: £41.0m credit).

The total income tax expense is disclosed in the Consolidated Income Statement and note 9, as follows.

		2023 £m	2022 £m
Tax (expense) credit	- adjusted results	**(110.9)**	(92.5)
	- adjusting items	**20.1**	44.9
Continuing operations income tax expense in the Consolidated Income Statement		**(90.8)**	(47.6)
Discontinued operations income tax credit in the Consolidated Income Statement		**—**	1.2
Total income tax expense in the Consolidated Income Statement		**(90.8)**	(46.4)

The tax credit of £20.1m (2022: £44.9m) which has been recognised in adjusting items includes £0.9m (2022: £8.6m) in respect of adjusting intangibles amortisation and impairment. The £0.9m credit consists of a £5.6m credit in relation to intangibles amortisation which is offset by a non-recurring £4.7m charge in relation to changes in tax rates. The remaining £19.2m (2022: £36.3m) relates to exceptional and other adjusting items and includes a credit of £10.1m (2022: £3.5m) which primarily relates to the US asbestos-related provision.

The total deferred tax included in the income tax expense is detailed in note 23.

Notes to the Group Financial Statements
continued

Tax relating to items credited or (charged) to equity from continuing operations

	2023 £m	2022 £m
Consolidated Statement of Comprehensive Income		
Deferred tax – origination & reversal of temporary differences	**7.5**	(12.4)
Deferred tax – effect of change in tax rates	**(0.4)**	(3.9)
Tax credit (charge) on actuarial gains/losses on retirement benefits	**7.1**	(16.3)
Tax credit (charge) on hedge losses	**0.1**	(0.1)
Tax credit (charge) in the Consolidated Statement of Comprehensive Income	**7.2**	(16.4)
Consolidated Statement of Changes in Equity		
Deferred tax on share-based payments	**0.1**	0.9
Tax credit in the Consolidated Statement of Changes in Equity	**0.1**	0.9

Reconciliation of the total tax charge from total operations

The tax charge (2022: charge) in the Consolidated Income Statement for the year is higher (2022: lower) than the weighted average of standard rates of corporation tax across the Group of 28.1% (2022: 27.7%). The differences are reconciled below.

		2023 £m	2022 £m
Profit before tax from continuing operations		**320.7**	260.2
Loss before tax from discontinued operations		**(1.3)**	—
Profit before tax		**319.4**	260.2
At the weighted average of standard rates of corporation tax across the Group of 28.1% (2022: 27.7%)		**89.6**	72.2
Adjustments in respect of previous years	- current tax	**(0.6)**	(0.6)
	- deferred tax	**(2.8)**	1.9
Joint ventures		**(0.6)**	(0.2)
Unrecognised deferred tax assets		**(0.2)**	(31.3)
Overseas tax on unremitted earnings		**(1.2)**	(0.7)
Permanent differences		**5.6**	(0.7)
Effect of changes in tax rates		**4.1**	(0.2)
Exceptional and other adjusting items ineligible for tax		**(3.1)**	6.0
At effective tax rate of 28.5% (2022: 17.8%)		**90.8**	46.4

Exceptional and other adjusting items ineligible for tax includes the impact of a non-taxable movement in the provision for write-offs of third-party receivables and inventory balances relating to the winding down of operations in Russia.

Unrecognised deferred tax assets decreased from a reduction of £31.3m in 2022 to a reduction of £0.2m in 2023.

The Group's provision for overseas tax on unremitted earnings decreased from a reduction of £0.7m in 2022 to a reduction of £1.2m in 2023. This is due to an increase in dividend payments from Chile during the year.

Permanent differences increased from a reduction of £0.7m in 2022 to an addition of £5.6m in 2023. The increase in 2023 permanent differences includes the impact of non-deductible foreign exchange losses, increased irrecoverable withholding tax on dividends and the impact of a reduction in inflationary adjustments in territories including Chile and Argentina.

Notes to the Group Financial Statements
continued

9. Discontinued operations
In the year ended 31 December 2023, a charge of £1.3m has been recognised in relation to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division, which was disposed of in 2021. In the prior year, a tax credit of £1.2m was recognised following the filing of the 2021 US tax return for Oil & Gas Division related activities. Total current year investing cash outflows from discontinued operations related to the charge in the period are £0.4m (2022: £0.1m).

For full disclosure of the disposal of the Oil & Gas Division refer to note 8 of the Group's 2021 Annual Report and Financial Statements.

(Loss) earnings per share
(Loss) earnings per share from discontinued operations were as follows.

	2023 pence	2022 pence
Basic	**(0.5)**	0.5
Diluted	**(0.5)**	0.5

The (loss) earnings per share figures were derived by dividing the net (loss) profit attributable to equity holders of the Company from discontinued operations by the weighted average number of ordinary shares, for both basic and diluted amounts, shown in note 10.

Notes to the Group Financial Statements
continued

10. Earnings per share
Basic earnings per share amounts are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue after deducting the own shares held by employee share ownership trusts and treasury shares. Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of dilutive share awards.

The following reflects the earnings used in the calculation of earnings per share.

	2023 £m	2022 £m
Profit attributable to equity holders of the Company		
Total operations[1]	**227.9**	213.4
Continuing operations[1]	**229.2**	212.2
Continuing operations before adjusting items[1]	**299.5**	254.6

The following reflects the share numbers used in the calculation of earnings per share, and the difference between the weighted average share capital for the purposes of the basic and the diluted earnings per share calculations.

	2023 Shares million	2022 Shares million
Weighted average number of ordinary shares for basic earnings per share	**258.4**	258.7
Effect of dilution: employee share awards	**1.4**	1.6
Adjusted weighted average number of ordinary shares for diluted earnings per share	**259.8**	260.3

The profit attributable to equity holders of the Company used in the calculation of both basic and diluted earnings per share from continuing operations before adjusting items is calculated as follows.

	2023 £m	2022 £m
Net profit attributable to equity holders from continuing operations[1]	**229.2**	212.2
Adjusting items net of tax	**70.3**	42.4
Net profit attributable to equity holders from continuing operations before adjusting items	**299.5**	254.6

	2023 pence	2022 pence
Basic earnings per share		
Total operations[1]	**88.2**	82.5
Continuing operations[1]	**88.7**	82.0
Continuing operations before adjusting items[1]	**115.9**	98.4
Diluted earnings per share		
Total operations[1]	**87.7**	82.0
Continuing operations[1]	**88.2**	81.5
Continuing operations before adjusting items[1]	**115.3**	97.8

[1] Adjusted for a profit of £0.7m (2022: £0.4m) in respect of non-controlling interests for total operations.

There have been nil share awards (2022: 839) exercised between the reporting date and the date of signing of these financial statements. They were settled out of existing shares held in trust.

(Loss) earnings per share from discontinued operations is disclosed in note 9.

Notes to the Group Financial Statements
continued

11. Dividends paid & proposed

	2023 £m	2022 £m
Declared & paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2022: 19.3p (2021: 12.3p)	**49.9**	31.8
Interim dividend for 2023: 17.8p (2022: 13.5p)	**46.0**	34.9
	95.9	66.7
Proposed for approval by Shareholders at the Annual General Meeting		
Final dividend for 2023: 20.8p (2022: 19.3p)	**53.6**	49.9

The current year dividend is in line with the capital allocation policy announced in our 2020 Annual Report and Financial Statements, under which the Group intends to distribute 33% of adjusted earnings by way of dividend. As a result, dividend cover in 2023 is 3.0 times.

The proposed dividend is based on the number of shares in issue, excluding treasury shares held, at the date that the financial statements were approved and authorised for issue. The final dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of this Annual Report and Financial Statements and the record date for the final dividend.

Notes to the Group Financial Statements
continued

12. Property, plant & equipment
Property, plant & equipment comprises owned and right-of-use assets that do not meet the definition of investment property.

	Owned land & buildings £m	Owned plant & equipment £m	Total owned property, plant & equipment £m	Right-of-use land & buildings £m	Right-of-use plant & equipment £m	Total right-of-use property, plant & equipment £m	Total property, plant & equipment £m
Cost							
At 31 December 2021	134.0	494.6	628.6	136.0	29.0	165.0	793.6
Additions	4.8	55.9	60.7	24.9	6.8	31.7	92.4
Acquisitions	0.8	2.8	3.6	—	—	—	3.6
Disposals	(4.9)	(18.7)	(23.6)	(6.3)	(5.3)	(11.6)	(35.2)
Disposal of business	—	(0.4)	(0.4)	—	(0.1)	(0.1)	(0.5)
Reclassifications	0.6	(0.6)	—	—	—	—	—
Reassessments and modifications	—	—	—	2.0	1.5	3.5	3.5
Inflation adjustment	—	0.4	0.4	—	—	—	0.4
Exchange adjustment	10.9	43.2	54.1	7.6	1.8	9.4	63.5
At 31 December 2022	**146.2**	**577.2**	**723.4**	**164.2**	**33.7**	**197.9**	**921.3**
Additions	**3.1**	**83.6**	**86.7**	**25.8**	**7.5**	**33.3**	**120.0**
Disposals	**(0.9)**	**(15.9)**	**(16.8)**	**(7.8)**	**(4.2)**	**(12.0)**	**(28.8)**
Reclassifications to inventory	**—**	**(0.2)**	**(0.2)**	**—**	**—**	**—**	**(0.2)**
Reclassifications	**5.9**	**(5.9)**	**—**	**(0.1)**	**0.1**	**—**	**—**
Reassessments and modifications	**—**	**—**	**—**	**3.0**	**0.5**	**3.5**	**3.5**
Inflation adjustment	**—**	**2.0**	**2.0**	**—**	**—**	**—**	**2.0**
Exchange adjustment	**(8.1)**	**(36.1)**	**(44.2)**	**(7.7)**	**(1.7)**	**(9.4)**	**(53.6)**
At 31 December 2023	**146.2**	**604.7**	**750.9**	**177.4**	**35.9**	**213.3**	**964.2**
Accumulated depreciation & impairment							
At 31 December 2021	36.8	274.4	311.2	51.9	14.6	66.5	377.7
Depreciation charge for the year	5.2	41.8	47.0	23.1	8.3	31.4	78.4
Impairment during the year	0.1	1.2	1.3	—	—	—	1.3
Disposals	(2.6)	(17.4)	(20.0)	(6.1)	(5.1)	(11.2)	(31.2)
Disposal of business	—	(0.1)	(0.1)	—	—	—	(0.1)
Reclassifications	(0.1)	0.1	—	—	—	—	—
Reassessments and modifications	—	—	—	0.6	(0.9)	(0.3)	(0.3)
Inflation adjustment	—	0.3	0.3	—	—	—	0.3
Exchange adjustment	3.1	24.9	28.0	3.8	1.2	5.0	33.0
At 31 December 2022	**42.5**	**325.2**	**367.7**	**73.3**	**18.1**	**91.4**	**459.1**
Depreciation charge for the year	**4.8**	**35.1**	**39.9**	**24.0**	**7.6**	**31.6**	**71.5**
Impairment during the year	**0.9**	**0.5**	**1.4**	**—**	**—**	**—**	**1.4**
Disposals	**(0.8)**	**(14.9)**	**(15.7)**	**(7.1)**	**(4.1)**	**(11.2)**	**(26.9)**
Reclassifications	**(0.1)**	**0.1**	**—**	**—**	**—**	**—**	**—**
Reassessments and modifications	**—**	**—**	**—**	**(2.3)**	**(0.3)**	**(2.6)**	**(2.6)**
Inflation adjustment	**—**	**1.6**	**1.6**	**—**	**—**	**—**	**1.6**
Exchange adjustment	**(2.7)**	**(23.2)**	**(25.9)**	**(3.7)**	**(0.8)**	**(4.5)**	**(30.4)**
At 31 December 2023	**44.6**	**324.4**	**369.0**	**84.2**	**20.5**	**104.7**	**473.7**
Net book value at 31 December 2021	97.2	220.2	317.4	84.1	14.4	98.5	415.9
Net book value at 31 December 2022	103.7	252.0	355.7	90.9	15.6	106.5	462.2
Net book value at 31 December 2023	**101.6**	**280.3**	**381.9**	**93.2**	**15.4**	**108.6**	**490.5**

Notes to the Group Financial Statements
continued

Owned property, plant & equipment
In 2023, an impairment of £1.4m (2022: £1.3m) has been recognised following the cessation of capital expenditure projects in the United States and Australia totalling £0.9m and £0.5m respectively. Impairment in the prior year primarily relates to assets located in Russia, following the Group's announcement to wind down operations.

Acquisitions of £3.6m recorded in 2022 relate to Carriere Industrial Supply Limited (CIS), which was acquired on 8 April 2022.

The prior year disposal of business related wholly to assets held by ESCO Russia, which was disposed of on 15 September 2022, which decreased cost by £0.4m and accumulated depreciation by £0.1m.

In 2023, the inflation adjustment recorded was to increase cost by £2.0m (2022: £0.4m) and increase accumulated depreciation by £1.6m (2022: £0.3m). The inflation adjustments relate to owned plant and equipment assets located in Argentina, within the Minerals Division. Inflation adjustments were recorded in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies'.

The carrying amount of assets under construction included in plant and equipment is £64.7m (2022: £41.6m).

Right-of-use assets
The Group leases many assets, including buildings, vehicles, forklifts, photocopiers and printers, machinery and IT equipment. Building lease terms are negotiated on an individual basis and contain a wide range of terms from one to 20 years. The average lease term is approximately five years. Plant and equipment lease terms range from one to 16 years, with an average lease term of approximately four years. The current and non-current lease liabilities are disclosed in notes 20 and 30 respectively. The maturity analysis of contractual undiscounted cash flows is included in note 30. The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts charged to finance costs in the Consolidated Income Statement in the year.

	2023 £m	2022 £m
Depreciation of right-of-use assets	**(31.6)**	(31.4)
Expenses relating to short-term leases	**(11.3)**	(9.6)
Expenses relating to leases of low value assets, excluding short-term leases of low value	**(2.3)**	(2.4)
Income from sub-leasing right-of-use assets	**0.4**	0.6
Expenses relating to variable lease payments not included in the measurement of lease liabilities	**(1.3)**	(0.8)
Charge to operating profit	**(46.1)**	(43.6)
Finance cost - interest expense related to lease liabilities	**(4.8)**	(4.0)
Charge to profit before tax from continuing operations	**(50.9)**	(47.6)

The total cash outflow in the year, which includes right-of-use cash flows and associated finance costs, as well as cash flows for the above expenses, is £50.7m (2022: £47.4m). Future cash outflows from leases not yet commenced to which the Group is committed total £32.8m (2022: £16.2m).

Notes to the Group Financial Statements
continued

13. Intangible assets

	Goodwill £m	Brand names £m	Customer & distributor relationships £m	Purchased software £m	Intellectual property & trademarks £m	Development costs £m	Other £m	Total £m
Cost								
At 31 December 2021	800.8	258.9	181.5	89.2	123.6	47.7	68.4	1,570.1
Additions	—	—	—	5.6	—	1.2	—	6.8
Acquisitions	3.7	—	3.1	—	—	—	—	6.8
Disposals	—	—	(8.9)	(2.3)	—	—	(0.1)	(11.3)
Exchange adjustment	77.0	30.2	17.7	6.0	12.6	0.8	6.7	151.0
At 31 December 2022	**881.5**	**289.1**	**193.4**	**98.5**	**136.2**	**49.7**	**75.0**	**1,723.4**
Additions	**—**	**—**	**—**	**6.7**	**—**	**0.9**	**—**	**7.6**
Acquisitions	**5.9**	**—**	**—**	**0.8**	**—**	**—**	**—**	**6.7**
Disposals	**—**	**—**	**—**	**(0.8)**	**—**	**(0.7)**	**(0.4)**	**(1.9)**
Inflation adjustment	**—**	**—**	**—**	**0.1**	**—**	**—**	**—**	**0.1**
Exchange adjustment	**(44.9)**	**(14.9)**	**(10.1)**	**(5.2)**	**(6.4)**	**(0.4)**	**(4.1)**	**(86.0)**
At 31 December 2023	**842.5**	**274.2**	**183.3**	**100.1**	**129.8**	**49.5**	**70.5**	**1,649.9**
Accumulated amortisation & impairment								
At 31 December 2021	3.2	—	84.0	48.3	58.1	37.7	30.4	261.7
Charge for the year	—	0.3	8.0	10.3	14.0	2.6	6.4	41.6
Impairment during the year	—	—	—	0.3	—	—	—	0.3
Disposals	—	—	(8.9)	(2.3)	—	—	(0.1)	(11.3)
Reclassifications	—	—	1.1	—	—	—	(1.1)	—
Exchange adjustment	0.2	—	6.7	3.7	7.0	0.4	3.2	21.2
At 31 December 2022	**3.4**	**0.3**	**90.9**	**60.3**	**79.1**	**40.7**	**38.8**	**313.5**
Charge for the year	**—**	**0.2**	**6.1**	**10.3**	**12.9**	**1.8**	**6.4**	**37.7**
Disposals	**—**	**—**	**—**	**(0.7)**	**—**	**(0.7)**	**(0.2)**	**(1.6)**
Inflation adjustment	**—**	**—**	**—**	**0.1**	**—**	**—**	**—**	**0.1**
Exchange adjustment	**(0.3)**	**—**	**(5.0)**	**(3.2)**	**(4.6)**	**(0.3)**	**(2.4)**	**(15.8)**
At 31 December 2023	**3.1**	**0.5**	**92.0**	**66.8**	**87.4**	**41.5**	**42.6**	**333.9**
Net book value at 31 December 2021	797.6	258.9	97.5	40.9	65.5	10.0	38.0	1,308.4
Net book value at 31 December 2022	878.1	288.8	102.5	38.2	57.1	9.0	36.2	1,409.9
Net book value at 31 December 2023	**839.4**	**273.7**	**91.3**	**33.3**	**42.4**	**8.0**	**27.9**	**1,316.0**

In 2023, no impairment has been recorded (2022: £0.3m). Impairment in the prior year relates to assets located in Russia, following the Group's announcement to suspend and wind down operations.

In 2023, acquisitions of £6.7m (2022: £6.8m) related to the acquisition of Sentiantechnologies AB (SentianAI) on 21 November 2023, as outlined in note 14. Acquisitions in the prior year relate to Carriere Industrial Supply Limited (CIS), which was acquired on 8 April 2022.

In 2023, the inflation adjustment recorded was to increase cost by £0.1m (2022: £nil) and increase accumulated amortisation by £0.1m (2022: £nil). The inflation adjustments related to purchased software assets located in Argentina, within the Minerals Division. Inflation adjustments were recorded in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies'.

The carrying amount of assets under construction included in intangible assets is £3.9m (2022: £6.1m).

Brand names, with the exception of the Motion Metrics™ brand name, have been assigned an indefinite useful life and as such are not amortised, but are tested annually for impairment, as detailed in note 15. At 31 December 2023 the carrying value of brand names with an indefinite life was £270.8m (2022: £285.6m). The Motion Metrics™ brand name has an expected useful life of 15 years and is being amortised over this period.

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Brand names includes ESCO™, Linatex® and Warman®, all of which are considered to be leaders in their respective markets. The allocation of significant brand names is as follows.

	Brand names	
	2023	2022
	£m	£m
ESCO	**133.6**	141.0
Warman	**65.0**	68.6
Linatex	**44.7**	47.1
Trio	**18.6**	19.7
Other[1]	**11.8**	12.4
	273.7	288.8

1. Included within 'Other' is the Motion Metrics® brand name, which has a carrying value of £2.9m at 31 December 2023 (2022: £3.2m), and is being amortised over an expected remaining useful life of 13 years (2022: 14 years).

The allocation of customer and distributor relationships, and the amortisation period of these assets is as follows.

	Remaining amortisation period		Customer & distributor relationships	
	2023	2022	**2023**	2022
	Years	Years	**£m**	£m
ESCO	**22-25**	23-26	**87.0**	95.9
Carriere Industrial Supply	**13**	14	**2.6**	2.9
Trio	**1**	2	**0.8**	2.0
Other	**Up to 2**	Up to 3	**0.9**	1.7
			91.3	102.5

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14. Business combinations

Sentiantechnologies AB

On 21 November 2023, the Group completed the acquisition of 100% of the voting rights of Sentiantechnologies AB (SentianAI) for an enterprise value of SEK87.3m (£6.7m). SentianAI is a Swedish-based developer of innovative cloud-based Artificial Intelligence (AI) solutions for the mining industry. The acquisition has joined the Minerals Division and SentianAI's technology will integrate with Minerals' existing product lines, and expand the Division's digital capabilities. Initial consideration of £6.1m was paid on completion, with a further deferred consideration of £0.6m recognised, payable 15 months after the date of acquisition.

The provisional fair values, which are subject to finalisation within 12 months of acquisition, include intangible assets £0.8m, trade & other receivables £0.2m, cash & cash equivalents £0.2m, trade & other payables £0.2m and external debt £0.2m, with resulting goodwill arising on consolidation of £5.9m.

Prior year business combination

Carriere Industrial Supply Limited

On 8 April 2022, the Group completed the acquisition of 100% of the voting rights of Carriere Industrial Supply Limited (CIS) for an enterprise value of CAD$32.5m (£20.2m). CIS is a Canadian-based manufacturer and distributor of wear parts, and an aftermarket service provider to the mining industry, with exposure across both surface and underground mining in Ontario and Quebec. The acquisition joined the ESCO Division and reporting segment as CIS was already an established distributor of ESCO's core Ground Engaging Tools (GET) products. This acquisition will maintain ESCO's leading core GET presence in Ontario and provide opportunities to expand into fabricated hardware and underground capabilities.

Initial consideration of £16.2m was paid on completion, with a further deferred consideration of £2.5m recognised reflecting indemnification and working capital hold backs. In the year ended 31 December 2023, the Group settled £1.0m (2022: £0.5m) of the deferred consideration balance, on the first anniversary of the acquisition date as per the sale and purchase agreement. The remaining £1.0m balance will be settled in April 2024, on the second anniversary of the acquisition date.

The provisional fair values of the opening balance sheet acquired were finalised in April 2023, following a review over a 12 month period since the date of acquisition, as permitted by IFRS 3 'Business combinations'. No adjustment was required to be made to the fair values reported in the 2022 Annual Report.

Contingent consideration

SentianAI

Included in the sale and purchase agreement of SentianAI, a maximum of an additional SEK23.7m (£1.9m) is payable by the Group contingent on SentianAI exceeding specific revenue and EBITDA margin targets over the next three years and meeting non-financial targets by the end of 2026. The entry point for any contingent payment would require significant growth in terms of revenue and EBITDA margin by 2026. While the Group expects SentianAI to grow as it leverages the benefits of being partnered with Minerals, and the opportunities within ESCO, the entry targets are considered challenging. At present the probability of SentianAI exceeding the revenue and EBITDA margin targets in order to trigger a contingent payment is considered uncertain, in part due to the relative infancy of the business. As a result no contingent consideration has been recorded at the acquisition date. This will be reassessed in future periods as the business develops.

Motion Metrics

The Group completed the acquisition of 100% of the voting rights of Motion Metrics on 30 November 2021. As part of the purchase agreement a maximum of an additional CAD$100.0m (£59.3m) is payable by the Group contingent on Motion Metrics exceeding specific revenue and EBITDA targets over the first three years following acquisition. Any balance that becomes payable would be split, with 80% reflecting further consideration and 20% for a new employee bonus plan. The entry point for any contingent payment would require significant growth both in terms of revenue and EBITDA margin by 2024. Progress has been made towards these targets throughout 2023 and, while the Group expects Motion Metrics to continue to grow as it leverages the benefits of being partnered with ESCO and the opportunities with Minerals, the entry targets are considered challenging. Due to the commercial sensitivity these targets are not disclosed. At present, given the results achieved over the course of 2022 and 2023, the probability of Motion Metrics exceeding these targets in 2024 in order to trigger a contingent payment are considered remote. As a result, no contingent consideration has been recorded at the balance sheet date in both the current and prior periods. This will be reassessed in future periods as the business develops.

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15. Impairment testing of goodwill & intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated at acquisition to Cash Generating Units (CGUs) that are expected to benefit from the business combination. The Group tests goodwill and intangible assets (brand names) with indefinite lives annually for impairment, or more frequently if there are indications that these might be impaired.

The carrying amounts of goodwill and intangible assets with indefinite lives have been allocated as per the table below.

	Goodwill 2023 £m	**Intangibles 2023 £m**	Goodwill 2022 £m	Intangibles 2022 £m
Minerals	**377.7**	**137.2**	392.5	144.6
ESCO	**461.7**	**133.6**	485.6	141.0
Total Group	**839.4**	**270.8**	878.1	285.6

Description of CGUs

A description of each of the CGUs is provided below along with a summary of the key drivers of revenue growth and operating profit margin.

