

# KPI Reporting Methodology

December 31, 2025

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## Purpose:

The purpose of this document is to communicate the Weir Group PLC (Weir/the Group)

- 1) greenhouse gas (GHG) emissions inventory accounting methodology
- 2) research and development expenditure as a percentage of revenue accounting methodology

This document serves as a resource for stakeholders to understand how the Group prepares and reports performance data used to track progress against sustainability goals.

## Greenhouse gas (GHG) emissions inventory accounting methodology

### Reporting standards

We have reported our annual scope 1&2 GHG emissions within our Annual Report and Financial Statements since 2010 and scope 3 GHG emissions since 2021. The following sets out how the GHG emission data are prepared and reported in the Weir Annual Report 2025.

Our methodology for reporting greenhouse gas emissions is prepared in accordance with:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Ed;
- The GHG Protocol Scope 2 Guidance (an amendment to the GHG Protocol Corporate Standard); and
- The GHG Protocol: The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Where useful, guidance from reputable disclosure bodies, such as CDP, is followed.

### Boundaries

We have followed the GHG Protocol when defining the organisational boundary for GHG emissions reporting. We have chosen to follow the operational control approach, whereby we account for 100% of the GHG emissions from operations over which we have control. As such, scope 1 and 2 emissions account for operations over which we have control and GHG emissions not within our operational control are accounted for under Scope 3 emissions.

Definitions:

- Scope 1 - Direct GHG emissions occur from sources that are controlled by the Group.
- Scope 2 - Indirect GHG emissions from the generation of purchased electricity and imported cooling, heat and steam.
- Scope 3 - Other indirect GHG emissions are the consequence of the Group's operations but occur from sources that are controlled by another entity other than the Group.

The primary source of the list of operational sites is the Weir Site Register alongside specific divisional updates. Our continuing operations consist of our Divisions (Minerals and ESCO) and Group functions.

Excluded from the scope 1 and 2 inventory are facilities not within the Group's operational control, specifically:

- joint venture facilities where we do not have operational control;
- facilities managed by Weir on contract to a third party with operational control;
- Weir-owned assets/equipment that are leased and operated by third parties;
- third-party operated warehouses including third party owned IT hosting locations; and
- private premises used by staff for home working.

## Base year and restatements

In accordance with the GHG Protocol, companies choose a base year to track performance ensuring relevant and consistent comparisons between periods. We have established a single base year of 2019 for Scope 1, Scope 2, and Scope 3 emissions from continuing operations to enable a comprehensive and consistent tracking of its emissions.

We review the base year and monitor the need for recalculation consistently through robust defined internal protocols. We apply a continuous improvement approach to our data collection methods as this is crucial for us to track the actions taken to reduce our emissions.

The following changes may trigger a base year and/or prior year recalculation following the guidance from the GHG Protocol:

- structural changes in the reporting organization, such as mergers, acquisitions, divestments;
- changes in calculation methodologies, reporting standards, improvements in data accuracy availability and granularity; and
- discovery of significant errors, or cumulative errors, that are collectively significant.

Where the recalculation above results in a change in the baseline or prior year total emissions of +/- 5%, this will be restated in the annual report (baseline and comparative prior year only).

### 2024 restatement

In line with above we continue to review our reporting in the light of any changes in business structure, calculation methodology and the accuracy or availability of data.

We have restated Scope 3 GHG emissions as follows:

- 2024 use of sold products, category 11 to reflect improvements in the accuracy of estimates and access to data. Specifically, we were able to utilise more granular product detail for estimate application to product categories to improve estimate accuracy.
- 2024 emissions factor changes have been applied to both the Purchased Goods and Services Category and Capital Goods Category to ensure consistency, as emission factor data sets previously used are no longer available in 2025.

## Acquisitions 2025

Acquisitions after 1st July in the reporting year will be reported in the next full reporting year due to the time required to acquire data and set up processes.

During 2025, the Group has had the following acquisition activity:

- **Micromine:** April 2025  
Acquired Micromine, a global leader in mining software solutions, delivering next generation technology across the entire mining lifecycle—from geological exploration and data management to resource estimation, mine design, planning, and production control.
- **Townley:** August 2025  
Acquired Townley Engineering and Manufacturing Co., Inc. and Townley Foundry & Machine Co., Inc. (combined “Townley”), a leading manufacturer of high-quality engineered products for minerals processing.
- **Fast2Mine:** November 2025  
Acquired Fast2 Mine Tecnologia e Desenvolvimento de Sistemas Ltda (“Fast2Mine”), a Brazil-based software provider to the mining industry, with a focus on mine management solutions.