Minerals

Minerals includes the Weir Warman, Weir Linatex and Weir Trio brands. Weir Minerals companies supply pumps and associated equipment and services to all global mining markets. The key drivers for revenues are: (i) levels of mining capital expenditure that drives demand for original equipment; and (ii) levels of actual mining activity that drives demand for spare parts and service. Independent forecasts of mining capital expenditure and activity have been used to derive revenue growth assumptions. These independent forecasts were prepared during the final quarter of 2023.

The goodwill and intangible assets arising from the acquisition of Sentiantechnologies AB (SentianAI) have been included within the Minerals CGU from 21 November 2023. At 31 December 2023, the purchase price is considered to reflect the fair value of the assets and therefore the addition to the Minerals CGU is considered to have a neutral impact on the impairment analysis.

ESCO

ESCO includes the ESCO and Bucyrus Blades brands. This CGU is a supplier of Ground Engaging Tools (GET) and associated equipment and services to the mining and infrastructure industries. The key drivers for revenues are: (i) levels of mining and infrastructure capital expenditure that drives demand for original equipment; and (ii) levels of actual mining and infrastructure activity that drives demand for spare parts and service. Independent forecasts of expenditure in these sectors have been used to derive revenue growth assumptions. These independent forecasts were prepared during the final quarter of 2023.

Impairment testing assumptions

Impairment testing requires an estimate of the value in use of the CGUs to which the goodwill and intangible assets are allocated. To estimate the value in use, the Group estimates the expected future cash flows from the CGU and discounts them to their present value at a determined discount rate, which is appropriate for the geographic location of the CGU. Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. The forecasts reflect latest strategic plans, for each of the CGUs, covering a period of five years, with cash flows beyond five years extrapolated using an estimated growth rate. The strategic plans incorporate initial plans for achieving the Group's long-term sustainability goals, which are described more fully in the Strategic Report.

The basis of the impairment tests for the two CGUs, including key assumptions, are set out in the table below.

CGU	**Basis of valuation**	**Period of forecast**	**Discount rate**[1]	**Real growth**[2]	**Key assumptions**[3]	**Source**
Minerals	Value in use	5 years	12.2% (2022: 11.9%)	0.0% (2022: 0.0%)	Revenue growth/Adjusted operating profit margins	External forecast Historic experience
ESCO	Value in use	5 years	13.7% (2022: 13.8%)	0.0% (2022: 0.0%)	Revenue growth/Adjusted operating profit margins	External forecast Historic experience

1. Discount rate
The pre-tax nominal weighted average cost of capital (WACC) is the basis for the discount rate, with adjustments made for geographic risk. The WACC is the weighted average of the pre-tax cost of debt financing and the pre-tax cost of equity finance. The discount rate has increased in Minerals, due to changes in country mix with mining asset betas remaining stable, and ESCO has remained broadly the same.
2. Real growth
For both CGUs the real growth beyond the five-year forecast period typically reflects external International Monetary Fund (IMF) forecast growth rates for the countries in which the CGU operates. Whilst short-term inflation rates have eased in the last 12 months, they remain above historical levels. In light of this, for modelling purposes we have continued to restrict the real growth to 0.0% in both CGUs to compensate for current volatility in rates. We do not believe this reflects our outlook on real growth given the global nature of these businesses, the long-term growth prospects in their end markets and the fact that they sell a significant proportion of their products to emerging markets which also have strong long-term growth prospects.
3. Adjusted operating profit margins
Adjusted operating profit margins have been forecast based on historic levels taking cognisance of the likely impact of changing economic environments and competitive landscapes on volumes and revenues, and the impact of associated management actions.

Impairment testing and sensitivity analysis

The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the CGU, and that the discount rate used is appropriate given the risks associated with the specific cash flows. The resulting value in use model for the Minerals and ESCO CGUs show significant headroom above carrying value.

While cash flow projections are subject to inherent uncertainty, no detailed sensitivity analysis has been performed for these CGUs, as there is no reasonably possible change in key assumptions that would cause the carrying value amounts to exceed recoverable amounts. A 1% increase in the pre-tax real discount rate and 1% decrease in growth rate for each CGU, also indicated significant headroom on the carrying value of the assets.

Additionally, the Directors have considered scenarios consistent with meeting the Paris goals of limiting the global temperature increase to well below 2°C, which the Directors consider to be a reasonably possible outcome. In these scenarios, assumptions have been made over the price and production volumes of certain commodities, that are key to end customers, with several of these commodities being vital globally in achieving the Paris goals. Under the scenarios considered by the Directors, there are no indicators of impairment in relation to either CGU.

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16. Investments in joint ventures
At the year end, the Group held an investment in one joint venture, ESCO Elecmetal Fundición Limitada.

	£m
At 31 December 2021	12.3
Share of results	2.5
Share of dividends	(2.7)
Exchange adjustment	3.0
At 31 December 2022	**15.1**
Share of results	**2.5**
Share of dividends	**(4.1)**
Exchange adjustment	**(1.3)**
At 31 December 2023	**12.2**

The Group's 50% share of the joint venture balance sheet is detailed below.

	2023 £m	2022 £m
Share of joint venture's balance sheet		
Current assets	**8.1**	10.0
Non-current assets	**11.4**	13.3
Current liabilities	**(4.4)**	(2.2)
Non-current liabilities	**(2.9)**	(6.0)
Net assets	**12.2**	15.1

The Group's share of the revenue and profit of its joint venture is included below.

	2023 £m	2022 £m
Share of joint venture's revenue & profits		
Revenue	**15.6**	17.8
Cost of sales	**(12.6)**	(14.8)
Administrative expenses	**—**	(0.2)
Income tax expense	**(0.6)**	(0.2)
Interest	**0.1**	(0.1)
Profit after tax	**2.5**	2.5

The Group's investment in the joint venture is included in the list of subsidiaries on pages 224 to 230.

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17. Inventories

	2023 £m	2022 £m
Raw materials	**38.8**	40.5
Work in progress	**61.9**	77.6
Finished goods	**507.4**	561.0
	608.1	679.1

In 2023, the cost of inventories recognised as an expense within cost of sales amounted to £1,641.1m (2022: £1,573.4m). In 2023, the write down of inventories to net realisable value amounted to £5.5m (2022: £26.7m), of which £2.0m (2022: £17.2m) was recognised as an exceptional item (note 6). The reversal of previous write downs amounted to £9.7m (2022: £6.0m), of which £7.2m (2022: £nil) was recognised as an exceptional item (note 6).

18. Trade & other receivables

Other receivables presented as non-current on the face of the Consolidated Balance Sheet of £53.8m (2022: £76.8m) are primarily in respect of insurance contracts, including Trust Owned Life Insurance policy investments of £42.6m (2022: £45.9m) that provide a form of security for certain unfunded employee benefit plans operated by ESCO, and insurance contracts relating to asbestos-related claims in the US of £5.4m (2022: £24.5m). Further detail on these claims is presented in note 22.

Current trade and other receivables are analysed in the following table.

	2023 £m	2022 £m
Trade receivables	**412.5**	444.7
Loss allowance	**(12.9)**	(26.9)
	399.6	417.8
Other debtors	**30.9**	24.7
Sales tax receivable	**31.5**	20.1
Prepayments	**33.2**	39.4
Contract assets	**31.0**	26.9
	526.2	528.9

The average credit period on sales of goods is 55 days (2022: 62 days) on a continuing basis. Other debtors includes £0.4m (2022: £0.3m) in respect of amounts due from joint ventures, and £9.5m (2022: £7.5m) in respect of insurance contracts relating to asbestos-related claims (note 22).

Impairment of trade & other receivables

The Group has two types of financial assets that are subject to the IFRS 9 'Financial instruments' expected credit loss model:

- trade receivables for sales of products and services; and
- contract assets relating to construction contracts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Due to the way in which these contracts are managed, expected credit loss if recognised is included within the loss allowance for trade receivables.

Due to the diverse end markets and customer geographies within the Group, the methodology applied to arrive at the expected loss rate is dictated by local circumstances. For short-term trade receivables, historical loss rates might be an appropriate basis for the estimate of expected future losses. They are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As such, one methodology applied is the use of a provision matrix, where different loss rates are applied depending on the number of days that a trade receivable is past due. Alternatively, the expected credit loss is calculated on an individual customer basis based on historical loss data for that customer, their receivables ageing, and any other knowledge of the customer's current and forecast financial position.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit (note 5). Subsequent recoveries of amounts previously written off are credited against the same line item.

The gross carrying amount of trade receivables, for which the loss allowance is measured at an amount equal to the lifetime expected credit losses under the simplified method, is analysed below.

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Analysis of gross carrying amount of trade receivables by days past due

	2023 £m	2022 £m
Not past due	**282.2**	313.2
Up to 3 months past due	**75.5**	81.6
Between 3 & 6 months past due	**16.9**	12.1
More than 6 months past due	**37.9**	37.8
	412.5	444.7

Reconciliation of opening to closing loss allowance for trade receivables

	2023 £m	2022 £m
Balance at the beginning of the year	**(26.9)**	(17.4)
Impairment losses recognised on receivables	**(6.4)**	(14.3)
Amounts written off as uncollectable	**12.6**	1.5
Amounts recovered during the year	**4.0**	0.3
Impairment losses reversed	**3.0**	4.3
Exchange adjustment	**0.8**	(1.3)
Balance at the end of the year	**(12.9)**	(26.9)

Impairment losses recognised on receivables includes an amount of £1.9m (2022: £8.3m) recognised as an exceptional item (note 6). Amounts recovered during the year includes an amount of £3.9m (2022: £nil) recognised as an exceptional item.

The Group has recognised the following assets in relation to contracts with customers.

	2023 £m	2022 £m
Construction contract assets	**6.8**	5.3
Accrued income	**24.2**	21.6
Total contract assets	**31.0**	26.9

The increase in construction contract assets relates to a combination of the mix of contracts, and the timing of billing versus the percentage of completion of projects.

19. Cash & short-term deposits

	2023 £m	2022 £m
Cash at bank & in hand	**654.4**	591.6
Short-term deposits	**52.8**	99.6
	707.2	691.2
For the purposes of the Consolidated Cash Flow Statement, cash & cash equivalents comprise the following:		
Cash & short-term deposits	**707.2**	691.2
Bank overdrafts (note 20)	**(259.8)**	(213.7)
	447.4	477.5

Cash at bank and in hand earns interest at floating-rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earns interest at the respective short-term deposit rates.

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes as the Group does not intend to settle on a net basis. Cash and short-term deposits at 31 December 2023 includes £256.0m (2022: £206.9m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

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20. Interest-bearing loans & borrowings

	2023 £m	2022 £m
Current		
Bank overdrafts	**259.8**	213.7
Fixed-rate notes	**—**	165.3
Lease liabilities	**26.4**	27.3
	286.2	406.3
Non-current		
Bank loans	**97.7**	336.5
Fixed-rate notes	**922.3**	657.8
Lease liabilities	**91.1**	87.8
	1,111.1	1,082.1

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes as the Group does not intend to settle on a net basis. Cash and short-term deposits at 31 December 2023 includes £256.0m (2022: £206.9m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

			Weighted average interest rate			
Bank loans	**Maturity**	**Interest basis**	**2023 %**	2022 %	**2023 £m**	2022 £m
Revolving credit facility						
Sterling variable-rate loans	2028	£ SONIA	**5.84**	—	**97.7**	—
United States Dollar variable-rate loans	2028	US$ SOFR	**—**	4.96	**—**	336.5
Non-current bank loans					**97.7**	336.5

The weighted average interest rates include an applicable margin over and above the interest basis.

			Fixed interest rate			
Fixed-rate notes	**Maturity**	**Interest basis**	**2023 %**	2022 %	**2023 £m**	2022 £m
Private placement						
United States Dollar fixed-rate notes	2023	FIXED	**—**	4.34	**—**	165.3
Other						
United States Dollar Sustainability-Linked Notes	2026	FIXED	**2.20**	2.20	**624.4**	657.8
Sterling Sustainability-Linked Notes	2028	FIXED	**6.88**	—	**297.9**	—
					922.3	823.1
Less: current instalments due on fixed-rate notes						
United States Dollar fixed-rate notes	2023	FIXED			**—**	(165.3)
Non-current fixed-rate notes					**922.3**	657.8

The disclosures above represent the interest profile and currency profile of financial liabilities before the impact of derivative financial instruments.

The Group utilises a number of sources of funding including Sustainability-Linked Notes, revolving credit facility, term loan, private placement debt, commercial paper and uncommitted facilities.

In January 2023, the Group added a further £300m term loan facility to its available financing. The facility was due to mature in January 2024, subject to a one-year extension option, but the Group took the decision to cancel the facility in June 2023.

In March 2023, the Group exercised the option to extend its US$800m multi-currency Revolving Credit Facility (RCF) by one year to now mature in April 2028, with the option to extend for a further year.

In June 2023, the Group completed the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028. The notes include a Sustainability Performance Target (SPT) to reduce scope 1&2 CO_2 emissions by 19.1% in absolute terms by 2026 from a 2019 baseline, consistent with the Group's SBTi approved target of 30% reduction by the end of 2030. The notes will initially bear interest at a rate of 6.875% per annum to be paid annually in June. The interest on the notes will be linked to achievement of the SPT with an interest rate increase of 0.75% to 7.625% per annum for the last interest payment due on 14 June 2028 if the Group does not attain its SPT. These notes are in addition to the US$800m Sustainability-Linked Notes drawn in May 2021, due to mature in May 2026, which bear interest at a rate of 2.20% per annum.

In June 2023, the Group amended its US$1bn commercial paper programme to a US$800m commercial paper programme. At 31 December 2023, a total of £nil (2022: £nil) was outstanding under the programme.

At 31 December 2023, £97.7m (2022: £336.5m) was drawn under the US$800m multi-currency RCF which, is disclosed net of unamortised issue costs of £2.3m (2022: £2.4m).

At 31 December 2023, a total of £nil (2022: £165.3m) was outstanding under private placement, which is disclosed net of unamortised issue costs of £nil (2022: £nil).

At 31 December 2023, a total of £922.3m (2022: £657.8m) was outstanding under Sustainability-Linked Notes, which is disclosed net of unamortised issue costs of £4.5m (2022: £3.5m).

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21. Trade & other payables

	2023 £m	2022 £m
Current		
Trade payables	**260.1**	319.3
Other creditors	**9.8**	14.0
Other taxes & social security costs	**11.4**	24.2
Accruals	**187.7**	162.4
Deferred consideration payable	**1.0**	1.0
Contract liabilities	**111.3**	102.6
	581.3	623.5
Non-current		
Deferred consideration payable	**0.6**	1.0
	0.6	1.0

Trade payables includes balances due to suppliers that have signed up to a supply chain financing programme, under which all invoices are settled via a partner bank. This allows the suppliers to elect on an invoice-by-invoice basis to receive a discounted early payment from the partner bank rather than being paid in line with the agreed payment terms. The value of the liability payable by the Group remains unchanged. The aggregate limit of facilities available at 31 December 2023 was £101.2m (2022: £113.1m) and may be voluntarily cancelled under bilateral terms of 30 days notice. At 31 December 2023, suppliers chose to utilise supply chain financing facilities of £32.0m (2022: £53.9m).

The Group assesses the arrangement against indicators to assess if debts, which vendors have sold to the partner bank under the supplier financing scheme, continue to meet the definition of trade payables or should be classified as borrowings. At 31 December 2023 and 31 December 2022, the payables met the criteria of trade payables and the arrangement had no impact on the results or the financial position of the Group.

The Group has recognised the following liabilities in relation to contracts with customers.

	2023 £m	2022 £m
Construction contract liabilities	**10.7**	4.7
Deferred income	**100.6**	97.9
Total contract liabilities	**111.3**	102.6

The increase in contract liabilities in the year relates to changes in the mix of contracts and percentage of completion status of individual projects, together with a general increase in project activity.

Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised in the current reporting period related to carried forward contract liabilities.

	2023 £m	2022 £m
Revenue recognised that was included in the contract liability balance at the beginning of the year	**36.0**	37.5

Transaction price allocated to unsatisfied performance obligations

The transaction price allocated to performance obligations unsatisfied at the year end is £106.9m (2022: £128.5m). This relates only to performance obligations from contracts with a duration of over a year as permitted by the practical expedient in paragraph 121 of IFRS 15 'Revenue from contracts with customers'.

The following table shows when revenue is expected to be recognised for unsatisfied performance obligations from contracts with a duration of over one year.

	2023 £m	2022 £m
Less than one year	**75.9**	95.0
After one year, but not more than five years	**5.0**	9.1
After five years	**26.0**	24.4
Total value of performance obligations unsatisfied from contracts with a duration over one year	**106.9**	128.5

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22. Provisions

	Warranties & contract claims £m	Asbestos-related £m	Employee-related £m	Exceptional items £m	Other £m	Total £m
At 31 December 2022	**10.4**	**55.2**	**13.5**	**5.4**	**13.7**	**98.2**
Additions	**9.4**	**33.2**	**16.5**	**30.3**	**1.7**	**91.1**
Utilised	**(9.2)**	**(7.9)**	**(17.2)**	**(19.6)**	**(0.8)**	**(54.7)**
Unutilised	**(0.2)**	**1.7**	**—**	**(0.6)**	**(1.8)**	**(0.9)**
Transfers	**(0.2)**	**—**	**—**	**0.2**	**—**	**—**
Exchange adjustment	**(0.6)**	**(3.5)**	**(0.7)**	**—**	**(0.6)**	**(5.4)**
At 31 December 2023	**9.6**	**78.7**	**12.1**	**15.7**	**12.2**	**128.3**
Current 2023	**9.6**	**11.2**	**8.4**	**15.7**	**2.7**	**47.6**
Non-current 2023	**—**	**67.5**	**3.7**	**—**	**9.5**	**80.7**
At 31 December 2023	**9.6**	**78.7**	**12.1**	**15.7**	**12.2**	**128.3**
Current 2022	10.4	8.5	7.9	5.2	3.3	35.3
Non-current 2022	—	46.7	5.6	0.2	10.4	62.9
At 31 December 2022	10.4	55.2	13.5	5.4	13.7	98.2

The impact of discounting is only material for the asbestos-related category of provision, with lower discount rates at 31 December 2023, resulting in a £1.9m increase in the provision, which is reflected as unutilised above.

Warranties & contract claims

Provision has been made in respect of actual warranty claims on goods sold and services provided, and allowance has been made for potential warranty claims based on past experience for goods and services sold with a warranty guarantee. At 31 December 2023, the warranties portion of the provision totalled £7.2m (2022: £6.6m). At 31 December 2023, all of these costs relate to claims that fall due within one year of the balance sheet date.

Provision has been made in respect of sales contracts entered into for the sale of goods in the normal course of business where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received from the contracts and before allowing for future expected aftermarket revenue streams. Provision is made immediately when it becomes apparent that expected costs will exceed the expected benefits of the contract. At 31 December 2023, the contract claims element, which includes onerous provision, was £2.4m (2022: £3.8m), all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

	2023 £m	2022 £m
US asbestos-related provision – pre-1981 date of first exposure	**67.4**	49.9
US asbestos-related provision – post-1981 date of first exposure	**8.8**	2.8
US asbestos-related provision – total	**76.2**	52.7
UK asbestos-related provision	**2.5**	2.5
Total asbestos-related provision	**78.7**	55.2

US asbestos-related provision

A US-based subsidiary of the Group is co-defendant in lawsuits pending in the US in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. The dates of alleged exposure currently range from the 1950s to the 1990s.

The Group has historically held comprehensive insurance cover for cases of this nature and its subsidiary continues to do so for claims with a date of first exposure (dofe) pre-1981. The expiration of one of the Group’s insurance policies in 2019 resulted in no further insurance cover for claims with a post-1981 dofe. All claims are directly administered by National Coordinating Counsel on behalf of the insurers who also meet associated defence costs. The insurers, their legal advisers and in-house counsel agree and execute the defence strategy between them.

A summary of the US subsidiary's asbestos-related claim activity is shown in the table below.

Number of open claims	2023 Number	2022 Number
Opening	**1,716**	1,765
New	**664**	633
Dismissed	**(362)**	(443)
Settled	**(230)**	(239)
Closing	**1,788**	1,716

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A review of the US subsidiary's expected liability for US asbestos-related diseases and the adequacy of the insurance policies to meet future settlement and defence costs was completed in conjunction with external advisers in 2023 as part of a planned triennial actuarial review. This review was based on an industry standard epidemiological decay model, and the subsidiary's claims settlement history. Consistent with recent claims experience, the 2023 review reflected a higher levels of claims, particularly relating to the 1970s and 1980s.

The actuarial model incorporates claims, with a dofe pre- and post-1981, primarily relating to Lung Cancer and Mesothelioma and includes estimates relating to:

- the number of future claims received through to 2064;
- settlement rates by disease type;
- mean settlement values by disease type;
- ratio of defence costs to indemnity value; and
- the profile of associated cash flows through to 2068.

The actuarial model in 2023 provided a range of potential liability based on levels of probability from 10% to 90%, which, on an undiscounted basis, equates to £89m-£195m. The mean actuarial estimate of £142m represents the expected undiscounted value over the range of reasonably possible outcomes. The provision in the financial statements is based on the mean actuarial estimate, which is then adjusted each year to reflect expected settlements in the model, discounting and restricting the timescale over which a liability can be reliably measured to ten years plus cash flows over a further six years.

	2023	2022
Period of future claims provided	**10 years**	10 years
Discount rate	**4.7 %**	5.0 %

The period over which the provision can be reliably estimated is judged to be ten years, plus cash flows for a further six years, due to the inherent uncertainty, resulting from the changing nature of the US litigation environment detailed below, and cognisant of the broad range of probability levels included within the actuarial model. While claims may extend past ten years and may result in a further outflow of economic benefits, the Directors do not believe any obligation that may arise beyond ten years can be reliably measured at this time. The effect of extending the claims period by a further ten years is included in the sensitivities below. The discount rate is set based on the corporate bond yield available at the balance sheet date denominated in the same currency, and with a term broadly consistent to that of the liabilities being provided for, with sensitivities to the discount rate also included below.

In 2023, confirmation was also received from external advisers of the insurance asset available, which includes the estimated defence costs that would be met by the insurer. An update to the insurance asset is obtained annually and totals £14.9m at 31 December 2023 (2022: £32.0m). Based on the profile of the claims in the actuarial model, external advisers expect the insurance cover and associated limits currently in place to be sufficient to meet the settlement and associated costs until 2025. No cash flows to or from the US subsidiary, related to claims with an exposure date pre-1981, are expected until the exhaustion of the insurance asset. Claims with an exposure date post-1981 are estimated to incur cash outflows of less than £0.8m per annum and are not insured currently or in the future.

The table below represents the Directors' best estimate of the future liability and corresponding insurance asset.

US asbestos-related provision	**2023 £m**	2022 £m
Gross provision	**101.5**	68.8
Effect of discounting	**(25.3)**	(16.1)
Discounted US asbestos-related provision	**76.2**	52.7
Insurance asset	**14.9**	32.0
Net US asbestos-related liability	**61.3**	20.7

The gross provision and effect of discounting at 31 December 2022 have been amended from what was initially published in the 2022 Annual Report and Financial Statements, with both figures grossed up by £10.0m to correctly reflect the impact of discounting. There is no further impact from this change across the financial statements.

The net provision and insurance asset are presented in the financial statements as follows.

	2023 £m	2022 £m
Provisions – current	**10.3**	7.8
Provisions – non-current	**65.9**	44.9
Trade & other receivables	**9.5**	7.5
Non-current other receivables	**5.4**	24.5

There remains inherent uncertainty associated with estimating future costs in respect of asbestos-related diseases. Actuarial estimates of future indemnity and defence costs associated with asbestos-related diseases are subject to significantly greater uncertainty than actuarial estimates for other types of exposures. This uncertainty results from factors that are unique to the asbestos claims litigation and settlement process including but not limited to:

- the possibility of future state or federal legislation applying to claims for asbestos-related diseases;
- the ability of the plaintiff's bar to develop and sustain new legal theory and/or develop new populations of claimants;
- changes in focus of the plaintiff's bar;
- changes in defence strategy; and
- changes in the financial condition of other co-defendants in suits naming the US subsidiary.

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As a result, there can be no guarantee that the assumptions used to estimate the provision will result in an accurate prediction of the actual costs that may be incurred.

Since the previous triennial update completed in 2020, the US subsidiary has experienced a higher number of claims received than modelled across both disease types. As noted in our 2022 Annual Report we expected these variations from the model may have been influenced by fluctuations in the profile of case rates across jurisdictions with higher average settlements coupled with the potential impact of the Covid-19 pandemic. However, the higher level of claims continued into 2023 demonstrating a longer-term trend of higher claims as opposed to one-off year-on-year variation.

Average settlement values have remained broadly stable over recent years for Mesothelioma cases, but have been lower than modelled in 2020 for Lung Cancer cases. Settlements largely occurred within four years of a claim being received and the settlement rates for Mesothelioma cases were slightly higher than previously modelled while Lung Cancer case settlement rates were trending marginally lower.

As noted above there are a number of uncertain factors involved in the estimation of the provision and variations in case numbers and settlements are to be expected from period-to-period. The trends witnessed in our recent claims experience have been reflected in the 2023 triennial actuarial review and provided the basis for the higher provision recognised at 31 December 2023.

Uncertainty regarding the timing and extent of variations year to year and whether they are short or long-term in nature, mean it is not considered possible to provide reasonably probable scenarios. The impact on the provision of incremental changes in key assumptions is provided below for guidance.

Estimated impact on the discounted US asbestos-related provision of	2023 £m
Increasing the number of projected future settled claims by 20%	**12.9**
Increasing the estimated settlement value by 10%	**6.4**
Increasing the basis of provision by ten years	**10.1**
Decreasing the discount rate by 50bps	**2.2**

Application of these sensitivities, on an individual basis, would not lead to a material change in the provision.

The Group's US subsidiary has been effective in managing the asbestos litigation, in part, because it has access to historical project documents and other business records going back more than 50 years, allowing it to defend itself by determining if legacy products were present at the location of the alleged asbestos exposure and, if so, the timing and extent of their presence. In addition, the US subsidiary has consistently and vigorously defended claims that are without merit.

UK asbestos-related provision
In the UK, there are outstanding asbestos-related claims that are not the subject of insurance cover. The extent of the UK asbestos exposure involves a series of legacy employer's liability claims that all relate to former UK operations and employment periods in the 1950s to 1970s. In 1989, the Group's employer's liability insurer (Chester Street Employers Association Ltd) was placed into run-off, which effectively generated an uninsured liability exposure for all future long-tail disease claims with an exposure period pre-dating 1 January 1972. All claims with a disease exposure post 1 January 1972 are fully compensated via the Government-established Financial Services Compensation Scheme. Any settlement to a former employee whose service period straddles 1972 is calculated on a pro rata basis. The Group provides for these claims based on management's best estimate of the likely costs given past experience of the volume and cost of similar claims brought against the Group.

The UK provision was reviewed and adjusted accordingly for claims experience in the year, resulting in a provision of £2.5m (2022: £2.5m).

Employee-related
Employee-related provisions arise from legal obligations in a number of territories in which the Group operates, the majority of which relate to compensation associated with periods of service. A large proportion of the provision is for long service leave. The outflow is generally dependent upon the timing of employees' period of leave with the calculation of the majority of the provision being based on criteria determined by the various jurisdictions.

Exceptional items
The exceptional items provision relates to certain exceptional charges included within note 6 where the cost is based on a reliable estimate of the obligation.

The opening balance of £5.4m includes £4.3m related to Russia, £0.4m for the Performance Excellence programme, and £0.7m for other smaller provisions.

Additions in the year total £30.3m, and includes £29.4m in relation to the Performance Excellence programme, of which £14.3m has been settled in the year. The remaining additions of £0.9m include acquisition and integration costs, and amounts in relation to the wind down of our Minerals Russia subsidiary. Of the provision balance related to the Russia wind down, £2.4m has been cash settled in the year.

The closing balance of £15.7m includes £1.3m related to Russia, and £14.2m in relation to the Performance Excellence programme of which £7.1m relates to capacity optimisation costs and £7.1m to functional transformation. Also included in the closing balance are £0.2m of smaller balances relating to an onerous lease and residual costs related to the Oil & Gas Division sale.

Other
Other provisions include environmental obligations, penalties, duties due, legal claims and other exposures across the Group. These balances typically include estimates based on multiple sources of information and reports from third-party advisers. The timing of outflows is difficult to predict as many of them will ultimately rely on legal resolutions and the expected conclusion is based on information currently available. Where certain outcomes are unknown, a range of possible scenarios is calculated, with the most likely being reflected in the provision.

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23. Deferred tax

	2023 £m	2022 £m
Deferred income tax assets		
Post-employment benefits	**10.6**	12.5
Decelerated depreciation for tax purposes	**16.7**	11.8
Intangible assets	**13.9**	16.1
Untaxed reserves	**180.6**	210.7
Offset against liabilities	**(110.5)**	(158.6)
Deferred income tax assets	**111.3**	92.5
Deferred income tax liabilities		
Accelerated depreciation for tax purposes	**(18.3)**	(16.7)
Overseas tax on unremitted earnings	**(3.3)**	(6.7)
Intangible assets	**(117.8)**	(153.6)
Other temporary differences	**(6.5)**	(16.3)
Post-employment benefits	**(11.5)**	(16.7)
Offset against assets	**110.5**	158.6
Deferred income tax liabilities	**(46.9)**	(51.4)
Net deferred income tax asset	**64.4**	41.1

Notes to the Group Financial Statements
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The movement in deferred income tax assets and liabilities during the year was as follows.

	Post-employment benefits £m	Accelerated depreciation for tax purposes £m	Overseas tax on unremitted earnings £m	Intangible assets £m	Untaxed reserves, tax losses & other temporary differences £m	Total £m
At 31 December 2021	13.4	(16.4)	(7.3)	(116.1)	142.6	16.2
(Charged) credited to the Consolidated Income Statement (note 8)	(2.4)	14.4	0.7	(7.8)	35.7	40.6
(Charged) credited to equity (note 8)	(16.4)	—	—	—	0.9	(15.5)
Acquisition of business	—	(0.6)	—	(1.0)	—	(1.6)
Exchange adjustment	1.2	(2.3)	(0.1)	(12.6)	15.2	1.4
At 31 December 2022	**(4.2)**	**(4.9)**	**(6.7)**	**(137.5)**	**194.4**	**41.1**
(Charged) credited to the Consolidated Income Statement (note 8)	**(3.4)**	**3.2**	**2.9**	**27.9**	**(10.6)**	**20.0**
Credited to equity (note 8)	**7.1**	**—**	**—**	**—**	**0.1**	**7.2**
Exchange adjustment	**(0.4)**	**0.1**	**0.5**	**5.7**	**(9.8)**	**(3.9)**
At 31 December 2023	**(0.9)**	**(1.6)**	**(3.3)**	**(103.9)**	**174.1**	**64.4**

Untaxed reserves primarily relate to accruals and provisions for liabilities where the tax allowance is deferred until the cash expense occurs, and to temporarily disallow inventory/receivable provisions. Included in this balance is a deferred tax asset in relation to tax losses of £22.7m (2022: £39.8m). This includes £1.8m (2022: £21.9m) relating to US Federal and State tax losses and £9.7m (2022: £10.0m) relating to UK tax losses. Deferred tax assets of £3.2m (2022: £0.4m) have been recognised in respect of entities which have suffered a tax loss in either the current or preceding period. Deferred tax assets have been recognised in these territories on the basis of forecast future profitability. Of the recognised deferred tax assets, £19.4m (2022: £24.2m) of US foreign tax credits have a ten-year time expiry with the earliest expiration date being 2027, £10.6m (2022: £10.3m) of US research and development tax credits have a 20-year time expiry with the earliest expiration date being 2036, and £2.8m (2022: £3.6m) of US State attributes have a ten-year time expiry.

Deferred tax assets of £37.6m (2022: £41.2m) have been recognised in relation to deferred deductions for intra-group interest in the US group.

Deferred tax asset balances for unused tax losses of £22.9m (2022: £34.0m) have not been recognised on the grounds that there is insufficient evidence that these assets will be recoverable. Composition of these unrecognised assets as at 31 December 2023 are set out below.

Jurisdiction	Gross closing balance £m	Net closing balance £m
Africa	**0.9**	0.2
Australia	**1.8**	0.5
Chile	**2.3**	0.6
China	**33.4**	8.3
Malaysia	**1.2**	0.3
Sweden	**2.6**	0.6
United Kingdom	**2.4**	0.6
United States	**48.1**	10.1
Other	**7.3**	1.7
Total	**100.0**	22.9

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Deferred tax asset balances for capital losses amounting to £1.7m (2022: £7.9m) have not been recognised, but would be available in the event of future taxable capital gains being incurred by the Group. Composition of these unrecognised capital losses as at 31 December 2023 are set out below:

Jurisdiction	Gross closing balance £m	Net closing balance £m
Australia	**4.8**	1.4
United Kingdom	**1.2**	0.3
Total	**6.0**	1.7

In addition, a US deferred tax asset balance relating to the disposal of Seaboard International arose as part of the Group's divestiture of its Oil & Gas Division in 2021. The deferred tax asset balance is estimated to be £85m but has yet not been recognised pending completion of supporting US tax technical analysis.

Unrecognised assets will be recovered when future tax charges are sufficient to absorb these tax benefits.

The net deferred tax asset due after more than one year is £64.4m (2022: £41.1m).

Pillar Two

The Group has adopted the amendments to IAS 12 'Income taxes' for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 20 June 2023, the government of the United Kingdom, where The Weir Group PLC is incorporated, substantively enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in the United Kingdom, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The Weir Group PLC falls within the scope of Pillar Two legislation therefore, these rules will apply to the Group from 1 January 2024.

Ahead of the legislation coming into effect from 1 January 2024 the Group has analysed its eligibility for the Transitional Country By Country Reporting Safe Harbours on a jurisdiction by jurisdiction basis using data covering the periods to 31 December 2022 and 31 December 2023, which we consider to be a good proxy for the predicted position in respect of the period ending 31 December 2024. Based on the outcome of this analysis the Group considers the main jurisdiction for which a higher risk of exposure to Pillar Two may exist is the United States. The Group therefore conducted a more in depth analysis of our likely position with regards to Pillar Two for the United States, with a particular focus on the available substance-based concessions, and have concluded that for this specific jurisdiction, and the wider global group, we do not anticipate that a material Pillar Two top-up tax is likely to arise in respect of the period ending 31 December 2024. The Group is aware that the rules and guidance in relation to Pillar Two continue to evolve and we are working alongside tax specialists in order to continually assess the impact of the Pillar Two income taxes legislation on future financial performance. As a result of this changing landscape, there is a possibility that top-up taxes may arise at some point in the future.

Temporary differences associated with Group investments

A deferred tax liability of £4.6m (2022: £6.1m) has been recognised in respect of taxes on the unremitted earnings of the South American subsidiaries. As at 31 December 2023, this is the only recognised deferred tax liability in respect of taxes on unremitted earnings, as the Group does not foresee a distribution of unremitted earnings from other subsidiaries or joint ventures which would result in a reversal of deferred tax. The temporary differences associated with investments in subsidiaries and joint ventures, for which a deferred tax liability has not been recognised, aggregate to £2,608.9m (2022: £2,531.8m).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

UK corporation tax rate changes

An increase in the UK rate from 19% to 25% from April 2023 was substantively enacted as part of Finance Bill 2021 (on 25 May 2021). As a result, at 31 December 2023, deferred tax balances have been calculated at 25%.

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24. Pensions & other post-employment benefit plans
The Group operates various defined benefit pension plans in the UK and North America. All defined benefit plans are closed to new members. The most significant defined benefit plan is the Main funded UK plan.

UK plans
At the balance sheet date, the Group has a funded defined benefit plan (the Main Plan) and an unfunded retirement benefit plan for retired Executive Directors. The Group also operates a defined contribution plan, the contributions to which are in addition to those set out below, and are charged directly to the Consolidated Income Statement.

For the defined benefit plans, benefits are related to service and final salary. The Main Plan closed to future accrual of benefits effective from 30 June 2015.

The weighted average duration of the expected benefit payments from the Main Plan is around 12 years.

The current funding target for the UK plans is to maintain assets equal to the value of the accrued benefits. The Main Plan holds three insurance policies that match the liabilities in respect of a significant proportion of deferred and retired pensioners.

The regulatory framework in the UK requires the pension scheme Trustees and Group to agree upon the assumptions underlying the funding target, and then to agree upon the necessary contributions required to recover any deficit at the valuation date. There is a risk to the Group that adverse experience against these assumptions could lead to a requirement for the Group to make considerable contributions to recover any deficit. This risk is significantly reduced through the insurance policies held.

North American plans
The Group also sponsors funded defined benefit pension plans in the US and Canada and certain unfunded arrangements (including post-employment healthcare benefits for senior employees) in the US.

These plans combined make up 21% of the Group's pension and other post-employment benefit plan commitments and 17% of the Group's total associated assets.

The weighted average duration of these plans is around eight years.

Plan risks
The defined benefit plans in the UK and North America expose the Group to a number of risks.

Uncertainty in benefit payments
The value of the Group's liabilities for the defined benefit plans will ultimately depend on the amount of benefits paid out. This in turn will depend on the level of inflation (for those benefits that are subject to some form of inflation protection) and how long individuals live. This risk is significantly reduced through the insurance policies held in the UK.

Volatility in asset values
The Group is exposed to future movements in the values of assets held in the funded defined benefit plans to meet future uninsured benefit payments.

Uncertainty in cash funding
Movements in the values of the obligations or assets may result in the Group being required to provide higher levels of cash funding, although changes in the level of cash required can often be spread over a number of years. This risk is significantly reduced through the insurance policies held. In addition, the Group is also exposed to adverse changes in pension regulation.

Exchange rate movements
Movements in exchange rates will affect the value in GBP of the assets and obligations of the Group's North American defined benefit plans.

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Assumptions
The significant actuarial assumptions used for accounting purposes reflect prevailing market conditions in the UK and North America and are as follows.

	UK pensions		North American pensions & post-retirement healthcare	
	2023	2022	**2023**	2022
Significant actuarial assumptions:				
Discount rate (% pa)	**4.5**	4.8	**4.7**	5.0
Retail Prices Inflation (RPI) assumption (% pa)	**3.1**	3.4	**n/a**	n/a
Post-retirement mortality (life expectancies in years):				
Current pensioners at 65 – male	**21.0**	21.3	**20.6**	20.6
Current pensioners at 65 – female	**22.9**	23.2	**22.6**	22.5
Future pensioners at 65 – male	**22.3**	22.6	**22.1**	22.1
Future pensioners at 65 – female	**24.4**	24.7	**24.0**	23.9
Other related actuarial assumptions:				
Rate of increases for pensions in payment (% pa)				
Pre 6 April 2006 service	**3.0**	3.2	**n/a**	n/a
Post 5 April 2006 service	**2.1**	2.1	**n/a**	n/a
Consumer Prices Inflation (CPI) assumption (% pa)	**2.5**	2.8	**n/a**	n/a
Rate of increase in healthcare costs	**n/a**	n/a	*****	**

* Between 5.2% and 11.75% per annum decreasing to 4.5% per annum and remaining static at that level from 2033 (Weir)/2037 (ESCO) onwards.
** Between 5.2% and 7.4% per annum decreasing to 4.5% per annum and remaining static at that level from 2032 (Weir)/2037 (ESCO) onwards.

The assumptions used to determine end-of-year benefit obligations are also used to calculate the following year's cost. For North America, weighted average assumptions are shown above where applicable.

The post-retirement mortality assumptions allow for expected increases in longevity. The 'current' disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with 'future' being that relating to a member retiring in 2044 (in 20 years' time).

The assets and liabilities of the plans are as follows.

	UK pensions		North American pensions & post-retirement healthcare		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Plan assets at fair value						
Equities (quoted)	**–**	48.3	**9.1**	21.6	**9.1**	69.9
Diversified Growth Funds (2022: c.27% quoted)	**–**	36.6	**–**	1.4	**–**	38.0
Corporate bonds (quoted)	**–**	36.6	**70.1**	61.9	**70.1**	98.5
Government bonds (quoted)	**170.8**	168.4	**38.7**	34.9	**209.5**	203.3
Insurance policies (unquoted)	**336.4**	219.9	**–**	—	**336.4**	219.9
Property	**–**	—	**4.0**	4.7	**4.0**	4.7
Private debt (unquoted)	**37.1**	56.3	**–**	—	**37.1**	56.3
Multi Asset Credit Funds (quoted)	**39.7**	36.0	**–**	—	**39.7**	36.0
Cash (quoted)	**8.7**	8.0	**2.2**	1.5	**10.9**	9.5
Fair value of plan assets	**592.7**	610.1	**124.1**	126.0	**716.8**	736.1
Present value of funded obligations	**(562.6)**	(559.2)	**(125.6)**	(132.8)	**(688.2)**	(692.0)
Net asset (liability) for funded obligations	**30.1**	50.9	**(1.5)**	(6.8)	**28.6**	44.1
Present value of unfunded obligations	**(0.8)**	(0.9)	**(23.9)**	(26.3)	**(24.7)**	(27.2)
Effect of asset limit	**–**	—	**(1.8)**	(1.8)	**(1.8)**	(1.8)
Net asset (liability)	**29.3**	50.0	**(27.2)**	(34.9)	**2.1**	15.1
Plans in surplus	**30.1**	50.9	**–**	—	**30.1**	50.9
Plans in deficit	**(0.8)**	(0.9)	**(27.2)**	(34.9)	**(28.0)**	(35.8)

Of the government bonds held at 31 December 2023, 75% (2022: 60%) are fixed interest bonds. The pension plans have not directly invested in any of the Group's own financial instruments, or in properties or other assets used by the Group.

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In the UK, where the majority of the Group's pension assets are held, the investment strategy is to primarily hold government bonds to meet the assessed value of the benefits promised for the non-insured members, along with holding private debt and multi-asset credit funds. The insured members are backed by the insurance policies held within the Scheme.

The ESCO unfunded arrangements are backed by a grantor trust that contains Trust Owned Life Insurance (TOLI) policy investments. These investments do not match the obligations of the corresponding employee benefit plans, they are not used in practice to pay the benefits as they fall due and they are available to the Group’s creditors in the event of insolvency. This means the grantor trust does not qualify as a 'plan asset' for the purposes of IAS 19 'Employee benefits' and is instead treated as a separate Group asset outside of this note. The value of these assets was estimated at £42.6m as at 31 December 2023 and are recognised in note 18.

The change in the IAS 19 funding position recognised in the Consolidated Balance Sheet is comprised as follows.

	UK pensions		North American pensions & post-retirement healthcare		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Opening net assets (liabilities)	**50.0**	(13.4)	**(34.9)**	(43.3)	**15.1**	(56.7)
Expense credited (charged) to the Consolidated Income Statement	**2.0**	(0.8)	**(1.8)**	(2.4)	**0.2**	(3.2)
Amount recognised in the Consolidated Statement of Comprehensive Income	**(29.0)**	57.9	**0.8**	7.4	**(28.2)**	65.3
Employer contributions	**6.3**	6.3	**7.0**	8.1	**13.3**	14.4
Exchange adjustment	**—**	—	**1.7**	(4.7)	**1.7**	(4.7)
Closing net assets (liabilities)	**29.3**	50.0	**(27.2)**	(34.9)	**2.1**	15.1

The amounts recognised for the Group in the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income for the year are analysed as follows.

	UK pensions		North American pensions & post-retirement healthcare		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Recognised in the Consolidated Income Statement						
Current service cost	**—**	—	**(0.1)**	(0.4)	**(0.1)**	(0.4)
Curtailment gain	**—**	—	**0.5**	—	**0.5**	—
Administrative expenses	**(0.6)**	(0.6)	**(0.7)**	(0.9)	**(1.3)**	(1.5)
Included in operating profit	**(0.6)**	(0.6)	**(0.3)**	(1.3)	**(0.9)**	(1.9)
Interest on net pension asset (liability)	**2.6**	(0.2)	**(1.5)**	(1.1)	**1.1**	(1.3)
Total credit (expense) charged to the Consolidated Income Statement	**2.0**	(0.8)	**(1.8)**	(2.4)	**0.2**	(3.2)
Recognised in the Consolidated Statement of Comprehensive Income						
Actual return on plan assets	**12.5**	(178.4)	**10.3**	(26.4)	**22.8**	(204.8)
Less: interest on plan assets	**(28.7)**	(15.3)	**(6.1)**	(4.1)	**(34.8)**	(19.4)
	(16.2)	(193.7)	**4.2**	(30.5)	**(12.0)**	(224.2)
Other actuarial (losses) gains due to:						
Changes in financial assumptions	**(10.1)**	261.5	**(2.7)**	41.6	**(12.8)**	303.1
Changes in demographic assumptions	**7.2**	4.4	**—**	(0.4)	**7.2**	4.0
Experience on benefit obligations	**(9.9)**	(14.3)	**(0.7)**	(1.5)	**(10.6)**	(15.8)
Effect of asset limit	**—**	—	**—**	(1.8)	**—**	(1.8)
Actuarial (losses) gains recognised in the Consolidated Statement of Comprehensive Income	**(29.0)**	57.9	**0.8**	7.4	**(28.2)**	65.3

Current service cost and administration expenses are recognised in operating costs and interest on net pension liability is recognised in other finance costs.

The Group’s largest North American plan is the US ESCO Corporation pension plan. The Group’s current funding policy for this plan is to pay the minimum required contributions under US regulation. However, in the event the plan’s funding level is projected to fall below particular thresholds, the Group will consider funding more than the minimum required contribution.

Pension contributions are determined with the advice of independent qualified actuaries on the basis of regular valuations using the projected unit method. The Group made special contributions of £9.3m in 2023 (2022: £9.7m) in addition to the Group’s regular contributions.

In 2015, the Group entered into a pension funding partnership structure under which it has contributed interests in a Scottish Limited Partnership (SLP) for the Main Plan.

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The Main Plan's interests in the SLP reduce the deficit on a funding basis, although the agreement will not affect the position directly on an IAS 19 accounting basis as the investments held do not qualify as assets for IAS 19 purposes. As a partner in the SLP, the Main Plan is entitled to receive a share of the profits of the SLP once a year for 15 years, subject to conditions being met. The profits to be shared with the Plan will be reflected in the Group's financial statements as a pension contribution.

The latest actuarial funding valuation of the Main Plan was completed in 2022. Under the agreed recovery plan, the Group has agreed to contribute £6.2m in respect of years ending 31 December 2021 to 31 December 2029 inclusive. These contributions are primarily funded by the income payments from the SLP described above. However, the contributions are subject to an annual review mechanism, which states that if the Main Plan's funding level on a funding basis exceeds 105% then the contributions can be temporarily ceased. The 31 December 2022 funding basis funding level was above 105% thereby triggering a Switch-Off Event in terms of the pension funding partnership structure. As a result, the £6.2m which would normally have been paid to the Main Plan in early 2024 will now not be paid.

The Group has taken legal advice regarding its UK arrangements to confirm the accounting treatment under IFRIC 14 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' with regard to recognition of a surplus and also recognition of a minimum funding requirement. This confirmed that there is no requirement to adjust the balance sheet and that recognition of a current surplus is appropriate on the basis that the Group has an unconditional right to a refund of a current (or projected future) surplus at some point in the future. For the same reason, there is no requirement for the Group to adjust the balance sheet to recognise the future agreed deficit recovery contributions. Having considered the position, taking account of the legal input received and noting that the Trustees of the UK arrangements do not have discretionary powers to unilaterally wind down the schemes without cause, the Directors of the Group have concluded that the Group has an unconditional right to a refund of any surplus.

The Group is aware of a case involving Virgin Media and NTL Pension Trustee, which could potentially lead to additional liabilities for some pension schemes and sponsors, including (if applicable) the Group. This case is subject to appeal and the impact (if any) is not known and will be assessed as relevant in future.

The total Group contributions for 2024 are expected to be £6.8m.

	UK pensions		North American pensions & post-retirement benefits		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Effect of asset limit at start of period	**—**	—	**(1.8)**	—	**(1.8)**	—
Interest on the asset limit	**—**	—	**(0.2)**	—	**(0.2)**	—
Change in the asset limit other than interest	**—**	—	**—**	(1.8)	**—**	(1.8)
Exchange rate adjustment	**—**	—	**0.2**	—	**0.2**	—
Effect of asset limit at end of period	**—**	—	**(1.8)**	(1.8)	**(1.8)**	(1.8)

Changes in the present value of the defined benefit obligations are analysed as follows.