Due to timing and as per our protocol, only Micromine activity will be included in our 2025 emissions footprint, as this occurred in the first half of 2025. There is no impact on the 2019 baseline in accordance with the re-baseline policy. Townley and Fast2Mine will be integrated into the footprint in 2026.

## Systems

### Scope 1 and 2

We have utilised the Strata system since 2019 for data collection, tracking energy efficiency projects and Group level energy and scope 1 and 2 GHG emissions reporting. Strata enables the tracking of activity data and emission factors.

In addition to the Strata system, we also use utility data aggregation software Urjanet (Arcadia Power, Inc.) to automate the collection of electricity, natural gas and water consumption data where possible.

Energy consumption data must be logged in Strata on a monthly basis or as soon as the information is available. It is often possible to automate part of this process using Urjanet which can automatically extract data from a site's electricity, natural gas and water invoices. All other energy consumption data (for example fuels and refrigerant gases) must be manually entered in to Strata by authorised site-based employees with access to relevant data.

### Scope 3

The use of sold products, category 11, forms around 98% of total scope 1,2 & 3 emissions. This process utilises actual sales data from the ERP system to validate products that contain motors as well as their motor size.

For this category of scope 3 data we have utilised an internal system, the Common Data Platform (CDP) to calculate and report GHG emissions. The CDP is a data and analytics platform based on Microsoft Azure technologies that gives data consumers a one-stop shop for data and provides them with consistent reporting and analytic capabilities. A number of datasets are available in the CDP including transactional data from ERP systems used for operational reporting.

For other categories of scope 3 emissions, data is collated from key contacts across the business and emissions are calculated in an Excel tool. We engage with a third party consultant to provide the tool and manage the annual calculations. We remain responsible for all data inputs, parameters and the applied calculations.

### Basis of calculation

We take a centralised approach to the calculation of Group GHG emissions asking that facilities and functions provide activity data only. For Group GHG reporting we calculate the GHG emissions for which we are responsible by multiplying activity data (e.g. amount of fuel used or electricity consumed) by relevant emissions conversion factors. These conversion factors allow activity data to be converted into tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). Emissions quantification is undertaken via the systems noted above.

Below describes an overview of emissions sources and a summary of the emission factor sources applied in the calculations. As a global business with multiple types of sites and operations, the data sources can vary in both format and degree of detail. Where an estimation approach is required, the best available data and calculation method is applied.

### KPI: Scope 1 and 2

Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the Group, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles and process emissions.

Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity, heat or steam consumed by the Group and is purchased or otherwise brought into the organisational boundary of the company. They are calculated using both the location and market-based methodologies, 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. To calculate location based emissions we have used emission factors from the UK Government's annual 'GHG Conversion Factors for Company Reporting' for fuels and refrigerant gases each year. Electricity emission factors applied are at the grid level for USA and Australia and at national level for all other geographies.

The market-based method captures the impact of Weir's contractual arrangements to procure renewable or low-carbon energy and energy attribute certificates. To calculate market based emissions 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 in this order for grid electricity consumption where available.

We report on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

The following table describes the range of sources of emissions reported for scope 1 and 2.

Sources (scope 1 and 2)	Group example use
Acetylene	Welding process.
Burning Oil; <i>also known as 'number 1 fuel oil', Kerosene and occasionally Paraffin</i>	Producing heat, steam or electricity. Usually burned in a furnace or a boiler and is also used as a fuel for some types of generator.
Carbon Dioxide	Moulding, refrigeration and is also used a shielding arc in the welding process.
Diesel	Producing heat, steam or electricity.
Diesel - Mobile	Vehicles
Ethanol	Vehicles or process
Fuel Oil; <i>Also known as 'number 2 fuel oil' or 'marine diesel oil'</i>	Producing heat, steam or electricity. Usually burned in a furnace or a boiler and is also used as a fuel for some types of generator.
Gas Oil; <i>Also known as 35 second heating oil, medium diesel or red diesel</i>	Producing heat, steam or electricity is used for industrial heating, plant and machinery.
Gasoline (Petrol)	Producing heat, steam or electricity.
Gasoline (Petrol) - Mobile	Vehicles
Heat	Heat could be purchased or self-generated for process or space/water heating.
Liquefied Petroleum Gas (LPG)	Producing heat, steam or electricity.
Natural Gas	Producing heat or power
Plywood	Producing heat or power
Propane	Producing heat, steam or electricity.
Propylene	Producing heat, steam, electricity or for vehicles and the welding process.
Purchased Electricity	Power
Refrigerant Gases; <i>e.g. HFC-417, HFC- 410A, HFC-407C, HFC-404A, HFC-23, HFC-134A</i>	Air conditioning, cooling and refrigeration.
Renewable Electricity - Purchased	Power purchased from a renewable source.
Renewable Electricity - Self Generated	Power generated on site from a renewable source (e.g. wind, solar etc.).
Renewable Heat - Self Generated	Heat self-generated for process or space/water from a heating for renewable source (e.g. from biofuel, biogas etc.).
Steam	Steam could be purchased or self-generated for process or space/water heating.
Sulphur Hexafluoride (SF <sub>6</sub> )	Metals smelting process, electrical insulation of circuit breakers in substations and gas insulated switchgear.
Tonnes Poured	Metal poured within a foundry. This is an emission source for ESCO foundries only however it is used as a production metric for both ESCO and Minerals.