	UK pensions		North American pensions & post-retirement benefits		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Opening defined benefit obligations	**(560.1)**	(830.2)	**(159.1)**	(187.1)	**(719.2)**	(1,017.3)
Current service cost	**—**	—	**(0.1)**	(0.4)	**(0.1)**	(0.4)
Interest on benefit obligations	**(26.1)**	(15.5)	**(7.4)**	(5.2)	**(33.5)**	(20.7)
Benefits paid	**35.6**	34.0	**12.5**	12.8	**48.1**	46.8
Actuarial (losses) gains due to:						
Changes in financial assumptions	**(10.1)**	261.5	**(2.7)**	41.6	**(12.8)**	303.1
Changes in demographic assumptions	**7.2**	4.4	**—**	(0.4)	**7.2**	4.0
Experience on benefit obligations	**(9.9)**	(14.3)	**(0.7)**	(1.5)	**(10.6)**	(15.8)
Liabilities removed due to curtailments/settlements	**—**	—	**0.5**	—	**0.5**	—
Exchange rate adjustment	**—**	—	**7.5**	(18.9)	**7.5**	(18.9)
Closing defined benefit obligations	**(563.4)**	(560.1)	**(149.5)**	(159.1)	**(712.9)**	(719.2)

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Changes in the fair value of plan assets are analysed as follows.

	UK pensions		North American pensions & post-retirement benefits		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Opening plan assets	**610.1**	816.8	**126.0**	143.8	**736.1**	960.6
Interest on plan assets	**28.7**	15.3	**6.1**	4.1	**34.8**	19.4
Employer contributions	**6.3**	6.3	**7.0**	8.1	**13.3**	14.4
Administrative expenses	**(0.6)**	(0.6)	**(0.7)**	(0.9)	**(1.3)**	(1.5)
Benefits paid	**(35.6)**	(34.0)	**(12.5)**	(12.8)	**(48.1)**	(46.8)
Actual return on plan assets less interest on plan assets	**(16.2)**	(193.7)	**4.2**	(30.5)	**(12.0)**	(224.2)
Exchange rate adjustment	**—**	—	**(6.0)**	14.2	**(6.0)**	14.2
Closing plan assets	**592.7**	610.1	**124.1**	126.0	**716.8**	736.1

Sensitivity analysis

Changes in key assumptions can have a significant effect on the reported retirement benefit obligation and the Consolidated Income Statement expense for 2024. The effects of changes in those assumptions on the reported retirement benefit obligation are set out in the table below.

	Increase 2023 £m	Decrease 2023 £m	Increase 2022 £m	Decrease 2022 £m
Discount rate				
Effect on defined benefit obligation of a 1.0% change	**68.7**	**(82.1)**	72.7	(87.1)
Effect on net funding position of a 1.0% change	**42.8**	**(52.2)**	58.4	(70.8)
RPI inflation (and associated assumptions)				
Effect on defined benefit obligation of a 1.0% change	**(29.1)**	**29.7**	(29.3)	31.3
Effect on net funding position of a 1.0% change	**(14.1)**	**14.3**	(20.4)	22.0
Life expectancy				
Effect on defined benefit obligation of a 1 year change	**(30.9)**	**30.9**	(30.2)	30.2
Effect on net funding position of a 1 year change	**(9.1)**	**9.1**	(17.4)	17.4

The impact on the IAS 19 net funding position is significantly reduced as a result of the insurance policies held. In the absence of such policies, the impact on the IAS 19 net funding position would be much closer to the significantly higher impact on the defined benefit obligation shown in the table.

These sensitivities have been calculated to show the movement in the defined benefit obligation and IAS 19 net funding position in isolation and assume no other changes in market conditions at the accounting date. In practice, for example, a change in discount rate is unlikely to occur without any movement in the value of the invested (non-insurance policy) assets held by the plans.

25. Share capital & reserves

	2023 Number million	2022 Number million
Issued & fully paid share capital		
At the beginning of the year	**259.6**	259.6
At the end of the year	**259.6**	259.6
Treasury shares		
At the beginning of the year	**0.9**	0.3
Purchase of shares in respect of equity settled share-based payments	**1.2**	1.3
Utilised during the year in respect of equity settled share-based payments	**(0.4)**	(0.7)
At the end of the year	**1.7**	0.9

The Company has one class of ordinary share with a par value of 12.5p, which carries no rights to fixed income.

As at 31 December 2023, Computershare Investor Services PLC held the following shares, which are subject to restriction, on behalf of individuals:

- 171,792 shares (2022: 111,314) for restricted shares that have vested under the Share Reward Plan. These shares have a market value of £3.2m.
- 8,731 shares (2022: 24,655) for bonus shares awarded under the Share Reward Plan. These shares have a market value of £0.2m.

As at 31 December 2023, 1,686,148 shares (2022: 888,227) were unallocated and held by the Computershare Trustees (Jersey) Limited with a market value of £31.8m.

Notes to the Group Financial Statements
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Reserves
The period movements on the below reserves are summarised in the Consolidated Statement of Changes in Equity.

Merger reserve
The merger reserve relates to the issue of new equity as part of the consideration paid for an acquisition. Shares issued directly to ESCO Shareholders on 12 July 2018, as part of the total acquisition consideration, qualified for merger relief under Section 612 of the Companies Act 2006 and resulted in an increase to the reserve of £323.2m. The remaining reserve balance of £9.4m relates to shares issued in part consideration for the acquisition of Delta Industrial Valves Inc. during 2015.

Capital redemption reserve
The capital redemption reserve was created by a repurchase and cancellation of own shares during the 53 weeks ended 1 January 1999.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations and the Group's hedge of its net investment in foreign operations.

Hedge accounting reserve
This reserve records the portion of the gains or losses on hedging instruments used as cash flow and fair value hedges that are determined to be effective. Net gains (losses) transferred from equity during the year are included in the following line items in the Consolidated Income Statement.

	2023 £m	2022 £m
Revenue	**(0.5)**	(0.5)
Finance costs	**(0.1)**	—
	(0.6)	(0.5)

Notes to the Group Financial Statements
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26. Additional cash flow information

	Notes	2023 £m	2022 £m
Total operations			
Net cash generated from operations			
Operating profit – continuing operations		**368.4**	307.5
Operating loss – discontinued operations		**(1.3)**	—
Operating profit – total operations		**367.1**	307.5
Exceptional and other adjusting items	6	**66.2**	51.4
Amortisation of intangible assets	13	**37.7**	41.6
Share of results of joint ventures	16	**(2.5)**	(2.5)
Depreciation of property, plant & equipment	12	**39.9**	47.0
Depreciation of right-of-use assets	12	**31.6**	31.4
Impairment of property, plant & equipment	12	**0.9**	0.2
Capital grants received		**(0.5)**	(0.2)
Gains on disposal of property, plant & equipment		**(0.4)**	(0.6)
Funding of pension & post-retirement costs		**(1.1)**	(2.9)
Employee share schemes	28	**7.0**	8.0
Transactional foreign exchange		**9.2**	14.3
(Decrease) increase in provisions		**(1.5)**	1.2
Cash generated from operations before working capital cash flows		**553.6**	496.4
Decrease (increase) in inventories		**42.0**	(128.6)
Decrease in trade & other receivables & construction contracts		**15.2**	49.8
(Decrease) increase in trade & other payables & construction contracts		**(85.3)**	30.2
Cash generated from operations		**525.5**	447.8
Additional pension contributions paid	24	**(9.3)**	(9.7)
Exceptional and other adjusting cash items		**(18.0)**	(14.2)
Exceptional cash items - acquired vendor liabilities		**—**	(9.7)
Income tax paid		**(103.9)**	(93.4)
Net cash generated from operating activities		**394.3**	320.8

Cash flows from discontinued operations included above are disclosed separately in note 9.

The following tables summarise the cash flows arising on acquisitions (note 14) and disposals (notes 6 and 9).

	2023 £m	2022 £m
Acquisitions of subsidiaries		
Acquisition of subsidiaries – cash consideration paid	**6.1**	16.3
Acquisition of subsidiaries - deferred consideration paid	**—**	0.5
Cash & cash equivalents acquired	**(0.2)**	(1.6)
Total cash outflow on current period acquisitions	**5.9**	15.2
Prior period acquisitions - deferred consideration paid	**1.0**	—
Total cash outflow relating to acquisitions	**6.9**	15.2
Net cash outflow arising on disposals		
Consideration received net of costs paid & cash disposed of – ESCO Russia	**—**	2.0
Prior period disposals	**0.4**	0.1
Total cash outflow relating to disposals	**0.4**	2.1

	2023 £m	2022 £m
Net debt comprises the following		
Cash & short-term deposits (note 19)	**707.2**	691.2
Current interest-bearing loans & borrowings (note 20)	**(286.2)**	(406.3)
Non-current interest-bearing loans & borrowings (note 20)	**(1,111.1)**	(1,082.1)
	(690.1)	(797.2)

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Reconciliation of financing cash flows to movement in net debt

	Opening balance at 31 December 2022 £m	Cash movements £m	Additions/ acquisitions £m	FX £m	Non-cash movements £m	Closing balance at 31 December 2023 £m
Cash & cash equivalents	477.5	1.0	0.2	(31.3)	—	447.4
Third-party loans	(1,165.5)	111.2	(0.2)	27.7	—	(1,026.8)
Leases	(115.1)	31.0	(38.4)	5.3	(0.3)	(117.5)
Unamortised issue costs	5.9	4.0	—	—	(3.1)	6.8
Amounts included in gross debt	(1,274.7)	146.2	(38.6)	33.0	(3.4)	(1,137.5)
Amounts included in net debt	(797.2)	147.2	(38.4)	1.7	(3.4)	(690.1)
Financing derivatives	(0.1)	0.5	—	—	(2.7)	(2.3)
Total financing liabilities[1]	(1,274.8)	146.7	(38.6)	33.0	(6.1)	(1,139.8)

	Opening balance at 31 December 2021 £m	Cash movements £m	Additions/ acquisitions £m	Disposals £m	FX £m	Non-cash movements £m	Closing balance at 31 December 2022 £m
Cash & cash equivalents	500.0	(51.0)	1.6	(1.9)	28.8	—	477.5
Third-party loans	(1,174.7)	133.4	(0.4)	—	(123.8)	—	(1,165.5)
Leases	(105.4)	30.5	(35.0)	—	(6.0)	0.8	(115.1)
Unamortised issue costs	7.6	2.7	—	—	—	(4.4)	5.9
Amounts included in gross debt	(1,272.5)	166.6	(35.4)	—	(129.8)	(3.6)	(1,274.7)
Amounts included in net debt	(772.5)	115.6	(33.8)	(1.9)	(101.0)	(3.6)	(797.2)
Financing derivatives	1.4	0.3	—	—	—	(1.8)	(0.1)
Total financing liabilities[1]	(1,271.1)	166.9	(35.4)	—	(129.8)	(5.4)	(1,274.8)

1 Total financing liabilities comprise gross debt plus other liabilities relating to financing activities.

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27. Commitments & legal claims
Capital commitments

	2023 £m	2022 £m
Outstanding capital commitments contracted but not provided for – property, plant & equipment	**19.1**	35.0

Legal claims
The Company and certain subsidiaries are, from time-to-time, party to legal proceedings and claims that arise in the normal course of business. Provisions have been made where the Directors have assessed that a cash outflow is probable. All other claims are believed to be remote or are not yet ripe.

28. Equity settled share-based payments
Employee share plans
The Group's 2018 Share Reward Plan (SRP) allows for Restricted shares and Bonus shares to be awarded to employees under the Plan. Details of the SRP for Executive Directors are outlined in the Remuneration report on pages 109 to 132. The vesting period varies with awards issued between 2018 - 2020 vesting in four tranches for Group Executives and Executive Directors and three tranches for all other participants on a pro rata basis, awards issued in 2021 vesting in three tranches, while awards issued in 2022 and 2023 will vest in full at the end of three years. Underpins and two and three-year holding periods are attached to the Executive Directors' and Group Executives' SRP awards. Dividend equivalents are added in the form of shares at each vesting date.

In 2019, the Weir Group All-Employee Share Ownership Plan (Weir ShareBuilder) launched. Awards granted under Weir ShareBuilder are free shares given to all employees who meet the eligibility criteria. Awards vest in one tranche on the second anniversary of the grant date. The 2021 award vested on 24 August 2023. Dividend equivalents are added in the form of shares at each vesting date.

One-off conditional share awards are also occasionally granted to employees. These transactions fall under the scope of IFRS 2 'Share-based payments' and are treated in line with awards issued under the Group's SRP in the year of award.

The following tables illustrate the number and weighted average share prices (WASP) of shares awarded.

Restricted shares

	2023 Number million	2023 WASP	2022 Number million	2022 WASP
Outstanding at the beginning of the year	**1.6**	**£14.35**	1.5	£13.14
Awarded during the year	**0.6**	**£18.64**	0.7	£15.96
Vested during the year	**(0.4)**	**£12.46**	(0.6)	£13.11
Forfeited during the year	**(0.3)**	**£14.58**	—	—
Outstanding at the end of the year	**1.5**	**£16.04**	1.6	£14.35

Weir ShareBuilder Plan (WSBP)

	2023 Number million	2023 WASP	2022 Number million	2022 WASP
Outstanding at the beginning of the year	**—**	**—**	0.2	£16.57
Vested during the year	**—**	**—**	(0.2)	£16.57
Outstanding at the end of the year	**—**	**—**	—	—

A total of 26,098 awards (2022: 15,080) were issued to new employees under the Weir ShareBuilder Plan in the year.

In respect of awards issued in the year and revised estimates of previously issued awards, under the SRP and Weir ShareBuilder, an amount of £7.0m has been charged (2022: £8.0m) to the Consolidated Income Statement in respect of the number of awards that are expected to be made at the end of the vesting period.

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The remaining contractual lives of the outstanding SRP, Weir ShareBuilder and one-off conditional share awards at the end of the period are as follows.

Year of award	**2023 Number million**	**2023 Remaining contractual life***	2022 Number million	2022 Remaining contractual life*
2019	**—**	**—**	0.1	9 months
2020	**0.1**	**8 months**	0.4	10 months
2021	**0.2**	**8 months**	0.4	16 months
2022	**0.6**	**14 months**	0.7	26 months
2023	**0.6**	**24 months**	—	—

* Remaining contractual life reflects an average across awards with one to five year vesting periods.

The fair value at date of grant of the conditional awards has been independently estimated for both the Restricted shares and Weir ShareBuilder awards. The grant date fair value of these awards is calculated as the share price at the date of grant less an adjustment for loss of reinvestment return on the dividend equivalent. There are no performance conditions attached to these awards.

The fair value of occasional one-off conditional awards at grant date is also estimated on this basis.

Bonus shares

Under the Group's annual bonus plan, Executive Directors and members of the Group Executive defer 30% of any bonus received into an award of Weir Group shares, which will normally be released after three years. These awards are entitled to receive the value of the dividends paid by the Company during the three-year holding period or to have dividend equivalents added in the form of shares at each vesting date.

The SRP bonus shares are administered by Computershare Trust Company, N.A., CPU Share Plans Pty Ltd and Computershare Investor Services PLC. The shares are acquired on market at the grant date and are held in Computershare Trust Company, N.A., CPU Share Plans Pty Ltd and Computershare Investor Services PLC until such time as they are vested. Forfeited shares are reallocated in subsequent grants. Under the terms of the Trust Deed, Weir Group is required to provide the necessary funding for the acquisition of the shares at the time of the grant.

The number of shares to be granted is determined based on the applicable annual bonus divided by the average share price for the three days immediately prior to the date of the grant or the number of shares purchased in the stock market with the applicable annual bonus. In 2023, 49,023 shares were awarded (2022: 33,677).

The fair value of the rights at grant date was estimated by taking the market price of the Company's shares on that date.

29. Related party disclosure

The following table provides the total amount of significant transactions that have been entered into by the Group with related parties for the relevant financial year and outstanding balances at the year end.

Related party		Sales to related parties - goods £m	Sales to related parties - services £m	Purchases from related parties - goods £m	Amounts owed to related parties £m	Amounts owed by related parties £m
Joint ventures	**2023**	**0.9**	**0.1**	**19.2**	**3.8**	**0.4**
	2022	1.1	0.1	25.9	6.2	0.3
Group pension plans	**2023**	**—**	**—**	**—**	**1.6**	**—**
	2022	—	—	—	8.2	—

Contributions to the Group pension plans are disclosed in note 24.

Terms & conditions of transactions with related parties

Sales to and from related parties are made at normal market prices. Outstanding balances at the period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party balances. For 2023, the Group has not raised any provision for doubtful debts relating to amounts owed by related parties (2022: £nil) as the payment history has been excellent and there is no forward-looking information that suggests there will be any issues affecting the ability for future settlement. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Compensation of key management personnel	2023 £m	2022 £m
Short-term employee benefits	**7.6**	8.0
Share-based payments	**2.3**	2.4
Post-employment benefits	**0.4**	0.3
	10.3	10.7

Emoluments paid to the Directors of The Weir Group PLC	2023 £m	2022 £m
Remuneration	**3.5**	3.8
Gains made on the exercise of Long Term Incentive Plan awards	**1.3**	1.1
	4.8	4.9

Key management comprises the Board and the Group Executive. Further details of the Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 109 to 132.

30. Financial instruments

Derivative financial instruments

The Group enters into derivative financial instruments in the normal course of business in order to hedge its exposure to foreign exchange risk. Derivatives are only used for economic hedging purposes and no speculative positions are taken. Derivatives are recognised as held for trading and at fair value through profit and loss unless they are designated in IFRS 9 'Financial Instruments' compliant hedge relationships.

The table below summarises the types of derivative financial instrument included within each balance sheet category.

	2023 £m	2022 £m
Included in current assets		
Forward foreign currency contracts designated as cash flow hedges	**0.6**	1.0
Other forward foreign currency contracts	**7.3**	7.9
	7.9	8.9
Included in current liabilities		
Forward foreign currency contracts designated as cash flow hedges	**(0.5)**	(1.9)
Forward foreign currency contracts designated as net investment hedges	**—**	(0.1)
Other forward foreign currency contracts	**(5.9)**	(11.2)
	(6.4)	(13.2)
Included in non-current liabilities		
Forward foreign currency contracts designated as fair value hedges	**(2.3)**	—
	(2.3)	—
Net derivative financial liabilities	**(0.8)**	(4.3)

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Financial assets and liabilities

Financial assets and liabilities (with the exception of derivative financial instruments) are initially recognised at fair value net of transaction costs. Subsequently they are recognised at either fair value or amortised cost. Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 December 2022, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

During the year ended 31 December 2023, following the settlement of private placement debt and the issue of further Sustainability-Linked Notes, the fair value of fixed-rate borrowings has been reassessed as a level 1 fair value measurement rather than level 2 as the full balance is now calculated using quoted market prices.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has a legal right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at 31 December 2023, cash and short-term deposits of £707.2m (2022: £691.2m) and current interest-bearing loans and borrowings of £286.2m (2022: £406.3m) were presented after elimination of debit and credit balances within individual pools of £nil (2022: £nil).

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes as the Group does not intend to settle on a net basis. Cash and short-term deposits at 31 December 2023 includes £256.0m (2022: £206.9m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

The Group has also entered into arrangements that do not meet the criteria for offsetting, but still allow for the related amounts to be offset in specific circumstances. As at 31 December 2023, the Group had derivative financial instruments of £1.5m (2022: £4.5m) which were subject to master netting arrangements, but not offset.

Carrying amounts and fair values

The table below shows the carrying amounts and fair values of the Group's financial instruments that are reported in the financial statements.

			Fair value measurement using		
	Carrying amount 2023 £m	**Fair value 2023 £m**	Level 1 Quoted prices in active markets £m	Level 2 Significant observable inputs £m	Level 3 Significant unobservable inputs £m
Financial assets					
Derivative financial instruments recognised at fair value through profit or loss	**7.3**	**7.3**	—	7.3	—
Derivative financial instruments in designated hedge accounting relationships	**0.6**	**0.6**	—	0.6	—
Trade & other receivables excluding statutory assets, prepayments & construction contract assets	**508.5**	**508.5**	—	508.5	—
Cash & short-term deposits	**707.2**	**707.2**	—	707.2	—
	1,223.6				
Financial liabilities					
Derivative financial instruments recognised at fair value through profit or loss	**5.9**	**5.9**	—	5.9	—
Derivative financial instruments in designated hedge accounting relationships	**2.8**	**2.8**	—	2.8	—
Deferred consideration payable	**1.6**	**1.6**	—	1.6	—
Amortised cost:					
Fixed-rate borrowings	**922.3**	**895.9**	895.9	—	—
Floating-rate borrowings	**97.7**	**97.7**	—	97.7	—
Leases	**117.5**	**n/a**	n/a	n/a	n/a
Bank overdrafts	**259.8**	**259.8**	—	259.8	—
Trade & other payables excluding statutory liabilities & contract liabilities	**457.6**	**457.6**	—	457.6	—
	1,865.2				

Notes to the Group Financial Statements
continued

	Carrying amount 2022 £m	Fair value 2022 £m	Fair value measurement using: Level 1 Quoted prices in active markets £m	Level 2 Significant observable inputs £m	Level 3 Significant unobservable inputs £m
Financial assets					
Derivative financial instruments recognised at fair value through profit or loss	7.9	7.9	—	7.9	—
Derivative financial instruments in designated hedge accounting relationships	1.0	1.0	—	1.0	—
Trade & other receivables excluding statutory assets, prepayments & construction contract assets	540.9	540.9	—	540.9	—
Cash & short-term deposits	691.2	691.2	—	691.2	—
	1,241.0				
Financial liabilities					
Derivative financial instruments recognised at fair value through profit or loss	11.2	11.2	—	11.2	—
Derivative financial instruments in designated hedge accounting relationships	2.0	2.0	—	2.0	—
Deferred consideration payable	2.0	2.0	—	2.0	—
Amortised cost					
Fixed-rate borrowings	823.1	784.3	—	784.3	—
Floating-rate borrowings	336.5	336.5	—	336.5	—
Leases	115.1	n/a	n/a	n/a	n/a
Bank overdrafts	213.7	213.7	—	213.7	—
Trade & other payables excluding statutory liabilities & contract liabilities	495.7	495.7	—	495.7	—
	1,999.3				

Assets and liabilities recognised at amortised cost
Following the settlement of private placement debt and the issue of further Sustainability-Linked Notes, the fair value of fixed-rate borrowings has been reassessed as a level 1 fair value measurement rather than level 2 as the full balance is now calculated using quoted market prices. All other financial assets and liabilities carried at cost require level 2 fair value measurement for disclosure purposes. The fair value of floating rate borrowings approximates the carrying value due to the variable nature of the interest terms. The carrying amount of lease liabilities is estimated by discounting future cash flows using the rate implicit in the lease or the Group's incremental borrowing rate. The fair value of cash and short-term deposits, trade and other receivables and trade and other payables approximates their carrying amount due to the short-term maturities of these instruments.

Assets and liabilities recognised at fair value
The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The derivative financial instruments are valued using valuation techniques with market observable inputs including spot and forward foreign exchange rates, interest rate curves, counterparty and own credit risk. The fair value of cross-currency swaps is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates.

Hedging activities
The Group designates certain derivative financial instruments in either cash flow hedging, net investment hedging or fair value hedging relationships in accordance with IFRS 9.

	Cash Flow Hedge	Net Investment Hedge	Fair Value Hedge
Hedge relationship	Cash flow hedge of highly probable forecast foreign currency purchases and sales	Net investment hedge of foreign operations	Fair value hedge of foreign currency debt
Hedged risk	Transactional foreign exchange risk	Translational foreign exchange risk	Transactional foreign exchange risk
Hedging instruments	Forward foreign currency contracts	Foreign currency debt Forward foreign currency contracts	Forward foreign currency contracts

Notes to the Group Financial Statements
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For each type of derivative financial instrument, the net carrying amount and maturity date ranges are set out in the table below.

Year ended 31 December 2023	**Net carrying amount £m**	**Maturity dates**
Forward foreign currency contracts designated as cash flow hedges	**0.1**	**2024 to 2025**
Forward foreign currency contracts designated as fair value hedges	**(2.3)**	**2025**
Other forward foreign currency contracts at fair value through profit or loss	**1.4**	**2024**
	(0.8)	

Year ended 31 December 2022	Net carrying amount £m	Maturity dates
Forward foreign currency contracts designated as cash flow hedges	(0.9)	2023 to 2024
Forward foreign currency contracts designated as net investment hedges	(0.1)	2023
Other forward foreign currency contracts at fair value through profit or loss	(3.3)	2023
	(4.3)	

For each type of derivative financial instrument, the amounts recognised for the year in profit or loss and equity are set out in the table below. In the financial statements these amounts are offset by the retranslation of foreign currency denominated receivables and payables, the impact of which is also set out in the table below.