### KPI: Scope 3

The following table describes the reported 2025 scope 3 sources of emissions and their calculation methodology.

Scope 3 sources	Data inputs	Calculations and emission factors
1. Purchased Goods & Services and Water Supply	Spend by category, Spend by supplier, Tonnages	<p><b>Spend</b> Spend-Based approach using country specific TASA 2025: Year 2023 supply chain emission factors. Weir use spend data broken down by spend category. Spend categories are mapped to an appropriate Environmentally Extended Input Output (EEIO) emission factor and spend converted into USD (2023).</p> <p>TASA 2025: Year 2023 emissions factors include margin (i.e. emissions related to the transportation of goods and services from a Tier 1 supplier to Weir) and non-margin emissions factors (i.e. the embodied emissions related to goods and services). These cannot be separated out so all emissions are attributed to PGS.</p> <p>Negative spend, which would result in negative emissions, and spend associated with activities where actual data was available and thus would be double counted, were both excluded from the calculation.</p> <p><b>Weight Data</b> Weight data is provided for the some of the materials that are used directly in the manufacturing of Weir products. Where this tonnage and an appropriate embodied carbon factor were available, emissions were calculated using Circular Ecology ICE Database (V4.1) emission factors. When emissions from weight could be calculated, this value supplanted the one calculated using the spend based methodology (see above).</p> <p><b>Water</b> Emissions from the purchase of water are calculated using actual water consumption data where available. For sites where consumption is not available this is estimated using m3 / FTE proxy values.</p> <p>Refer to '5. Waste Generated in Operations' for a detailed explanation of the calculation methodology used to calculate emissions from water.</p>
2. Capital Goods	Spend data Finance data	<p>Same spend- based approach using 1. Purchased Goods and Services calculation (above). 'CapEx' spend data is separated from above to define Capital Goods. Exclusions are made to avoid double counting and to ensure only spend relevant to capital goods is included.</p> <p>As with 1. Purchased Goods &amp; Services, TASA 2025: Year 2023 supply chain emission factors without margin (i.e. the embodied emissions related to goods and services) were then applied to the spend in USD to calculate greenhouse gas emissions.</p>
3. Fuel & Energy Related Activities	Raw fuel and energy data from scope 1 & 2	<p>Weir obtains raw data for fuel, electricity, fugitive emission and district heat &amp; steam consumption for stationary and mobile assets as identified through the Scope 1&amp;2 process. Well-to-tank (WTT) and transmission &amp; distribution emission factors are then applied to this data to calculate upstream emissions. All metrics are converted to kWh using Streamlined Energy and Carbon Reporting (SECR) factors to ensure homogeneity for applying emission factors.</p> <p>Emission factor sources are dependent on geography of operation and include:</p>