	Amounts recognised in profit or loss		**Amounts recognised in equity**		
Year ended 31 December 2023	**Other gains in operating profit £m**	**Total amounts recognised in profit or loss £m**	**Cost of hedging reserve £m**	**Cash flow hedge reserve £m**	**Foreign currency translation reserve £m**
Instruments measured at fair value					
Designated in hedge accounting relationships					
Forward foreign currency contracts designated as cash flow hedges	**0.5**	**0.5**	**—**	**(0.4)**	**—**
Forward foreign currency contracts designated as net investment hedges	**—**	**—**	**—**	**—**	**(2.7)**
Forward foreign currency contracts designated as fair value hedges	**0.1**	**0.1**	**(0.8)**	**—**	**—**
Not designated in hedge accounting relationships					
Other forward foreign currency contracts at fair value through profit or loss	**—**	**—**	**—**	**—**	**—**
Total gains (losses) on instruments	**0.6**	**0.6**	**(0.8)**	**(0.4)**	**(2.7)**

	Amounts recognised in profit or loss		Amounts recognised in equity		
Year ended 31 December 2022	Other gains in operating profit £m	Total amounts recognised in profit or loss £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Foreign currency translation reserve £m
Instruments measured at fair value					
Designated in hedge accounting relationships					
Forward foreign currency contracts designated as cash flow hedges	0.5	0.5	—	—	—
Forward foreign currency contracts designated as net investment hedges	—	—	—	—	(1.2)
Not designated in hedge accounting relationships					
Other forward foreign currency contracts at fair value through profit or loss	14.1	14.1	—	—	—
Total gains (losses) on instruments	14.6	14.6	—	—	(1.2)

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency revenue and cost of sales, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to determine whether an economic relationship remains, and so assess effectiveness. As all critical terms matched during the year, the economic relationships were 100% effective.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty.

Notes to the Group Financial Statements
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The Group utilises borrowings that are measured at amortised cost and denominated in the currency of the hedged net assets, as hedging instruments in net investment hedges. The Group does not hedge 100% of its net assets of foreign operations, therefore the hedged item is identified as a proportion of the net assets of the foreign operations up to the notional amount of the foreign exchange forwards and principal amount of the borrowings. The Group also utilises forward foreign currency contracts as hedging instruments in net investment hedges. As all critical terms matched during the year, the economic relationships were 100% effective.

There was no ineffectiveness during 2023 or 2022 in relation to hedge relationships.

Effects of hedge accounting on financial position and performance

The effects of the foreign currency related hedging instruments on the Group's financial position and performance are as follows.

Cash flow hedging: foreign currency forwards	2023	2022
Carrying amount (£m)	**0.1**	(0.9)
Assets	**0.6**	1.0
Liabilities	**(0.5)**	(1.9)
Notional amounts (m)		
USD	**39.8**	92.1
GBP	**0.1**	6.4
NZD	**0.5**	3.2
EUR	**13.7**	6.1
AUD	**—**	2.0
Average exchange rates		
EUR:AUD	**1.66**	1.54
USD:AUD	**1.51**	1.44
GBP:CAD	**—**	1.61
USD:CAD	**1.33**	1.30
GBP:AUD	**1.88**	1.78
GBP:EUR	**1.13**	1.17
GBP:USD	**1.22**	1.24
NZD:AUD	**0.92**	0.92
USD:EUR	**—**	0.95
Maturity dates	**01/2024 - 03/2025**	01/2023 - 07/2024
Hedge ratios[1]	**1:1**	1:1
Change in fair value of outstanding hedging instruments since 1 January (£m)	**(0.4)**	—
Change in value of hedged item used to determine hedge effectiveness (£m)	**0.4**	—

1. The foreign currency forwards are denominated in the same currency as the highly probable future transactions, therefore the hedge ratio is 1:1.

Net investment hedging: foreign currency forwards and borrowings	2023	2022
Carrying amount (£m)	**(626.8)**	(1,165.6)
Liabilities - derivatives	**—**	(0.1)
Liabilities - borrowings	**(626.8)**	(1,165.5)
Notional amounts (m)		
USD	**800.0**	1,422.5
Average exchange rates		
GBP:USD	**1.24**	1.24
Maturity dates	**05/2026**	02/2023 - 04/2027
Hedge ratios[1]	**1:1**	1:1
Change in fair value of outstanding hedging instruments since 1 January (£m)	**27.6**	(124.9)
Change in value of hedged item used to determine hedge effectiveness (£m)	**(27.6)**	124.9

Notes to the Group Financial Statements
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Fair value hedging: foreign currency forwards	2023	2022
Carrying amount (£m)	**(2.3)**	—
Liabilities - derivatives	**(2.3)**	—
Notional amounts (m)		
USD	**110.0**	—
Average exchange rates		
GBP:USD	**1.25**	—
Maturity dates	**05/2025**	—
Hedge ratios[1]	**1:1**	—
Change in fair value of outstanding hedging instruments since 1 January (£m)	**(1.8)**	—
Change in value of hedged item used to determine hedge effectiveness (£m)	**1.8**	—

1. The derivatives are denominated in the same currency as the foreign currency debt, therefore the hedge ratio is 1:1.

Financial risk management
Financial risk management of the Group is carried out by Group Treasury in conjunction with individual subsidiaries. The principal financial risks to which the Group is exposed are market risk, liquidity risk and credit risk.

Market risk
The Group is exposed to foreign exchange risk and interest rate risk in the ordinary course of business.

Foreign exchange risk
The Group is exposed to both transactional and translational foreign exchange risk. Transactional risk arises when subsidiaries enter into transactions denominated in currencies other than their functional currency for operational or financing purposes or when the Group's Treasury function enters into transactions for financing or risk management purposes. Translational risk arises on the translation of overseas earnings and investments into Sterling for consolidated reporting purposes. Foreign currency transactional and translational risk could result in volatility in reported consolidated earnings and net assets.

In respect of transactional foreign currency risk, the Group maintains a policy that all operating units eliminate exposures on committed foreign currency transactions, usually by entering into forward foreign currency contracts through the Group's Treasury function. Certain operating units apply cash flow hedge accounting in accordance with IFRS 9. The Group does not engage in any speculative foreign exchange transactions.

The Group has material foreign investments in the US, Australia, Canada, Europe, South America and South Africa. In respect of translational risk, the Group has a policy of partially hedging its net investment exposure to US Dollar (US$). This is achieved through designating an element of US$ denominated borrowings and forward currency contracts as net investment hedges against the Group's investments. The Group does not hedge the translational exposure arising from profit and loss items.

Sensitivity to foreign exchange rates
The Group considers the most significant transactional foreign exchange risk relates to the US Dollar, Australian Dollar, Euro and Canadian Dollar. The following table shows the impact of movements in derivative valuation as a result of a weakening of these currencies. In the Consolidated Income Statement, these amounts are partially offset by the retranslation of foreign currency denominated receivables and payables. The table also shows the impact of movements in foreign currency debt designated in net investment hedges.

Transactional foreign exchange	Increase in currency rate	Effect on profit gain (loss) £m	Effect on equity gain (loss) £m
2023			
US Dollar	**+25%**	**6.2**	**125.4**
Australian Dollar	**+25%**	**6.8**	**–**
Euro	**+25%**	**(6.2)**	**–**
Canadian Dollar	**+25%**	**(12.6)**	**–**
2022			
US Dollar	+25%	22.3	235.3
Australian Dollar	+25%	8.4	—
Chinese Yuan	+25%	(6.6)	—
Canadian Dollar	+25%	(5.0)	—

The Group is also exposed to translational foreign exchange risk as a result of its global operations and therefore the earnings of the Group will fluctuate due to changes in foreign exchange rates in relation to Sterling. The Group's operating profit before adjusting items was denominated in the following currencies.

Notes to the Group Financial Statements
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	2023 £m	2022 £m
US Dollar	**165.6**	192.8
Canadian Dollar	**78.8**	63.5
Australian Dollar	**79.7**	55.4
Chilean Peso	**69.0**	53.8
Euro	**34.6**	24.4
South African Rand	**24.8**	11.3
Brazilian Real	**18.8**	10.4
Chinese Yuan	**11.0**	10.3
Indian Rupee	**6.8**	7.1
UK Sterling	**(34.4)**	(34.9)
Other	**4.1**	0.7
Adjusted operating profit	**458.8**	394.8

Interest rate risk
The Group is exposed to interest rate risk on its outstanding borrowings. Changes in interest rates will affect future interest cash flows on floating-rate debt and the fair value of fixed-rate borrowings.

The earnings of the Group are sensitive to changes in interest rates in respect of floating-rate borrowings. As at 31 December 2023, 10% (2022: 29%) of the Group's borrowings were at floating interest rates. The interest rate profile of the Group's interest-bearing borrowings was as follows.

	2023			2022		
	Floating-rate £m	Fixed-rate £m	Total £m	Floating-rate £m	Fixed-rate £m	Total £m
US Dollar	**—**	**(626.8)**	**(626.8)**	(338.9)	(826.6)	(1,165.5)
UK Sterling	**(100.0)**	**(300.0)**	**(400.0)**	—	—	—

Sensitivity to interest rates
Based on borrowings at 31 December 2023, a 1% increase in interest rates would have a £1.0m (2022: £3.4m) impact on the profit before tax and amortisation of the Group. This assumes that the change in interest rates is effective from the beginning of the period and that all other variables are constant throughout the period.

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Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial liabilities as they fall due.

Liquidity risk is managed by monitoring forecast and actual cash flows and ensuring that sufficient committed facilities are in place to meet possible downside scenarios. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of fixed-rate loan notes, bank loans and bank overdrafts. Further details of the Group's borrowing facilities are disclosed in note 20.

The tables below show only the financial liabilities of the total Group by maturity. The amounts disclosed in the table are undiscounted cash flows and may therefore not agree to the amounts disclosed in the Consolidated Balance Sheet.

The Group manages its liquidity to ensure that it always has sufficient funding to grow the business and is able to meet its obligations as they fall due.

Year ended 31 December 2023 **Total Group**	**Less than 1 year** **£m**	**1 to 2 years** **£m**	**2 to 5 years** **£m**	**More than 5 years** **£m**	**Total** **£m**
Forward foreign currency contracts - net outflow	**(1.4)**	**2.4**	**—**	**—**	**1.0**
Cash flows relating to derivative financial liabilities	**(1.4)**	**2.4**	**—**	**—**	**1.0**
Trade & other payables excluding statutory liabilities & deferred income	**(469.3)**	**(0.6)**	**—**	**—**	**(469.9)**
Leases	**(33.4)**	**(26.1)**	**(45.1)**	**(34.2)**	**(138.8)**
Bank overdrafts	**(259.8)**	**—**	**—**	**—**	**(259.8)**
Bank loans	**(5.8)**	**(5.8)**	**(113.4)**	**—**	**(125.0)**
Fixed-rate notes	**(34.4)**	**(34.4)**	**(995.6)**	**—**	**(1,064.4)**
Cash flows relating to non-derivative financial liabilities	**(802.7)**	**(66.9)**	**(1,154.1)**	**(34.2)**	**(2,057.9)**
	(804.1)	**(64.5)**	**(1,154.1)**	**(34.2)**	**(2,056.9)**

Year ended 31 December 2022 Total Group	Less than 1 year £m	1 to 2 years £m	2 to 5 years £m	More than 5 years £m	Total £m
Forward foreign currency contracts - net outflow	(4.9)	0.1	—	—	(4.8)
Cash flows relating to derivative financial liabilities	(4.9)	0.1	—	—	(4.8)
Trade & other payables excluding statutory liabilities & deferred income	(501.4)	(1.0)	—	—	(502.4)
Leases	(31.8)	(24.6)	(44.1)	(36.0)	(136.5)
Bank overdrafts	(213.7)	—	—	—	(213.7)
Bank loans	(16.8)	(16.8)	(378.7)	—	(412.3)
Fixed-rate notes	(183.5)	(14.5)	(683.1)	—	(881.1)
Cash flows relating to non-derivative financial liabilities	(947.2)	(56.9)	(1,105.9)	(36.0)	(2,146.0)
	(952.1)	(56.8)	(1,105.9)	(36.0)	(2,150.8)

Credit risk

The Group is exposed to credit risk to the extent of non-payment by either its customers or the counterparties to its derivative financial instruments.

The Group's credit risk is primarily attributable to its trade receivables with risk spread over a large number of countries and customers, with no significant concentration of risk. Where appropriate, the Group endeavours to minimise risk by the use of trade finance instruments such as letters of credit and insurance. In addition, applicable credit worthiness checks are undertaken with external credit rating agencies before entering into contracts with customers and credit limits are set as appropriate and enforced. As shown in note 18, the trade receivables presented in the balance sheet are net of the expected credit loss allowance. Refer to note 18 for details of the loss allowance calculation.

In certain circumstances, operating entities are permitted to make use of invoice discounting facilities, primarily customer supply chain financing arrangements, to reduce counterparty credit risk. The arrangements are assessed to ensure the entity has transferred substantially all the risks and rewards of ownership of the receivables, allowing the derecognition of the receivables in their entirety. The cash when received is recognised as a working capital movement and presented in cash generated from operations. The total amount of receivable invoices discounted at the year end and therefore derecognised was £33.0m (2022: £44.7m) and this is reflected in the working capital cash flows section of note 26. The fees incurred as part of the invoice discounting programme are as shown in note 7.

The Group's exposure to the credit risk of financial instruments is limited by the adherence to counterparty credit limits, and by only trading with counterparties that have an investment grade credit rating or better at contract inception, based upon ratings provided by the major credit rating agencies. Exposures to those counterparties are regularly reviewed and, when the market view of a counterparty's credit quality changes, adjusted as considered appropriate.

The maximum exposure to credit risk is equal to the carrying value of the financial assets of the Group.

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31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains robust capital ratios in order to support its business and maximise Shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. The Group's banking arrangements include bi-annual financial covenants based on adjusted net debt to EBITDA (not greater than 3.5) and adjusted interest cover (not less than 3.5). The Group has complied with these covenants throughout the reporting period and monitors capital using the following indicators.

Net debt to EBITDA cover – covenant basis

Net debt to EBITDA comprises net debt divided by operating profits from total operations before exceptional and other adjusting items, intangibles amortisation, depreciation and excluding the impact of IFRS 16 'Leases'.

For the purposes of the covenants required by the Group's lenders, net debt is to be converted at the exchange rate used in the preparation of the Group's Consolidated Income Statement and Consolidated Cash Flow Statement, i.e. average rate. In addition, results of businesses acquired in the financial year have to be included as if the acquisitions occurred at the start of the financial year, while the results of businesses disposed of in the year are to be excluded. During the prior year, the Group acquired Carriere Industrial Supply Limited and the impact is reflected below.

The Group considers the ratio of net debt to EBITDA on a covenant basis to be the key metric from a capital management perspective. The Group seeks to maintain the ratio between 0.5 to 1.5 times, with up to 2.0 times for acquisitions.

	2023	2022
Net debt at average exchange rates (£m)	**573.9**	663.0
Adjusted EBITDA from continued operations (note 3) (£m)	**542.5**	478.9
Adjustment for IFRS 16 (£m)	**(35.8)**	(34.6)
Adjustment for Carriere Industrial Supply acquisition (£m)	**—**	0.7
Adjusted EBITDA – covenant basis (£m)	**506.7**	445.0
Net debt to adjusted EBITDA cover (ratio)	**1.1**	1.5

Interest cover – covenant basis

Interest cover comprises adjusted operating profit from total operations divided by adjusted net finance costs (excluding other finance costs) and excluding the impact of IFRS 16 'Leases'.

	2023	2022
Adjusted EBITA from continuing operations (note 3) (£m)	**471.0**	400.5
Adjustment to exclude the impact of IFRS 16 (£m)	**(4.2)**	(3.2)
Adjustment for Carriere Industrial Supply acquisition (£m)	**—**	0.5
Operating profit – covenant basis (£m)	**466.8**	397.8
Adjusted net finance costs (excluding other finance costs) – covenant basis (£m)	**44.0**	42.0
Interest cover (ratio) – covenant basis	**10.6**	9.5

Gearing ratio

Gearing comprises net debt divided by total equity. Net debt comprises cash and short-term deposits and interest-bearing loans and borrowings (note 26).

	2023	2022
Net debt (£m)	**690.1**	797.2
Total equity (£m)	**1,699.7**	1,737.9
Gearing ratio (%)	**40.6**	45.9

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32. Exchange rates
The principal exchange rates applied in the preparation of these financial statements were as follows.

Average rate (per £)	2023	2022
US Dollar	**1.24**	1.24
Australian Dollar	**1.87**	1.78
Euro	**1.15**	1.17
Canadian Dollar	**1.68**	1.61
Chilean Peso	**1,044.69**	1,078.02
South African Rand	**22.94**	20.19
Brazilian Real	**6.21**	6.39
Chinese Yuan	**8.81**	8.30
Indian Rupee	**102.66**	97.06

Closing rate (per £)	2023	2022
US Dollar	**1.28**	1.21
Australian Dollar	**1.87**	1.77
Euro	**1.15**	1.13
Canadian Dollar	**1.69**	1.64
Chilean Peso	**1,124.43**	1,026.77
South African Rand	**23.30**	20.61
Brazilian Real	**6.19**	6.39
Chinese Yuan	**9.06**	8.34
Indian Rupee	**105.96**	100.05

33. Events after the balance sheet date
The Group reduced its Revolving Credit Facility from US$800m to US$600m in February 2024. There are no further post balance sheet events requiring disclosure.

Company Balance Sheet

at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
ASSETS			
Non-current assets			
Intangible assets	3	**0.1**	0.2
Property, plant & equipment	4	**9.7**	9.9
Investments in subsidiaries & loans	5	**4,062.4**	4,013.1
Deferred tax assets	6	**19.8**	11.9
Trade & other receivables	7	**34.2**	44.1
Retirement benefit plan assets	8	**30.1**	50.0
Total non-current assets		**4,156.3**	4,129.2
Current assets			
Trade & other receivables	7	**194.8**	137.4
Derivative financial instruments	9	**14.3**	22.2
Cash & short-term deposits		**27.3**	61.1
Total current assets		**236.4**	220.7
Total assets		**4,392.7**	4,349.9
LIABILITIES			
Current liabilities			
Trade & other payables	10	**1,294.4**	1,021.8
Derivative financial instruments	9	**14.3**	22.2
Provisions	12	**6.0**	0.1
Total current liabilities		**1,314.7**	1,044.1
Non-current liabilities			
Interest-bearing loans & borrowings	11	**1,266.4**	1,572.0
Derivative financial instruments	9	**2.3**	—
Deferred tax liabilities	6	**7.3**	12.5
Retirement benefit plan deficits	8	**0.8**	—
Total non-current liabilities		**1,276.8**	1,584.5
Total liabilities		**2,591.5**	2,628.6
NET ASSETS		**1,801.2**	1,721.3
CAPITAL & RESERVES			
Share capital	13	**32.5**	32.5
Share premium		**582.3**	582.3
Merger reserve	13	**332.6**	332.6
Treasury shares	13	**(29.0)**	(14.3)
Capital redemption reserve	13	**0.5**	0.5
Special reserve	13	**1.8**	1.8
Hedge accounting reserve	13	**(0.5)**	—
Retained earnings		**881.0**	785.9
TOTAL EQUITY		**1,801.2**	1,721.3

In accordance with the concession granted under section 408 of the Companies Act 2006, the Income Statement and Statement of Comprehensive Income of the Company have not been separately presented in these financial statements. The profit of the Company was £215.0m (2022: £362.8m).

The financial statements on pages 209 to 223 were approved by the Board of Directors on 29 February 2024 and signed on its behalf by:

Jon Stanton
Director

Company Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital £m	Share premium £m	Merger reserve £m	Treasury shares £m	Capital redemption reserve £m	Special reserve £m	Hedge accounting reserve £m	Retained earnings £m	Total equity £m
At 31 December 2021	32.5	582.3	332.6	(5.3)	0.5	1.8	—	448.4	1,392.8
Profit for the year	—	—	—	—	—	—	—	362.8	362.8
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	57.9	57.9
Tax relating to other comprehensive income	—	—	—	—	—	—	—	(14.4)	(14.4)
Total net comprehensive income for the year	—	—	—	—	—	—	—	406.3	406.3
Cost of share-based payments inclusive of tax credit	—	—	—	—	—	—	—	8.9	8.9
Dividends (note 2)	—	—	—	—	—	—	—	(66.7)	(66.7)
Purchase of shares for employee share plans	—	—	—	(20.0)	—	—	—	—	(20.0)
Exercise of share-based payments	—	—	—	11.0	—	—	—	(11.0)	—
At 31 December 2022	**32.5**	**582.3**	**332.6**	**(14.3)**	**0.5**	**1.8**	**—**	**785.9**	**1,721.3**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**215.0**	**215.0**
Cost of hedging taken to equity on fair value hedges	**—**	**—**	**—**	**—**	**—**	**—**	**(0.8)**	**—**	**(0.8)**
Remeasurements on defined benefit plans	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(29.0)**	**(29.0)**
Reclassification adjustments on fair value hedges	**—**	**—**	**—**	**—**	**—**	**—**	**0.1**	**—**	**0.1**
Tax relating to other comprehensive income	**—**	**—**	**—**	**—**	**—**	**—**	**0.2**	**7.2**	**7.4**
Total net comprehensive (expense) income for the year	**—**	**—**	**—**	**—**	**—**	**—**	**(0.5)**	**193.2**	**192.7**
Cost of share-based payments inclusive of tax credit	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**7.1**	**7.1**
Dividends (note 2)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(95.9)**	**(95.9)**
Purchase of shares for employee share plans	**—**	**—**	**—**	**(24.0)**	**—**	**—**	**—**	**—**	**(24.0)**
Exercise of share-based payments	**—**	**—**	**—**	**9.3**	**—**	**—**	**—**	**(9.3)**	**—**
At 31 December 2023	**32.5**	**582.3**	**332.6**	**(29.0)**	**0.5**	**1.8**	**(0.5)**	**881.0**	**1,801.2**

Notes to the Company Financial Statements

1. Accounting policies

Authorisation of financial statements and statement of compliance

The company financial statements of The Weir Group PLC (the 'Company') for the year ended 31 December 2023 ('2023') were approved and authorised for issue in accordance with a resolution of the Directors on 29 February 2024. The comparative information is presented for the year ended 31 December 2022 ('2022').

The Weir Group PLC is a public limited company limited by shares and incorporated in Scotland, United Kingdom and is listed on the London Stock Exchange.

Basis of preparation

The company financial statements of The Weir Group PLC have been prepared on a going concern basis under the historic cost convention and in accordance with FRS 101 and applied in accordance with the provisions of the Companies Act 2006. These financial statements are presented in Sterling. All values are rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated. The following disclosure exemptions from the requirements of IFRS have been consistently applied in the preparation of these financial statements, in accordance with FRS 101:

- Disclosures required by paragraphs 45(b) and 46-52 of IFRS 2 'Share-based payment' can be found in note 28 to the Group financial statements;
- IFRS 7 'Financial instruments: disclosures' exemption has been taken as a result of the disclosures in note 30 to the Group financial statements;
- IAS 7 'Statement of cash flows';
- Disclosure of key management compensation as required by paragraph 17 of IAS 24 'Related party disclosures';
- Disclosure of related party transactions with wholly owned subsidiaries as required by IAS 24 'Related party disclosures';
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16 'Property, plant and equipment'; and paragraph 118(e) of IAS 38 'Intangible assets';
- Paragraph 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and paragraphs 134-136 of IAS 1 'Presentation of financial statements'; and
- Paragraphs 52 and 58 of IFRS 16 'Leases'.

The Company is the parent of the group of companies ultimately owned by the Company and known as the Weir Group (the "Group"). Its principal activity is to act as a holding company for the Group and perform the head office function.

The accounting policies which follow are consistent with those of the previous period with the exception of the following standards, amendments and interpretations which are effective for the year ended 31 December 2023:

- IFRS 17 'Insurance contracts' as amended in December 2021;
- Definition of Accounting Estimates - amendments to IAS 8;
- International Tax Reform - Pillar Two Model Rules - amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12; and.
- Disclosure of Accounting Policies - amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above are not considered to have a material impact on the financial statements.

The following new accounting standards and interpretations have been published but are not mandatory for 31 December 2023:

- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 1 - Non-current liabilities with covenants;
- Amendments to IAS 21 - Lack of exchangeability;
- Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements; and
- Amendments to IFRS 16 - Lease liability in a sale and leaseback.

These amendments have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

Use of estimates and judgements

The Company's material accounting policy information is set out below. The preparation of the Company Financial Statements, in conformity with FRS 101, requires management to make judgements that affect the application of accounting policies and estimates that impact the reported amounts of assets, liabilities, income and expense.

Management bases these judgements and estimates on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and estimates, which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical estimates

The area where management considers the more complex estimates are required is in respect of retirement benefits. The assumptions underlying the valuation of retirement benefit assets and liabilities include discount rates, inflation rates and mortality assumptions which are based on actuarial advice. Changes in these assumptions could have a material impact on the measurement of the Company's retirement benefit obligations. Sensitivities to changes in key assumptions are provided in note 8.

Foreign currency translation

The presentational and functional currency of the Company is Sterling. Transactions denominated in foreign currencies are translated into the Company's functional currency at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign

Notes to the Company Financial Statements
continued

currencies are retranslated at the exchange rate ruling on the balance sheet date. Currency translation differences are recognised in the Income Statement.

Revenue recognition
Revenue is the consideration received or receivable which reflects the amount expected to be received, mainly the transaction price. Revenue will only be recognised when the fulfilment of performance obligations is achieved. Revenue mainly relates to transactions with other entities within the Group, primarily in relation to management recharges.

Property, plant & equipment
Property, plant and equipment comprises owned assets and right-of-use assets that do not meet the definition of investment property.

Owned assets
Owned property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment losses. Depreciation of property, plant and equipment is provided on a straight-line basis so as to charge the cost less residual value, to the Income Statement over the expected useful life of the asset concerned, and is in the following ranges:

Long leasehold land and buildings	20 years
Office and computer equipment	3 – 10 years

Right-of-use asset and lease liability
At inception of a contract, the Company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether it has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset throughout the period of use.

The Company recognises a lease liability and right-of-use asset at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or where the interest rate implicit in the lease cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments consist of the following components:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option); and
- payments of penalties for terminating the lease (if the lease term reflects the lessee exercising the option to terminate the lease).

The Company's incremental borrowing rate is calculated by taking the Government borrowing rate in any given currency and adding the estimated Company credit spreads for a variety of tenors. An interpolation is performed to obtain one rate for each of the major lease currencies based on the weighted average life of the lease book.

The right-of-use asset is measured as equal to the lease liability and adjusted for:

- lease payments made to the lessor at or before the commencement date;
- lease incentives received;
- initial direct costs associated with the lease; and
- an initial estimate of restoration costs.

The right-of-use asset is depreciated using the straight-line method over the lease term. In addition, the right-of-use asset is periodically reduced by any impairment losses.

The Company has adopted the exemption available for low value assets, with payments being recognised on a straight-line basis over the lease term. Leases relating to laptops, desktop computers, mobile phones, photocopiers, printers and other office equipment, where the asset value is less than £3,500 or the local currency equivalent have been treated as 'low value'. Where the lease contract meets both 'short-term' and 'low value' exemptions, the lease is reported within expenses relating to short-term leases.

For each lease, the lease term has been calculated as the non-cancellable period of the lease contract, except where the Company is reasonably certain that it will exercise contractual extension options. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Company shall consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. In certain circumstances the Company will refer to the five-year Strategic Plan period as an appropriate period to consider whether the 'reasonably certain' criteria are met.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and any recognised impairment losses.

The expected useful lives of acquired intangible assets are as follows:

Purchased software	4 - 8 years

Software as a Service (SaaS) arrangements provide the Company with the right to access cloud-based software applications over a contractual period. The software remains the intellectual property of the developer and as a result the Company does not recognise an intangible asset in relation to subscription fees and costs incurred to customise or configure the software. The related costs are recognised in the Income Statement when the service is received.

Notes to the Company Financial Statements
continued

Costs incurred to enhance or develop an existing intangible asset or develop new software code which meet the definition and recognition criteria of an intangible asset are capitalised as intangible software assets. Amortisation is recognised over the expected useful life of the software.

Investments
Investments in subsidiaries are held at cost less accumulated impairment losses.

Loans are carried at amortised cost using the effective interest method.

Impairment of non-current assets
All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying values might be impaired such as a significant change in the market or a deviation from budget in the year.

An impairment loss is recognised to the extent that an asset's carrying value exceeds its recoverable amount, which represents the higher of the asset's fair value less costs to sell and its value in use. An asset's value in use represents the present value of the future cash flows expected to be derived from the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is conducted for the cash generating unit to which it belongs. The value in use calculation is based on discounted cash flows from the Board approved Budget and Strategic Plan prepared in the final quarter of 2023. Cash flows beyond the five-year period are extrapolated using an estimated growth rate that is appropriate for the geographic location of the asset.

Impairment losses are recognised in the Income Statement. Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of an asset shall not be increased above the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Post-employment benefits
Post-employment benefits comprise pension benefits provided to certain current and former employees in the UK.

For defined benefit pension plans, the annual service cost is calculated using the projected unit credit method and is recognised over the future service lives of participating employees, in accordance with the advice of qualified actuaries. Current service cost and administration expenses are recognised in operating costs and net interest on the net pension liability is recognised in finance costs.

The finance cost recognised in the Income Statement in the period reflects the net interest on the net pension liability. This represents the change in the net pension liability resulting from the passage of time, and is determined by applying the discount rate to the opening net liability, taking into account employer contributions paid into the plan, and hence reducing the net liability, during the period.

Past service costs resulting from enhanced benefits are recognised immediately in the Income Statement. Actuarial gains and losses, which represent differences between interest on the plan assets, experience on the benefit obligation and the effect of changes in actuarial assumptions, are recognised in full in other comprehensive income in the period in which they occur.

The defined benefit liability or asset recognised in the balance sheet comprises the net total for each plan of the present value of the benefit obligation, using a discount rate based on yields at the balance sheet date on appropriate high-quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and are denominated in the currency in which the benefits are expected to be paid, minus the fair value of the plan assets, if any, at the balance sheet date. The balance sheet amount recognised is limited to the present value of economic benefits which the Company expects to recover by way of refunds or a reduction in future contributions. In order to calculate the present value of economic benefits, consideration is also given to any minimum funding requirements.

For defined contribution plans, the cost represents the Company's contributions to the plans and these are charged to the Income Statement in the period in which they fall due.

Share-based payments
Equity settled share-based incentives are provided to employees under the Group's Share Reward Plan (SRP), formerly the Long Term Incentive Plan (LTIP), the Weir ShareBuilder Plan (WSBP) and as a consequence of occasional one-off conditional awards made to employees.

The fair value of SRP awards and one-off conditional awards at the date of the grant is calculated using appropriate option pricing models and the cost is recognised on a straight-line basis over the vesting period. Adjustments are made to reflect expected and actual forfeitures during the vesting period due to failure to satisfy service or performance conditions where applicable. The conditions of the SRP for the Executive Directors, which took effect in 2018 are summarised in the Directors' Remuneration Policy, which can be found on the Company's website at www.corporategovernance.weir. The conditions of the SRP for Senior Management are summarised in note 28 of the Group Financial Statements.

The fair value of WSBP awards at grant date is calculated as the share price at the date of the grant less an adjustment for loss of reinvestment return on the dividend equivalent. There are no performance conditions attached to these awards, but participants who leave the Company prior to vesting lose their right to the awards. The terms of the share awards granted under the WSBP are set out on the plan's website at www.sharebuilder.weir.

Financial assets & liabilities
The Company's principal financial assets and liabilities, other than derivatives, comprise bank overdrafts, short-term borrowings, loans and fixed-rate notes, cash and short-term deposits. The Company also has other financial assets and liabilities, such as trade receivables and trade payables which arise directly from its operations.

A financial asset is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss. Under IFRS 9 'Financial instruments', where the modification is not substantial, the modified cash flows are discounted at the original effective interest rate to determine a revised carrying amount of the liability, with any difference in carrying amount recognised in the Income Statement.

Notes to the Company Financial Statements
continued

Derivative financial instruments
The Company uses derivative financial instruments, principally forward foreign currency contracts, to reduce its exposure to exchange rate movements. The Company does not hold or issue derivatives for speculative or trading purposes.

Derivative financial instruments are recognised as assets or liabilities measured at their fair values at the balance sheet date. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates. The fair value of interest rate swaps and cross-currency swaps is calculated as the present value of the estimated future cash flows based on interest rate curves, spot foreign exchange rates and counterparty and own credit risk. Changes in their fair values have been recognised in the Income Statement and presented within operating profit or finance costs dependent on their nature.

Where the hedging relationship is classified as a fair value hedge, the carrying amount of the hedged asset or liability will be adjusted by the increase or decrease in its fair value attributable to the hedged risk and the resulting gain or loss will be recognised in the Income Statement where, to the extent that the hedge is effective, it will be offset by the change in the fair value of the hedging instrument.

For fair value hedges in which the spot element of the hedging instrument has been designated to the hedge, the changes in the forward element of the hedging instrument is recognised within other comprehensive income in the costs of hedging reserve within equity.

Treasury shares
The Weir Group PLC shares held by the Company, or those held in Trust, are classified in Shareholders' equity as treasury shares and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken directly to revenue reserves. No gain or loss is recognised in the total comprehensive income on the purchase, sale, issue or cancellation of equity shares.

Taxation
Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period.

Deferred tax liabilities represent tax payable in future periods in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future periods in respect of deductible temporary differences, the carry forward of unutilised tax losses and the carry forward of unused tax credits. Deferred tax is measured on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base with the following exceptions:

- Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Current and deferred tax is recognised in the Income Statement except if it relates to an item recognised directly in equity, in which case it is recognised directly in equity.

2. Profit attributable to the Company
The profit dealt with in the financial statements of the Company was £215.0m (2022: £362.8m). The corporate tax credit dealt with in the accounts of the Company was £26.5m (2022: £6.3m).

Dividends paid & proposed	2023 £m	2022 £m
Declared & paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2022: 19.3p (2021: 12.3p)	**49.9**	31.8
Interim dividend for 2023: 17.8p (2022: 13.5p)	**46.0**	34.9
	95.9	66.7
Proposed for approval by Shareholders at the Annual General Meeting		
Final dividend for 2023: 20.8p (2022: 19.3p)	**53.6**	49.9

The current year dividend is in line with the Group's capital allocation policy announced in the 2020 Annual Report and Financial Statements, under which the Group intends to distribute 33% of adjusted earnings by way of dividend. As a result the Group's dividend cover in 2023 is 3.0 times.

The proposed dividend is based on the number of shares in issue, excluding treasury shares held, at the date that the financial statements were approved and authorised for issue. The final dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of this Annual Report and Financial Statements and the record date for the final dividend.

Employee benefits expense	2023 £m	2022 £m
Wages & salaries	**32.8**	30.8
Social security costs	**4.4**	4.3
Defined contribution plans	**1.0**	0.9
Share-based payments – equity settled transactions	**7.0**	8.0
	45.2	44.0

Notes to the Company Financial Statements
continued

During 2023, the average number of people employed by the Company was 301 (2022: 294).

Directors
Details of Directors' remuneration, benefits and SRP awards are included in the Remuneration report on pages 109 to 132, and in note 29 to the Group Consolidated Financial Statements.

Auditors' remuneration
The total fees payable by the Company to PricewaterhouseCoopers LLP (PwC) for work performed in respect of the audit of the Company were £35,000 (2022: £33,200). Fees paid to PwC for non-audit services to the Company itself are not disclosed in these financial statements as the Group's Consolidated Financial Statements, in which the Company is included, are required to disclose such fees on a consolidated basis.

Fees payable by the Company to Ernst & Young LLP for work performed in respect of the audit of the pension scheme were £51,500 (2022: £41,000).

3. Intangible assets

	Purchased software total £m
Cost	
At beginning and end of the year	**0.7**
Accumulated amortisation	
At 31 December 2022	**0.5**
Charge for the year	**0.1**
At 31 December 2023	**0.6**
Net book value at 31 December 2022	0.2
Net book value at 31 December 2023	**0.1**

4. Property, plant & equipment

	Owned long leasehold land & buildings £m	Owned office & computer equipment £m	Right-of-use land & buildings £m	Right-of-use plant & equipment £m	Total £m
Cost					
At 31 December 2022	**3.7**	**2.8**	**8.1**	**0.2**	**14.8**
Additions	**—**	**1.3**	**—**	**—**	**1.3**
At 31 December 2023	**3.7**	**4.1**	**8.1**	**0.2**	**16.1**
Accumulated depreciation					
At 31 December 2022	**1.3**	**1.5**	**2.0**	**0.1**	**4.9**
Charge for the year	**0.2**	**0.7**	**0.5**	**0.1**	**1.5**
At 31 December 2023	**1.5**	**2.2**	**2.5**	**0.2**	**6.4**
Net book value at 31 December 2022	2.4	1.3	6.1	0.1	9.9
Net book value at 31 December 2023	**2.2**	**1.9**	**5.6**	**—**	**9.7**

Right-of-use assets
The Company leases buildings and IT equipment. The current and non-current lease liabilities are disclosed in note 11. The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts charged to finance costs in the year.

	2023 £m	2022 £m
Depreciation of right-of-use assets	**0.6**	0.5
Charge to operating profit	**0.6**	0.5
Finance cost – interest expense related to lease liabilities	**0.2**	0.2
Charge to profit before tax	**0.8**	0.7

The total cash outflow in the year is £0.8m (2022: £0.8m).

Notes to the Company Financial Statements
continued

5. Investments in subsidiaries & loans

	Subsidiaries shares £m	Loans £m	Total £m
Cost			
At 31 December 2022	**4,386.4**	**1,388.4**	**5,774.8**
Additions	**573.9**	**41.7**	**615.6**
Settlement	**—**	**(539.0)**	**(539.0)**
Exchange	**—**	**(27.3)**	**(27.3)**
At 31 December 2023	**4,960.3**	**863.8**	**5,824.1**
Impairment			
At beginning and end of the year	**1,757.2**	**4.5**	**1,761.7**
Net book value at 31 December 2022	2,629.2	1,383.9	4,013.1
Net book value at 31 December 2023	**3,203.1**	**859.3**	**4,062.4**

The subsidiaries and joint ventures of the Company are listed on pages 224 to 230.

During 2023, the Company carried out a corporate restructure for both external and internal financing purposes. This resulted in a series of investments of £573.9m, in wholly owned subsidiaries, to reduce intercompany loans and outstanding interest balances and to fund a foundry project in China.

The loan balances above are amounts owed by subsidiaries and represent long-term funding arrangements under term or cash management loans. Additions and settlements are movements on these loan facilities due to changes in individual subsidiary funding requirements.

Over the term of the loans, the Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. The majority of the Company's loans are repayable on demand by the Company. In calculating the expected credit loss allowance of repayable on demand loans, the Company considers the financial position and internal forecasts of each subsidiary and their ability to repay on request, or over time. For those loans repayable on maturity, expected credit losses are calculated using market-implied probabilities of default and loss-given-default estimations.

The Company considers the probability of default upon initial recognition of an asset and subsequently whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting year. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The primary indicators considered are actual or expected significant adverse changes in business and financial conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

Independent of the primary indicators above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is considered to occur when the counterparty fails to make contractual payments within 90 days of when they fall due. A write-off is considered to be required when there is no reasonable expectation of recovery, or when a debtor fails to make contractual payments greater than 120 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Income Statement.

As at 31 December 2023 and 31 December 2022, the loss allowances for all loans to subsidiaries were measured at an amount equal to 12 month expected credit losses.

The carrying value of loans and investments is considered to be supported by the value in use and market capitalisation of the Group.

Notes to the Company Financial Statements
continued

6. Deferred tax

	2023 £m	2022 £m
Deferred income tax assets		
Other timing differences	**19.8**	11.9
	19.8	11.9
Deferred income tax liabilities		
Retirement benefits	**(7.3)**	(12.5)
	(7.3)	(12.5)
Net deferred income tax	**12.5**	(0.6)

Deferred tax assets of £19.8m include £9.7m (2022: £10.0m) recognised in respect of losses suffered in preceding periods. The movement in the year is a result of prior year adjustments. The deferred tax asset has been recognised on the basis that the losses can be carried forward indefinitely and are available to surrender against UK taxable profits of the UK group in the future.

Deferred tax liabilities of £7.3m (2022: £12.5m) relate entirely to retirement benefits. The movement in the year is a direct result of the movement in the UK pension plan during 2023.

7. Trade & other receivables

Trade and other receivables presented as non-current on the face of the Company balance sheet of £34.2m (2022: £44.1m) are in respect of a prepayment recognised as a result of the pension funding partnership structure. Further information pertaining to this arrangement can be found in note 8.

	2023 £m	2022 £m
Amounts recoverable within one year:		
Amounts owed by subsidiaries	**144.6**	104.9
Tax receivable	**38.4**	24.4
Other debtors	**6.5**	3.0
Prepayments & accrued income	**5.3**	5.1
	194.8	137.4

Amounts owed by subsidiaries relate to management recharges in respect of support services provided. Intercompany balances are typically managed on a Group basis, and the Company's credit risk management practices reflect this. The Group applies the IFRS 9 'Financial instruments' simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all such trade receivables.

The amounts owed by subsidiaries do not carry an interest charge, and it is the Company's expectation that materially all the amounts owed by subsidiaries are fully recoverable over time. Expected credit losses at both 31 December 2023 and 31 December 2022 are therefore immaterial, and there has been no material change to the expected loss allowance during the year.

8. Retirement benefits

At the balance sheet date, the Company has a funded defined benefit plan (the Main Plan) and an unfunded retirement benefit plan for retired Executive Directors. The Company also operates a defined contribution plan, the contributions to which are in addition to those set out below, and are charged directly to the Consolidated Income Statement.

For the defined benefit plans, benefits are related to service and final salary. The Main Plan closed to future accrual of benefits effective from 30 June 2015.

The weighted average duration of the expected benefit payments from the Main Plan is around 12 years.

The current funding target for the Main Plan is to maintain assets equal to the value of the accrued benefits. The Main Plan holds three insurance policies which match the liabilities in respect of a significant proportion of deferred and retired pensioners.

The defined benefit plans expose the Company to a number of risks.

Uncertainty in benefit payments

The value of the Company's liabilities for the defined benefit plans will ultimately depend on the amount of benefits paid out. This in turn will depend on the level of inflation (for those benefits that are subject to some form of inflation protection) and how long individuals live. This risk is significantly reduced through the insurance policies held.

Volatility in asset values

The Company is exposed to future movements in the values of assets held in the defined benefit plans to meet future uninsured benefit payments.

Uncertainty in cash funding

The regulatory framework in the UK requires the Trustees and Company to agree upon the assumptions underlying the funding target, and then to agree upon the necessary contributions required to recover any deficit at the valuation date. There is a risk to the Company that adverse experience could lead to a requirement for the Company to make considerable contributions to recover any deficit. This risk is significantly reduced through the insurance policies held. In addition, the Company is also exposed to adverse changes in pension regulation.

Notes to the Company Financial Statements
continued

Assumptions
The significant actuarial assumptions used for accounting purposes reflect prevailing market conditions and are as follows.

	2023	2022
Significant actuarial assumptions:		
Discount rate (% pa)	**4.5**	4.8
Retail Prices Inflation (RPI) assumption (% pa)	**3.1**	3.4
Post-retirement mortality (life expectancies in years):		
Current pensioners at 65 – male	**21.0**	21.3
Current pensioners at 65 – female	**22.9**	23.2
Future pensioners at 65 – male	**22.3**	22.6
Future pensioners at 65 – female	**24.4**	24.7
Other related actuarial assumptions:		
Rate of increases for pensions in payment (% pa)		
Pre 6 April 2006 service	**3.0**	3.2
Post 5 April 2006 service	**2.1**	2.1
Consumer Prices Inflation (CPI) assumption (% pa)	**2.5**	2.8

The assumptions used to determine end-of-year benefit obligations are also used to calculate the following year's cost.

The post-retirement mortality assumptions allow for expected increases in longevity. The 'current' disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with 'future' being that relating to a member retiring in 2044 (in 20 years' time).

The assets and liabilities of the plans are as follows.

	2023 £m	2022 £m
Plan assets at fair value:		
Equities (quoted)	**–**	48.3
Diversified Growth Funds (quoted)	**–**	36.6
Corporate bonds (quoted)	**–**	36.6
Government bonds (quoted)	**170.8**	168.4
Insurance policies (unquoted)	**336.4**	219.9
Private debt (unquoted)	**37.1**	56.3
Multi Asset Credit Funds	**39.7**	36.0
Cash (quoted)	**8.7**	8.0
Fair value of plan assets	**592.7**	610.1
Present value of funded obligations	**(562.6)**	(559.2)
Net asset for funded obligations	**30.1**	50.9
Present value of unfunded obligations	**(0.8)**	(0.9)
Net asset	**29.3**	50.0
Plans in surplus	**30.1**	50.9
Plans in deficit	**(0.8)**	(0.9)

Of the government bonds held at 31 December 2023, 75% (2022: 60%) are fixed interest bonds. The pension plans have not directly invested in any of the Company's own financial instruments, or in properties or other assets used by the Company.

The investment strategy for the UK is to primarily hold government bonds to meet the assessed value of the benefits promised for the non-insured members, along with holding private debt and multi-asset credit funds. The insured members are backed by the insurance policies held within the Scheme.

Notes to the Company Financial Statements
continued

The change in net liabilities recognised in the Company Balance Sheet is comprised as follows.

	2023 £m	2022 £m
Opening net assets (liabilities)	**50.0**	(13.4)
Expense credited (charged) to the Income Statement	**2.0**	(0.8)
Amount recognised in Statement of Comprehensive Income	**(29.0)**	57.9
Employer contributions	**6.3**	6.3
Closing net assets	**29.3**	50.0

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income for the year are analysed as follows.

	2023 £m	2022 £m
Recognised in the Income Statement		
Administrative expenses	**(0.6)**	(0.6)
Included in operating profit	**(0.6)**	(0.6)
Interest on net pension asset (liability)	**2.6**	(0.2)
Total credit (expense) charged to the Income Statement	**2.0**	(0.8)
Recognised in the Statement of Comprehensive Income		
Actual return on plan assets	**12.5**	(178.4)
Less: interest on plan assets	**(28.7)**	(15.3)
	(16.2)	(193.7)
Other actuarial (losses) gains due to:		
Changes in financial assumptions	**(10.1)**	261.5
Changes in demographic assumptions	**7.2**	4.4
Experience on benefit obligations	**(9.9)**	(14.3)
Actuarial (losses) gains recognised in the Statement of Comprehensive Income	**(29.0)**	57.9

Administration expenses are recognised in operating costs and interest on net pension liability is recognised in other finance costs.

Pension contributions are determined with the advice of independent qualified actuaries on the basis of regular valuations using the projected unit method. The Company made special contributions of £6.2m in 2023 (2022: £6.2m) in addition to the Company's regular contributions.

In 2015, the Company entered into a pension funding partnership structure under which it has contributed interests in a Scottish Limited Partnership (SLP) for the Main Plan. The Main Plan's interests in the SLP reduce the deficit on a funding basis, although the agreement will not affect the position directly on an FRS 101 accounting basis as the investments held do not qualify as assets for FRS 101 purposes. As a partner in the SLP, the Main Plan is entitled to receive a share of the profits of the SLP once a year for 15 years, subject to conditions being met. The profits to be shared with the Plan will be reflected in the Company's financial statements as a pension contribution.

The latest actuarial funding valuation of the Main Plan was completed in 2022. Under the agreed recovery plan, the Company has agreed to contribute £6.2m in respect of years ending 31 December 2021 to 31 December 2029 inclusive. These contributions are primarily funded by the income payments from the SLP described above. However, the contributions are subject to an annual review mechanism which states if the Main Plan's funding level on a funding basis exceeds 105% then the contributions can be temporarily ceased. The 31 December 2022 funding basis funding level was above 105% thereby triggering a Switch-Off Event in terms of the pension funding partnership structure. As a result, the £6.2m which would normally have been paid to the Main Plan in early 2024 will now not be paid.

The Company has taken legal advice regarding its UK arrangements to confirm the accounting treatment under IFRIC 14 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' with regard to recognition of a surplus and also recognition of a minimum funding requirement. This confirmed that there is no requirement to adjust the balance sheet and that recognition of a current surplus is appropriate on the basis that the Company has an unconditional right to a refund of a current (or projected future) surplus at some point in the future. For the same reason, there is no requirement for the Company to adjust the balance sheet to recognise the future agreed deficit recovery contributions. Having considered the position, taking account of the legal input received and noting that the Trustees of the UK arrangements do not have discretionary powers to unilaterally wind down the schemes without cause, the Directors of the Company have concluded that the Company has an unconditional right to a refund of any surplus.

The Company is aware of a case involving Virgin Media and NTL Pension Trustee, which could potentially lead to additional liabilities for some pension schemes and sponsors, including (if applicable) the Company. This case is subject to appeal and the impact (if any) is not known and will be assessed as relevant in future.

The total Company contributions for 2024 are expected to be £0.1m.

Changes in the present value of the defined benefit obligations are analysed as follows.

Notes to the Company Financial Statements
continued

	2023 £m	2022 £m
Opening defined benefit obligations	**(560.1)**	(830.2)
Interest on benefit obligations	**(26.1)**	(15.5)
Benefits paid	**35.6**	34.0
Actuarial (losses) gains due to:		
Changes in financial assumptions	**(10.1)**	261.5
Changes in demographic assumptions	**7.2**	4.4
Experience on benefit obligations	**(9.9)**	(14.3)
Closing defined benefit obligations	**(563.4)**	(560.1)

Changes in the fair value of plan assets are analysed as follows.

	2023 £m	2022 £m
Opening plan assets	**610.1**	816.8
Interest on plan assets	**28.7**	15.3
Employer contributions	**6.3**	6.3
Administrative expenses	**(0.6)**	(0.6)
Benefits paid	**(35.6)**	(34.0)
Actual return on plan assets less interest on plan assets	**(16.2)**	(193.7)
Closing plan assets	**592.7**	610.1

Sensitivity analysis

Changes in key assumptions can have a significant effect on the reported net retirement benefit obligation and the Income Statement expense for 2024. The effects of changes in those assumptions are set out in the table below.

	Increase 2023 £m	Decrease 2023 £m	Increase 2022 £m	Decrease 2022 £m
Discount rate				
Effect on defined benefit obligation of a 1.0% change	**57.2**	**(69.5)**	58.6	(71.5)
Effect on net funding position of a 1.0% change	**31.3**	**(39.6)**	44.3	(55.2)
RPI inflation (and associated assumptions)				
Effect on defined benefit obligation of a 1.0% change	**(29.1)**	**29.7**	(29.3)	31.3
Effect on net funding position of a 1.0% change	**(14.1)**	**14.3**	(20.4)	22.0
Life expectancy				
Effect on defined benefit obligation of a 1 year change	**(26.5)**	**26.5**	(30.2)	30.2
Effect on net funding position of a 1 year change	**(4.7)**	**4.7**	(17.4)	17.4

The impact on the net funding position is significantly reduced as a result of the insurance policies held. In the absence of such policies, the impact on the net funding position would be much closer to the significantly higher impact on the defined benefit obligation shown in the table.

These sensitivities have been calculated to show the movement in the defined benefit obligation and net funding position in isolation and assume no other changes in market conditions at the accounting date. In practice, for example, a change in discount rate is unlikely to occur without any movement in the value of the invested (non-insurance policy) assets held by the plans.

9. Derivative financial instruments

	2023 £m	2022 £m
Current assets		
Forward foreign currency contracts	**14.3**	22.2
	14.3	22.2
Current liabilities		
Forward foreign currency contracts	**(14.3)**	(22.2)
	(14.3)	(22.2)
Non-current liabilities		
Forward foreign currency contracts designated as fair value hedges	**(2.3)**	—
	(2.3)	—

The figures in the above table include derivative financial instruments where the counterparty is a subsidiary of the Company.

Details of the hedging activities is provided in note 30 to the Group Financial Statements.

Notes to the Company Financial Statements
continued

10. Trade & other payables

	2023 £m	2022 £m
Bank overdrafts & short-term borrowings	**240.4**	356.9
Loans from subsidiaries (note 11)	**996.9**	626.7
Lease liability (note 11)	**0.6**	0.7
Amounts owed to subsidiaries	**14.2**	9.1
Tax payable	**0.3**	—
Other taxes & social security costs	**2.4**	2.1
Other creditors	**9.1**	6.2
Accruals & deferred income	**30.5**	20.1
	1,294.4	1,021.8

11. Interest-bearing loans & borrowings

	2023 £m	2022 £m
Amounts due are repayable as follows:		
Less than one year:		
Fixed-rate notes	**—**	165.3
Loans from subsidiaries	**996.9**	626.7
Lease liability	**0.6**	0.7
More than one year but not more than two years:		
Loans from subsidiaries	**86.2**	513.8
Lease liability	**0.6**	0.6
More than two years but not more than five years:		
Bank loans	**97.7**	336.5
Fixed-rate notes	**922.3**	657.8
Loans from subsidiaries	**53.6**	56.4
Lease liability	**1.9**	1.8
More than five years:		
Loans from subsidiaries	**99.7**	—
Lease liability	**4.4**	5.1
	2,263.9	2,364.7
Less current instalments due on:		
Fixed-rate notes	**—**	(165.3)
Loans from subsidiaries	**(996.9)**	(626.7)
Lease liability	**(0.6)**	(0.7)
	1,266.4	1,572.0

The loans from subsidiaries with a maturity date of less than one year are repayable in 2024 and have a weighted average interest rate of 3.95%. The loans for subsidiaries with a maturity date greater than one year and less than two years are repayable in 2025 and have an interest rate of 5.58%. The loans for subsidiaries with a maturity date greater than two years and less than three years are repayable in 2026 and have an interest rate of 2.85%. The loans for subsidiaries with a maturity date greater than five years and over are repayable in 2028 and have an interest rate of 8.99%.

Details of the interest and repayment terms of the bank loans and fixed-rate notes can be found in note 20 to the Group Financial Statements.

Notes to the Company Financial Statements
continued

12. Provisions

	Exceptional items £m
At 31 December 2022	**0.1**
Additions	**10.9**
Utilised	**(5.0)**
At 31 December 2023	**6.0**
Current 2023	**6.0**
Non-current 2023	**—**
At 31 December 2023	**6.0**
Current 2022	0.1
Non-current 2022	—
At 31 December 2022	0.1

The opening balance relates to some residual costs for the sale of the Oil & Gas Division. During the year, there were additions for costs associated with the Performance Excellence programme. The closing balance is predominantly costs related to the Performance Excellence programme.

13. Share capital & reserves

	2023 £m	2022 £m
Allotted, called up & fully paid		
Ordinary shares of 12.5p each	**32.5**	32.5

	2023 Number million	2022 Number million
Treasury shares		
At the beginning of the year	**0.9**	0.3
Purchase of shares in respect of equity settled share-based payments	**1.2**	1.3
Utilised during the year in respect of equity settled share-based payments	**(0.4)**	(0.7)
At the end of the year	**1.7**	0.9
Equity settled share-based payments		
Share awards outstanding at the end of the year	**1.5**	1.6

Merger reserve
The merger reserve relates to the issue of new equity as part of the consideration paid for an acquisition. Shares issued directly to ESCO shareholders on 12 July 2018, as part of the total acquisition consideration, qualified for merger relief under Section 612 of the Companies Act 2006 and resulted in an increase to the reserve of £323.2m. The remaining reserve balance of £9.4m relates to shares issued in part consideration for the acquisition of Delta Industrial Valves Inc. during 2015.

Capital redemption reserve
The capital redemption reserve was created by a repurchase and cancellation of own shares during the 53 weeks ended 1 January 1999.

Special reserve
The premium of £1.8m arising on the issue of shares for the acquisition of the entire share capital of Liquid Gas Equipment Limited in 1988 has been credited to a special reserve in accordance with the merger relief provisions of the Companies Act 1985.

Hedge accounting reserve
This reserve records the portion of the gains or losses on hedging instruments used as cash flow and fair value hedges that are determined to be effective.

Notes to the Company Financial Statements
continued

14. Guarantees & legal claims

Guarantees

The Company has given guarantees in relation to the bank and other borrowings of certain subsidiary companies amounting to £754.8m (2022: £857.2m) of which £175.3m (2022: £298.6m) was utilised at 31 December 2023. These guarantees, recognised as IFRS 9 fair value, do not have a material value at the balance sheet date and the likelihood of the guarantees being called upon is considered remote.

Legal claims

The Company and certain subsidiaries are, from time-to-time, party to legal proceedings and claims that arise in the normal course of business. Provisions have been made where the Directors have assessed that a cash outflow is probable. All other claims are believed to be remote or are not yet ripe.

15. Related party disclosures

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with related parties that are wholly owned by a subsidiary of the Company. The following table provides the total amount of transactions that have been entered into with non-wholly owned related parties for the relevant financial year and outstanding balances at the year end.

Related party		Group charges £m	Amounts due by £m
Weir ABF LP	**2023**	**—**	**57.3**
	2022	—	53.5
Weir Minerals (India) Private Limited	**2023**	**(0.1)**	**—**
	2022	1.4	0.3
Vulco S.A.	**2023**	**0.7**	**—**
	2022	2.8	0.5

16. Financial risk management objectives and policies

The description of the Group's financial risk management objectives and policies is provided in note 30 to the Group Financial Statements. These financial risk management objectives and policies also apply to the Company.

17. Events after the balance sheet date

The Group reduced its Revolving Credit Facility from US$800m to US$600m in February 2024. There are no further post balance sheet events requiring disclosure.

Subsidiary undertakings

The subsidiary undertakings of the Company as at 31 December 2023 are noted below. Unless otherwise indicated, the Company's shareholdings are held indirectly.

Company Name	Country	Registered Office address	Class name	% of class	Directly Held By PLC*
Alebras Aços e Peças Ltda.	Brazil	2151 Avenida José Benassi, Sala B, Parque Industrial, CEP 13.213-085., Brazil	Ordinary	**100**	
Aspir Pty Ltd	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Bucyrus Blades de Mexico S.A. DE C.V.	Mexico	Calle 14, Manzana 4, Lote 4, Parque Industrial, Apartado Postal 129, Atlacomulco, Mexico	Fixed; Variable Capital	**100**	
Bucyrus Blades Inc.	United States	C T Corporation System, 4400 Easton Commons Way, Suite 125, Columbus OH 43219, United States	Common	**100**	
Bucyrus Blades of Canada ULC	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Class A Common	**100**	
Carriere Industrial Supply Limited	Canada	222 Bay Street, Suite 3000, P O Box 53, Toronto ON M5K 1E7, Canada	Common	**100**	
CH Warman Asia Limited	Malta	Level 2 West, Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's, STJ 3155, Malta, STJ 3155, Malta	Ordinary	**100**	
CIS First Nations Services Inc.	Canada	222 Bay Street, Suite 3000, P O Box 53, Toronto ON M5K 1E7, Canada	Common	**100**	
Electric Steel Foundry Company	United States	780 Commercial Street SE, Suite 100, Salem OR 97301, United States	Fixed Capital	**100**	
EnviroTech (Pty) Limited	South Africa	31 Isando Road, Isando, Gauteng, 1600, South Africa	Ordinary; A Ordinary	**100**	
ESCO	France	57 rue d'Amsterdam, 75008, Paris, France	Ordinary	**100**	
ESCO - Bucyrus Blades Canada	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Corporate Relationship %	**100**	
ESCO (UK) Holdings Limited	England and Wales	Ings Road, Doncaster, DN5 9SN	Ordinary	**100**	
ESCO (UK) Limited	England and Wales	Ings Road, Doncaster, DN5 9SN	Ordinary	**100**	
ESCO (Xuzhou) Trading Company Limited	China	West of Dazhai Road, , South of Dazhai Road and Cui Zhuang South Road, High-tech Industrial Zone, Xuzhou City, Jiangsu Province, China	Corporate Relationship %	**100**	
ESCO (Xuzhou) Wearparts Co., Ltd.	China	Dazhai Road, south of Cui Zhuang Road and west of Dazhai Roa, Tongshan Economic Development Zone, Xuzhou City, Jiangsu Province, 221116, China	Corporate Relationship %	**100**	
ESCO Australia Holdings Pty Limited	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO Belgium	Belgium	Rue des Fours a Chaux 122, Zoning Industriel, 7080 Frameries, Belgium	Ordinary	**100**	
ESCO Canada Finance Company Inc.	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Common	**100**	
ESCO Canada Ltd.	Canada	14648 134 Ave NW Edmonton AB T5L 4T4, Canada	Ordinary	**100**	
ESCO Dunedin Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO Elecmetal Fundición Limitada	Chile	Calle Miraflores, Numero 222, Piso veinticuatro, Santiago, Chile	Corporate Relationship %	**50**	
ESCO Electric Steel Foundry Company of Africa (Pty) Ltd	South Africa	Meadowview Business Estate CNR Clulee and Meadowview lane, Linbro Park, Johannesburg, South Africa, 2090, South Africa	Ordinary	**100**	
ESCO EMEA Holdings (UK) Limited	England and Wales	Ings Road, Doncaster, DN5 9SN	Ordinary	**100**	
ESCO Engineering Kingaroy Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary; D-Ordinary; F-Ordinary	**100**	
ESCO Engineering Pty. Ltd.	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO GmbH	Germany	Marie-Bernays Ring 1, Moenchengladbach, 41199, Germany	Ordinary	**100**	
ESCO GP Ltd.	Canada	400 3rd Avenue SW, Suite 3700, Calgary AB T2P 4H2, Canada	Common	**100**	
ESCO Group Holdings Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	

Subsidiary undertakings
continued

ESCO Group LLC	United States	1209 Orange Street, Wilmington DE 19801, United States	Membership Units	**100**	
ESCO Hydra (UK) Limited	England and Wales	Ings Road, Doncaster, DN5 9SN	Ordinary; Ordinary A	**100**	
ESCO Indonesia Investco No 1 Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO Indonesia Investco No 2 Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO International (H.K.) Holdings Limited	Hong Kong	Suites 5801, 5804-06,, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Ordinary	**100**	
ESCO International Holdings	Belgium	122 Rue des Fours à Chaux, Zoning Industriel, Frameries, 7080, Belgium	Ordinary	**100**	
ESCO Japan, Inc.	Japan	Marunouchi Mitsui Building, 2-2-2 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan	Ordinary	**100**	
Esco Latin América Comércio e Indústria Ltda.	Brazil	Rua Engenheiro Gerhard Ett, nº 1.215, Galpão 02, Distrito Industrial Paulo Camilo Sul, Betim, 32668-110, Brazil	Ordinary	**100**	
ESCO Limited	Canada	1800 – 510 West Georgia Street, Vancouver BC V6B 0M3 , Canada	Class A Common	**100**	
ESCO Moçambique S.A.	Mozambique	Avenida Kim IL Sung, no. 961, Maputo, Mozambique	Ordinary	**100**	
ESCO Northgate Pty Ltd	Australia	25 Trade Street, Lytton, Queensland QLD 4178, Australia	Ordinary	**100**	
ESCO Peru S.R.L.	Peru	Av. Manuel Olguin 211, Suite 304, Surco, Lima, Peru	Common	**100**	
ESCO Servicios Mineros S.A.	Argentina	Tucuman 1, Piso 4, C1049AAA, Buenos Aires, Argentina	Ordinary	**100**	
ESCO South Africa Wearparts (Pty) Limited	South Africa	Meadowview Business Estate CNR Clulee and Meadowview lane, Linbro Park, Johannesburg, South Africa, 2090, South Africa	Ordinary A; Cumulative redeemable preference; Empowerment Ordinary	**99.35**	
ESCO Supply and Service Kazakhstan	Kazakhstan	4 th floor, 192/2 Dostyk avenue, Almaty city, 050051, Kazakhstan	Ordinary	**100**	
Esco Supply Carajás Indústria de Peças e Equipamentos Ltda	Brazil	Rodovia PA-160, S/N, Sala B, Quadra 73, Lotes 1, 2, 3, 4, 5, 6, 7, 22, 23 e 24, Parque dos Carajas II, Parauapebas/PA, 68515000, Brazil	Ordinary	**100**	
ESCO Turbine Components Europe	Belgium	122 Rue des Fours à Chaux, Zoning Industriel, Frameries, 7080, Belgium	Ordinary	**100**	
ESCO Wearparts Supply and Services (Namibia) (Proprietary) Limited	Namibia	Unit 3, 2nd Floor, Ausspann Plaza, Dr Agostinho Neto Road, Ausspannplatz, Windhoek, Namibia	Ordinary	**100**	
ESCO-Bucyrus Blades Financing Limited Partnership	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Corporate Relationship %	**100**	
ESCOSupply Ltd.	Canada	395 Mackenzie Blvd., Fort McMurray AB T9H 5E2, Canada	Class A Common	**100**	
Fabrica de Aisladores Sismicos de Chile Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship %	**99.23**	
Fundición Vulco Ltda	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship %	**99.23**	
G. & J. Weir, Limited	England and Wales	C/o Weir Minerals Europe, Halifax Road, Todmorden, OL14 5RT	Ordinary	**100**	*
Inversiones ESCO Chile Limitada	Chile	Calle Miraflores, Numero 222, Piso veinticuatro, Santiago, Chile	Corporate Relationship %	**100**	
Inversiones Linatex Chile (Holdings) Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship %	**100**	
Linatex (H.K.) Limited	Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	Ordinary	**100**	
Linatex Asset Holdings Malaysia Sdn. Bhd.	Malaysia	2nd Floor, No 2-4 Jalan Manau, Wilayah Persekutuan,Wilayah Persekutuan, 50460 Kuala Lumpur, Malaysia	Ordinary	**100**	
Linatex Australia Pty. Limited	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Class A; Class B	**100**	
Linatex Chile Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship %	**100**	

Subsidiary undertakings
continued

Linatex Chile SpA	Chile	Santa Catalina de Chena 850, San Bernardo, Santiago de Chile, Chile	Ordinary Nominative Share	**100**	
Linatex Consolidated Holdings Ltd	British Virgin Islands	Kingston Chambers, PO Box 173, Tortola, Road Town, British Virgin Islands	Ordinary	**100**	
Linatex Limited	England and Wales	C/o Weir Minerals Europe, Halifax Road, Todmorden, OL14 5RT	Ordinary	**100**	
Linatex Rubber Limited	England and Wales	C/o Weir Minerals Europe, Halifax Road, Todmorden, OL14 5RT	Ordinary	**100**	
Linatex Rubber Products Sdn. Bhd.	Malaysia	2nd Floor, No 2-4 Jalan Manau, Wilayah Persekutuan,Wilayah Persekutuan, 50460 Kuala Lumpur, Malaysia	Ordinary	**100**	
Metalúrgica Vulco Ltda	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Common	**99.22**	
Motion Metrics Australia Pty. Ltd.	Australia	25 Trade Street, Lytton, QLD 4178	Ordinary	**100**	
Motion Metrics International Corp.	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Class A Common	**100**	
Motion Metrics Latin America SpA	Chile	Edificio Nueva Santa Maria, Los Conquistadores 1730, Of. 2805 Providencia, Santiago, Chile	Ordinary	**100**	
Multiflo Pumps Pty Ltd	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Overseas ESCO Corporation Ltd.	British Virgin Islands	The Lake Building, 1st Floor, Wickams Cay 1,Tortola, P. O. Box 3152, Road Town, British Virgin Islands	Ordinary	**100**	
PT ESCO Mining Products	Indonesia	The Garden Centre #3-04, Cilandak Commercial Estate, JL Raya Cilandak KKO, Jakarta, 12075, Indonesia	Ordinary	**100**	
PT Weir Minerals Contract Services Indonesia	Indonesia	Jl. Mulawarman Rt. 20 No. 20 Kelurahan Manggar, Kec, Balikpapan Timur, Kota Balikpapan, 76116, Indonesia	Ordinary	**100**	
PT Weir Minerals Indonesia	Indonesia	Jl. Mulawarman Rt. 20 No. 20 Kelurahan Manggar, Kec, Balikpapan Timur, Kota Balikpapan, 76116, Indonesia	Ordinary	**100**	
PT Weir Oil & Gas Indonesia	Indonesia	Jl. Mulawarman Rt. 20 No. 20 Kelurahan Manggar, Kec, Balikpapan Timur, Kota Balikpapan, 76116, Indonesia	Ordinary - Class A; Ordinary - Class B	**95**	
Seaboard Holdings, LLC	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Membership Units	**100**	
Sentiantechnologies AB	Sweden	Bredgatan 4, 211 30, Malmo, Sweden	Ordinary	**100**	
Slurry Holdings Limited	Malta	Level 2 West, Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's, STJ 3155, Malta, STJ 3155, Malta	Ordinary	**100**	
Soldering Comercio e Industria Ltda	Brazil	Rua Engenheiro Gerhard Ett, nº 1.215, Distrito Industrial Paulo Camilo Sul, CEP 32669-110, Brazil	Ordinary	**100**	
Thandilwa Training Centre (Pty) Ltd	South Africa	Meadowview Business Estate CNR Clulee and Meadowview lane, Linbro Park, Johannesburg, South Africa, 2090, South Africa	Ordinary	**100**	
The Weir Group Insurance Company Limited	Isle of Man	1st Floor Goldie House 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man	Ordinary	**100**	
The Weir Group International S.A.	Switzerland	Rue de Romont 35, c/o Daniel Schneuwly, 1700 FRIBOURG, Fribourg, Switzerland	Ordinary	**100**	
The Weir Group Pension Trust Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	N/A	**100**	*
Trio Engineered Products (Hong Kong) Limited	Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	Ordinary	**100**	
TWG Canada Holdings Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
TWG Cayman Limited	Cayman Islands	M & C Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary; Preference	**100**	
TWG Finance, Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Common	**100**	
TWG Investments (No. 6) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
TWG Investments (No. 7) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
TWG Investments (No. 8) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	

Subsidiary undertakings
continued

TWG Investments (No.10) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
TWG Investments (No.3) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary; Preference	**100**	*
TWG Investments (No.4) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary; Preference	**100**	
TWG South America Holdings Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary; Preference	**100**	
TWG UK Holdings Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
TWG US Finance LLC	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Membership; Preferred Units	**100**	*
TWG US Holdings LLC	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Units	**100**	
TWG Young Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
Valves and Controls US, Inc.	United States	CT Corporation System, 1999 Bryan St., Suite 900, Dallas TX 75201, United States	Common	**100**	
Vulco Peru SA	Peru	Av. Separadora Industrial, N° 2201 Urb Vulcano Ate, Lima, Peru	Ordinary	**99.22**	
Vulco S.A.	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Ordinary	**99.22**	
Warman Pumps Ltd	Australia	1-3 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Weir ABF LP	Scotland	1 West Regent Street, Glasgow, G2 1RW, Scotland	Corporate Relationship %	**100**	
Weir Australia Finance Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
Weir B.V.	Netherlands	PO Box 249, 5900 AE, Venlo, Netherlands	Ordinary	**100**	
Weir Brasil Comercio Ltda	Brazil	Rodovia BR-101, KM 43, N° 43.000, Galpão 10-C, Bairro Nova Brasília, Joinville/SC, CEP 89213-125, Brazil	Ordinary	**100**	
Weir Canada, Inc.	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Common	**100**	
Weir Canadian Investments, Inc.	Canada	1800 - 510 West Georgia Street, Vancouver BC V6B 0M3, Canada	Common	**100**	
Weir do Brasil Ltda	Brazil	Av Jose Benassi, 2151, Sala A, Condominio Fazgran, Jundiaí/SP, 13.213-085, Brazil	Nominal	**100**	
Weir Engineering Products (Shanghai) Co., Ltd	China	Room 318, Floor 3, No. 458, Fute North Road, Shanghai, China	N/A	**100**	
Weir Engineering Services Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
Weir Group (Australian Holdings) Pty Limited	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	*
Weir Group (Overseas Holdings) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
Weir Group African IP Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
Weir Group Engineering Hong Kong Limited	Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	Ordinary	**100**	
Weir Group Executive SUURB Trustee Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
Weir Group General Partner Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
Weir Group Holdings Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
Weir Group Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Common	**100**	
Weir Group IP Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*
Weir Group Machinery Equipment (Shanghai) Co. Ltd.	China	No.4918, Liuxiang Road, Xuxing Town, Jiading District, Shanghai, China	Ordinary	**100**	
Weir Group Machinery Equipment (Wuxi) Co., Ltd.	China	No. 9, Wenzhu Road, Hudai Town, Binhu District, Wuxi City, China	Ordinary	**100**	
Weir Group Management Services Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	*

Subsidiary undertakings
continued

Weir Group Trading Mexico, S.A. de C.V.	Mexico	Av. Nafta No. 775, Col. Parque Industrial, Stiva Aeropuerto, Mexico	Ordinary Nominative Share	**100**	
Weir HBF (Pty) Ltd	South Africa	50 Strudebaker Street, Markman Industria, Port Elizabeth, South Africa	Ordinary	**100**	
Weir Holdings B.V.	Netherlands	Egtenrayseweg 9, 5928PH Venlo, Netherlands	Ordinary	**100**	
Weir Investments Two Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary A; Preference	**100**	*
Weir Malaysia Sdn. Bhd.	Malaysia	2nd Floor, No 2-4 Jalan Manau, Wilayah Persekutuan,Wilayah Persekutuan, 50460 Kuala Lumpur, Malaysia	Ordinary - Class A; Ordinary - Class B	**100**	
Weir Minerals (India) Private Limited	India	NCC Urban Windsor, 1st Floor, New Airport Road, Opp.Jakkur Aerodrome, Yelahanka, Bangalore, Karnataka, 560 064, India	Ordinary	**97.25**	
Weir Minerals Africa (Proprietary) Limited	South Africa	5 Clarke Street South, Alrode, Alberton, 1449, South Africa	Ordinary A; Ordinary B	**100**	
Weir Minerals Armenia LLC	Armenia	22 Hanrapetutyan Str, 5th Floor, Yerevan Centre, 0010, Armenia	Ordinary	**100**	
Weir Minerals Australia Ltd	Australia	1-3 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Weir Minerals Balkan d.o.o. Beograd	Serbia	Dimitrija Tucovica 28b, Zvezdara, Belgrade, Serbia	Ordinary	**100**	
Weir Minerals Botswana (Proprietary) Limited	Botswana	Plot 64518 Deloitte House Fairgrounds, Gaborone, Botswana	Ordinary	**100**	
Weir Minerals Caribe SRL	Dominican Republic	KK 22,5 Autopista Duarte, Parque Industrial Duarte, Parque de Naves PID 4, Santo Domingo, Dominican Republic	Ordinary	**100**	
Weir Minerals Central Africa Limited	Zambia	Plot No. 3655, Chibuluma Road, Light Industrial Area, Kitwe, Copperbelt Province, Zambia	Ordinary	**100**	
Weir Minerals China Co., Limited	China	Factory #27, 158 Hua Shan Road, Suzhou New District, Suzhou, 215011, China	Ordinary	**100**	
Weir Minerals Colombia SAS	Colombia	Carrera 43 B # 16 41 Office 904, Building Staff, Medellin Antioquia, Colombia	Ordinary	**100**	
Weir Minerals Czech & Slovak, s.r.o.	Czech Republic	Hlinky 118, 603 00 Brno, Czech Rep., Brno, Czech Republic	Ordinary	**100**	
Weir Minerals DRC SAS	The Democratic Republic of the Congo	1222 Route Likasi, Quartier Musompo - Mutshatsha, Kolwezi, Province de Lualaba, Congo (the Democratic Republic of the)	B Shares	**64.87**	
Weir Minerals East Africa Limited	The United Republic of Tanzania	Plot 38, Mahango Road, Nyakato Industrial Area, Mwanza, Tanzania, the United Republic of	Ordinary	**100**	
Weir Minerals Egypt (L.L.C)	Egypt	11 Hanin Ibn Isaac St, 7th District, Nasr City, Cario, 11727, Egypt	Ordinary	**100**	
Weir Minerals Europe Limited	England and Wales	Halifax Road, Todmorden, OL14 5RT	Ordinary	**100**	
Weir Minerals Finland Oy	Finland	Askonkatu 13 D, Lahti, FIN-15100, Finland	Ordinary	**100**	
Weir Minerals France SAS	France	Parc Technoland, Baitment H, 6-8 Allee du Piemont, 69800, Saint-Priest, France	Ordinary	**100**	
Weir Minerals FZCO	United Arab Emirates	Unit 2W M058, Dubai Airport Free Zone Area, Dubai, United Arab Emirates	Ordinary	**100**	
Weir Minerals Germany GmbH	Germany	Lise-Meitner-Straße 12, 74074, Heilbronn, Germany	Issued Capital	**100**	
Weir Minerals Hungary Kft	Hungary	Teleki László utca 11 1/.3, Tatabánya, 2800-HU, Hungary	Issued Capital	**100**	
Weir Minerals Isando (Pty) Ltd	South Africa	31 Isando Road, Isando, Gauteng, 1601, South Africa	Ordinary	**100**	
Weir Minerals Italy S.r.l.	Italy	Via Fratelli Cervi 1/D, Cernusco sul Naviglio, 20063, Milan, Italy	Ordinary	**100**	
Weir Minerals Kazakhstan LLP	Kazakhstan	4th Floor, 192/2 Dostyk Avenue, Almaty, 050051, Kazakhstan	Charter Capital	**100**	
Weir Minerals Kenya Limited	Kenya	LR No. 1870/1/569, Ring Road Parklands, P.O. Box 764 - 00606 - Sarit Centre, Nairobi, Kenya	Ordinary	**100**	
Weir Minerals Madagascar Sarlu	Madagascar	Immcuble Mining Business Center sis a Mamory Ivato, 10518 Ivato Aeroport ,Analamanga, Madagascar	Ordinary	**100**	

Subsidiary undertakings
continued

Weir Minerals Mexico Servicios, S.A. de C.V.	Mexico	Av. Nafta No. 775, Col. Parque Industrial, Stiva Aeropuerto, Mexico	Ordinary Nominative Share	**100**	
Weir Minerals Mexico, SA de CV	Mexico	Av. Nafta No. 775, Col. Parque Industrial, Stiva Aeropuerto, Mexico	Ordinary Nominative Share	**100**	
Weir Minerals Mongolia LLC	Mongolia	205, 2nd Khoroo, Bayangol District, Ulaanbaatar, Mongolia	Ordinary	**100**	
Weir Minerals Mozambique Ltd	Mozambique	Mozambique, Maputo Cidade, Distrito urbano1, Bairro, Centrall, AV. Zedequias ,Manganhela, Mozambique	Ordinary	**100**	
Weir Minerals Netherlands B.V.	Netherlands	PO Box 249, 5900 AE, Venlo, Netherlands	Ordinary	**100**	
Weir Minerals North Africa SARL	Morocco	Boulevard Sidi Mohamed, Ben Abdellah, IMB, 1Eretage N 29, Casablanca, 20160, Morocco	Ordinary	**100**	
Weir Minerals Panama S.A.	Panama	Urbanización Vista Alegre, Edificio Parque Logístico Panawest Bodega 7 Autopista, Panama-Arraijan, Panamá	Ordinary	**100**	
Weir Minerals Poland Sp. z.o.o.	Poland	ul. WILKOWICKA, nr 20, lok. ---, miejsc. LESZNO, kod 64-100,, Poland	Capital shares	**100**	
Weir Minerals Processing Equipment & Services LLC	United Arab Emirates	EFCO Cement Products Factory, Plot No 597901, Dubai Investment Park II, Dubai, United Arab Emirates	Ordinary	**49**	
Weir Minerals Pump & Mining Solutions Namibia (Proprietary) Limited	Namibia	597901, Dubai Investment Park II, Dubai, United Arab Emirates	Ordinary	**100**	
Weir Minerals RFW LLC (OOO)	Russian Federation	Bolshaya Polyanka, Building 2, house 2, 119180, Moscow, Russian Federation	Corporate Relationship %	**100**	
Weir Minerals Senegal SUARL	Senegal	Sacré Coeur Pyrotechnique Residence Les Signares 1er Etage F4B - BP 21378 Dakar - Ponty (Senegal)	Ordinary	**100**	
Weir Minerals Shared Services Proprietary Limited	South Africa	5 Clarke Street South, Alrode, Alberton, 1449, South Africa	Ordinary	**100**	
Weir Minerals South Africa Proprietary Limited	South Africa	5 Clarke Street, Alrode, Alberton, Gauteng, 1449, South Africa	Ordinary; Ordinary A	**74.9**	
Weir Minerals Sweden AB	Sweden	Polervägen 4, 774 41 Avesta, Sweden	Ordinary	**100**	
Weir Minerals Ukraine LLC	Ukraine	2 Glinka str., letter Б-18, б-1, Dnipropetrovsk Reg, Dnipropetrovsk, 49000, Ukraine	Share Capital	**100**	
Weir Minerals West Africa Ltd Company	Ghana	Phase 31, WH 5 & 6, Plot A, Tema Freezone Enclave, Agility Logistics Park, Kpone-Katamanso, Greater Accra, Ghana	Ordinary	**100**	
Weir Oil & Gas Australia Pty Limited	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Weir Pump and Valve Solutions, Inc	United States	The Corporation Company, 40600 Ann Arbour Road, Este, 201, Plymouth Mi 48170 4675, United States	Common	**100**	
Weir Pumps Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW	Ordinary	**100**	
Weir Services Australia Pty Ltd	Australia	1-5 Marden Street, Artarmon NSW 2064, Australia	Ordinary	**100**	
Weir Services Tanzania Limited	The United Republic of Tanzania	Plot No 38 Mahango Road, Nyakato Industrial Area, Mwanza, The United Republic of Tanzania	Ordinary	**100**	
Weir Slurry Group, Inc.	United States	CT Corporation System, 301 South Bedford Street, Suite 1, Madison, Wisconsin, 53703	Common; Preferred Stock	**100**	
Weir Sudamerica S.A.	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Ordinary Nominative Share	**99.99**	
Weir Turkey Mineralleri Limited Sirketi	Turkey	1 13 Tepeören Mah. Dervispasa Cad.Weir, Merkez-Merkez, Tuzla, Istanbul, 3080535234, Turkey	Bearer	**100**	
Weir US Holdings Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Common	**100**	
Weir Vulco Argentina S.A.	Argentina	Sarmiento 511 Sur 1°Piso A, San Juan, CP 5400, Argentina	Ordinary	**99.96**	
Weir Warman (U.K.) Limited	England and Wales	Halifax Road, Todmorden, OL14 5RT	Ordinary	**100**	*
WHW Group Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, United States	Common	**100**	
Wuxi Weir Minerals Equipments Co., Ltd.	China	Lot 265, Wuxi-Singapore Industrial Park, Wuxi City, Jiangsu Province, China	Ordinary	**100**	

Subsidiary undertakings
continued

The Group has an interest in a partnership, the Weir ABF LP, which is fully consolidated into these statements. The Group has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has, therefore, not appended the accounts of this qualifying partnership to these financial statements. Separate accounts for the partnership are not required to be, and have not been, filed at Companies House in the UK.

Statutory audit exemptions
The Weir Group PLC has issued guarantees over the liabilities of the following companies at 31 December 2023 under Section 479C of Companies Act 2006 and these entities are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of Section 479A of the Act:

Company Name	Company number
ESCO (UK) Holdings Limited	04743623
ESCO EMEA Holdings (UK) Limited	08690169
Linatex Limited	00246713
TWG Canada Holdings Limited	SC288837
TWG Investments (No.3) Limited	SC197235
TWG Investments (No.4) Limited	SC197236
TWG Investments (No.6) Limited	SC292269
TWG Investments (No.7) Limited	SC292270
TWG Investments (No.8) Limited	SC292721
TWG South America Holdings Limited	SC380944
TWG UK Holdings Limited	SC311635
Weir Australia Finance Limited	SC706473
Weir Engineering Services Limited	SC033381
Weir Group (Overseas Holdings) Limited	SC054821
Weir Group African IP Limited	SC333781
Weir Group General Partner Limited	SC522808
Weir Group Holdings Limited	SC187227
Weir Group IP Limited	SC267963
Weir Warman (U.K.) Limited	01636530

Shareholder information

Company secretary & registered office

Graham Vanhegan
The Weir Group PLC
1 West Regent Street
Glasgow
G2 1RW

Registered in Scotland.

Company No. SC002934.

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Website: www.investorcentre.co.uk

Telephone: 0370 707 1402

Shareholder enquiries relating to shareholding, dividend payments, change of name or address, lost share certificates or transfer of shares etc. should be addressed to Computershare.

Online Communications

Shareholders are encouraged to visit the Company's corporate website (www.global.weir), which contains a wealth of information about the Weir Group. The website includes information about the markets in which we operate, our strategy and business performance, recent news from the Group and product information. The investor section is a key source of information for Shareholders, containing details on the share price, our financial results, Shareholder meetings and dividends, as well as a 'Shareholders FAQ' section.

E-Communications

We are encouraging our Shareholders to receive their information by email and via our website. Not only is this quick, it helps to reduce paper, printing and costs.

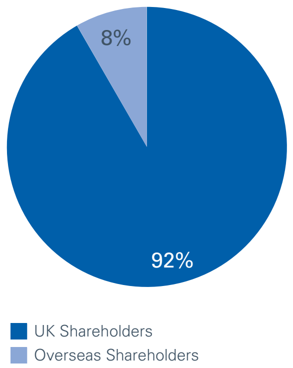
To register for e-communications, log on to www.investorcentre.co.uk

Follow us

Shareholder analysis

Ordinary shareholder analysis at 31 December 2023 (excluding 1,465 treasury shares)

By country



By holding size

Range	No. of Shareholders	%	Shares	%
1-1,000	**1,932**	**55.99**	731,938	0.30
1,001-5,000	**865**	**25.47**	1,870,637	0.75
5,001-10,000	**175**	**4.65**	1,246,802	0.47
10,001-100,000	**254**	**7.68**	9,694,254	3.99
100,001-500,000	**146**	**3.81**	34,574,828	12.63
500,001-1,000,000	**41**	**1.06**	29,286,155	10.35
1,000,001-999,999,999	**46**	**1.34**	182,207,438	71.51
Total	**3,459**	**100%**	259,612,052	100%

By Shareholder category

	Holdings	%	Shares	%
Individuals	**2,663**	**77.86%**	3,661,740	1.69%
Bank or Nominees	**727**	**20.10%**	254,953,862	97.92%
Investment Trust	**8**	**0.22%**	22,834	0.01%
Insurance Company	**0**	**0.00%**	0	0.00%
Other Company	**47**	**1.34%**	685,480	0.29%
Pension Trust	**1**	**0.03%**	1	0.00%
Other Corporate Body	**13**	**0.45%**	288,135	0.09%
Total	**3,459**	**100%**	259,612,052	100%

Annual and interim reports

Our Annual Report is available online. You can view or download the full Annual Report and Interim Report from our website at www.global.weir/investors/reporting-centre.

Managing your shareholding online with Investor Centre is a free, secure online service run by Computershare, giving you convenient access to information on your shareholdings. Manage your shareholding online and take advantage of all these features and more:

- View share balances and market values for all of your Computershare-managed holdings
- Update dividend mandate bank instructions, including global payments and view dividend payment history
- Register to receive company communications online
- Cast your Proxy Vote online for forthcoming General Meetings
- Update personal details, such as your address

Registration is quick and easy. Just visit www.investorcentre.co.uk with your Shareholder Reference Number (SRN) to hand. After registering, you may be sent an activation code in the post, used to validate your account.

Shareholder information
continued

Annual general meeting 2024
Our Annual General Meeting will be held at 2.30pm on Thursday 25 April 2024. Further details are contained in the Notice of Annual General Meeting 2024, which is available to download from our website at www.global.weir/shareholder-information/agm.

Voting
Information on how you can vote electronically on the resolutions that will be put forward at our 2024 Annual General Meeting can be obtained through our Registrar by visiting www.investorcentre.co.uk/eproxy. You will need details of the Control Number, your SRN and PIN, which can be found on the Form of Proxy or email, if you have asked to be sent email communications.

Dividends
The Directors have recommended a final dividend of 20.8p per share, for the year ended 31 December 2023. Payment of this dividend is subject to approval at the 2024 Annual General Meeting. Key dates relating to this dividend are given below.

Annual General Meeting	**25 April 2024**
Ex-dividend date	**18 April 2024**
Record date	**19 April 2024**
Mandatory Direct Credit deadline	**8 May 2024**
Payment date	**31 May 2024**

Dividend history – (pence per share)

	2016	2017	2018	2019	2020	2021	2022	2023
Interim	15.0	15.0	15.75	16.5	0.0	11.5	13.5	**17.8**
Final	29.0	29.0	30.45	0.0	0.0	12.3	19.3	**20.8**
Total	44.0	44.0	46.20	16.5	0.0	23.8	32.8	**38.6**

Important – payment of dividends by mandatory direct credit
In 2019, the Company simplified the way in which it pays dividends to Shareholders and now pays cash dividends by direct credit only. If our Registrar Computershare does not have any bank/building society details on record for you, future payments will remain unissued and you may then be charged to have your payments issued at a later date.

Paying dividends into a bank or building society account is a quicker and more secure way for your dividends to be paid directly to you. In order to receive your dividends directly into your bank account, you will need to register your bank/building society details on our Registrars' website at investorcentre.co.uk. You will need your ten digit Shareholder Reference Number (SRN), which starts with the letter C or G to log in.

This can be found on your share certificate(s) and dividend confirmation. Alternatively, you can call Computershare on the dedicated Shareholder helpline 0370 707 1402, should you have any questions about registering your payment instruction.

An Annual Dividend Confirmation detailing all payments made throughout the tax year is sent once a year either electronically or to your registered address.

International Funds Transfers
If you live overseas, Computershare offers an International Funds Transfers service that is available in certain countries. This may make it possible to receive dividends direct into your bank account in your local currency. Please note that the fees applied for this service will be automatically deducted from the proceeds before it is paid to you. For further details go to www.investorcentre.co.uk/faq/payments.

American Depositary Receipt (ADR) programme
The Company has a sponsored level 1 ADR programme in the United States. Each ADR represents 0.5 ordinary shares of 12.5 pence each, in the Company. The Company's ADR programme is administered by Citibank, who were appointed in February 2016.

ADR investor contact
Telephone: +1 781 575 4555 Citibank representatives are available from 8.30am to 6.00pm US Eastern Standard Time (EST) Monday to Friday. Email: citibank@shareholders-online.com

In writing
Citibank Shareholder Services
P.O. Box 43077
Providence,
Rhode Island 029403077

ADR broker contact
Telephone: +1 212 723 5435 /
+44 207 500 2030

Email: citiadr@citi.com

Shareholder information
continued

Dividend tax allowance
With effect from 6 April 2023, the annual tax free allowance on dividend income was reduced from £2,000 to £1,000 and will further reduce to £500 with effect from 6 April 2024.

Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. We will continue to provide registered Shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a Shareholder's responsibility to include all dividend income when calculating any tax liability.

This provision is enshrined in the Finance Act 2016. If you have any tax queries, please contact a financial adviser.

United Kingdom capital gains tax
For the purpose of capital gains tax, the market value of an ordinary share of The Weir Group PLC as at 31 March 1982 was 29.75p. This market value has been adjusted to take account of the sub-Division of the share capital whereby each ordinary share of 25p was sub-divided into two ordinary shares of 12.5p each on 28 June 1993. Rights issues of ordinary shares took place in April 1987 at 157p per share on the basis of one new ordinary share for every seven ordinary shares held, in July 1990 at 250p per share on the basis of one new ordinary share for every five ordinary shares held and in September 1994 at 252p per share on the basis of one new ordinary share for every four ordinary shares held.

Share dealing services
Shareholders have the opportunity to buy or sell The Weir Group PLC shares using a share dealing facility operated by our Registrar, Computershare. You will need to register for this service prior to using it. To access this service, go to www.computershare.com/dealing/uk.

Internet share dealing – commission is 1.4% of the value of each sale or purchase of shares, subject to a minimum charge of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. Real time dealing is available during market hours (0800 to 1630 Monday to Friday excluding bank holidays). In addition, there is a convenient facility to place your order outside of market hours. Up to 90-day limit orders are available for sales. To access the service, go to www.computershare.com/dealing/uk. Shareholders should have their SRN available. The SRN appears on share certificates and dividend documentation.

Please note that, at present, this service is only available to Shareholders in certain jurisdictions. Please refer to the Computershare website for an up-to-date list of these countries.

Registry postal share dealing service – commission is 1.4% of the value of each sale or purchase of shares, subject to a minimum of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. You can contact Computershare on 0370 703 0084. Shareholders should have their SRN ready when making the call. The SRN appears on share certificates and dividend documentation. Detailed terms and conditions are available at www.investorcentre.co.uk or by contacting Computershare. Please note this service is, at present, only available to Shareholders resident in certain jurisdictions. Please refer to the Computershare website for an up-to-date list of these countries.

These services are offered on an execution only basis and subject to the applicable terms and conditions. Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority.

This is not a recommendation to buy, sell or hold shares in The Weir Group PLC. Shareholders who are unsure of what action to take should obtain independent financial advice. Share values may go down as well as up which may result in a Shareholder receiving less than he/she originally invested.

Shareholder warning alert: unsolicited investment advice and fraud
Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. Share scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares.

These callers can be very persistent and extremely persuasive and their activities have resulted in considerable losses for some investors. Whilst usually by telephone, the high pressure sales tactics can also come by email, post, word of mouth or at a seminar. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, sell your shares at a premium or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation and take a note of any other details they provide, such as a telephone number or address.
- Check that the caller is properly authorised by the Financial Conduct Authority (FCA) by visiting www.fca.org.uk.
- Report any approach from such organisations to the FCA using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm, where you can also find out about the latest investment scams. You can also call the Consumer Helpline on 0800 111 6768.
- If calls persist, hang up.

Glossary

AGM
Annual General Meeting

AI
Artificial intelligence

Board
The Board of Directors of The Weir Group PLC

bps
Basis points

brownfield
A term used to describe existing mining operations

capex
Capital expenditure

CGU
Cash generating unit

Comminution
Crushing, screening and grinding of materials in mining and sand and aggregates markets

Company
The Weir Group PLC

Computershare EBT
Employee benefit trust (Computershare Trustees (Jersey) Limited)

Constant currency
2022 restated at 2023 average exchange rates.

Continuing operations
Continuing operations excludes the Oil & Gas Division, which was sold to Caterpillar Inc. in February 2021 and the Saudi Arabian joint venture, which was sold to Olayan Financing Company in June 2021

Director
A Director of The Weir Group PLC

EBIT
Earnings before interest and tax

EBITDA
Earnings before interest, tax, depreciation and amortisation

eNPS
A scoring system designed to help employers measure employee satisfaction and loyalty within their organisations

EPS
Earnings per share

Estera EBT
Employee benefit trust (Estera Trust (Jersey) Limited)

Excellence Committees
Management-level committees seeking to promote best practice on a variety of specialist topics

External Auditors
PricewaterhouseCoopers LLP

free cash flow
Operating cash flow (cash generated from operations) adjusted for net capital expenditure, lease payments, dividends received from joint ventures, purchase of shares for employee share plans, net interest, income taxes, settlement of derivative financial instruments, additional pension contributions and non-controlling interest dividends

GAAP
Generally Accepted Accounting Practice

GHG
Greenhouse gases

greenfield
A term used to describe new mine developments

Group
The Company together with its subsidiaries

IAS
International Accounting Standards

ID&E
Inclusion, diversity and equity

Glossary
continued

IFRS
International Financial Reporting Standards

ISO
International Organisation for Standardisation

KPI
Key performance indicator

Like-for-like
On a consistent basis, excluding the impact of acquisitions

LTIP
Long Term Incentive Plan

NGO
Non-governmental organisation

operating margin
Operating profit including our share of results of joint ventures divided by revenue

2026 operating margin target
Adjusted operating profit margin for full year ending 31 December 2026

ordinary shares
The ordinary shares in the capital of the Company of 12.5p each

Performance Excellence
A transformation programme to optimise the structure of our operations and drive synergy across our processes

PILON
Payment in lieu of notice

Registrar
Computershare Investor Services PLC

R&D
Research and development

RPI
UK Retail Prices Index

Scope 1 Emissions
Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles and process emissions.

Scope 2 Emissions
Indirect GHG emissions. Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat or steam consumed by the company and is purchased or otherwise brought into the organisational boundary of the company

Scope 3 Emissions
Other indirect GHG emissions across the value chain Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services

Scope 4 Emissions, also known as avoided emissions
Scope 4 Emissions, also known as avoided emissions, are the comparative measure between the lifecycle greenhouse gas emissions of an improved technology versus the business as usual alternative

SHE
Safety, Health and Environment

SRP
Share Reward Plan

subsidiary
An entity that is controlled, either directly or indirectly, by the Company

tCO_2e
Tonnes of carbon dioxide equivalent

TIR
Total incident rate is an industry standard indicator that measures lost time and medical treatment injuries per 200,000 hours worked

TSR
Total Shareholder Return comprising dividends paid on ordinary shares and the increase or decrease in the market price of ordinary shares

WACC
Weighted average cost of capital

WBS
Weir Business Services

Photographic references:

Cover image - CSA mine at Cobar, New South Wales, Australia

Pages 2-3 – Costa Masnaga quarry, Italy

Page 10 – Copper mine in Røros, Norway

Page 29 – Miralga Creek iron ore mine, Western Australia

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The Weir Group PLC
1 West Regent Street
Glasgow
G2 1RW