Scope 3 sources	Data inputs	Calculations and emission factors
		<p>Carbon Database Initiative (CADI) 2025  SLR Custom Factors – National Greenhouse Accounts (NGA) Factors 2025  SLR Custom Factors - US Environmental Protection Agency (EPA) 2025  Department for Energy Security and Net Zero (DESNZ) 2025  Environment and Climate Change Canada (ECCC) 2025  ESKOM 2024  International Energy Agency (IEA) 2025  NGA Factors 2025  New Zealand Ministry for the Environment (NZME) 2025</p>
<p>4. Upstream Transportation &amp; Distribution</p>	<p>Logistics data – tonne, kms  Spend data</p>	<p>Where the tonnage and distance travelled of goods transported is provided by transport type (i.e. Road, Sea, Air), tonne.km data is calculated. These tonne.km values were then applied to DESNZ 2025 emission factors for freight transport to calculate emissions. This data included the transport of goods into and out of Weir as the business paid for the transport in both instances.</p> <p>The following assumptions were made when applying emission factors to the data:</p> <p>Air: Assumed International Freight Flights for all trips.</p> <p>Sea: Assumed Container Ship, Average Load emission factor for all trips.</p> <p>Road: Assumed HGV (all diesel); All HGVs, Average Load emission factor for all trips.</p> <p>The calculation includes WTT emissions associated with the fuel used to power the vehicles used to transport goods and services. These emissions are considered optional with GHG Protocol guidance but are recommended for inclusion by the Science Based Target initiative (SBTi).</p> <p>For spend data TASA 2025: Year 2023 factors were applied to spend associated with inbound and outbound transport &amp; distribution and the resulting emissions pulled through into the upstream transportation and distribution missions summary table. This calculation follows the same spend-based approach applied to 1. Purchased Goods and Services (above).</p> <p><b>Warehousing</b>  Emissions have been calculated to represent fuel and electricity consumption in warehouses which are paid for by Weir’s customers or third parties as part its outbound logistics process. These calculations have been made based on actual floor area data and energy consumption benchmark data from the Chartered Institution of Building Services Engineers (CIBSE). Estimations have been made where actual floor data is not available.</p> <p>Electricity: Consumption is based on assumed 53 KWH per M2 per year "Good" performance Distribution Warehouse, taken from table 20.6 in CIBSE Guide F, “Energy Efficiency in buildings” (2012)</p> <p>Natural Gas: Consumption is based on assumed 114 KWH per M2 per year "Good" performance Distribution Warehouse, taken from table 20.6 in CIBSE Guide F, “Energy Efficiency in buildings” (2012)</p>

Scope 3 sources	Data inputs	Calculations and emission factors
		<p>Geographic specific emissions factors have then been applied, in accordance with scope 1&amp;2 for the estimated electricity and natural gas usage</p>
<p>5. Waste Generated in Operations</p>	<p>Employees by site Water and wastewater utility data</p>	<p><b>Waste</b> An estimation was calculated for waste-related emissions due to unavailability of raw operational waste data. Based on desk-based research of peer companies' public reports where waste data has been publicly disclosed, Weir's third party consultants have created extrapolators based on full time employees. The extrapolators estimate Weir's operational waste in each facility, based on the number of FTE's - using a kg/FTE metric. Where sites closed or opened part way through the reporting period, the percentage of time that they were open for has been factored into the estimate. An assumption has been made that all waste goes to landfill.</p> <p>Emission factors used are from DESNZ 2025.</p> <p><b>Water</b> Raw water consumption data was used for locations which had this data available. Where water consumption data was available for a site but water treatment was not, an assumption was applied to estimate water treatment emissions that this was the same.</p> <p>For operating locations with FTEs but no actual water data in the reporting year, an average water (m3) per FTE metric was derived, using a median average across locations which had this data. This median average m3/FTE was then applied to locations with no water data, to estimate water consumption based on FTEs.</p> <p>Emission factors used are from DESNZ 2025.</p>
<p>6. Business Travel</p>	<p>Spend data</p>	<p>Spend data is utilised and TASA 2025: Year 2023 emission factors have been applied to the spend data to calculate emissions. The data was obtained from the Groups travel and expense system.</p>
<p>7. Employee Commuting</p>	<p>Employees by country</p>	<p>Emissions from employee commuting and teleworking were calculated based on Weir's FTE count at different sites.</p> <p>The Group does not have a process to establish the commuting habits per employee or per site. Instead, the Group uses a percentage split of FTE working from home vs. commuting to site per week. This creates work from home ratios (1= commuting every day, 0 = working from home every day), disaggregated by country and corporate division. Sites are given work from home ratios based on their associated country and corporate division, regardless of business activity.</p> <p>The number of days employees worked on average was calculated by the difference between the total number of business days per annum (assumed to 252 for all sites) and total number of holidays day per annum (assumed to 25 days for all sites).</p> <p>Also, the Group distinguishes between employees and consignment workers and consignment workers were assumed to work on site every day, and workers associated with home offices were assumed to work from home every day.</p> <p>An assumption has been made that commuting habits during the current reporting period are similar to those in the previous reporting period, and that commuting habits at facilities within the same country are similar. As such, the same work from ratios as the prior period have been applied.</p>

Scope 3 sources	Data inputs	Calculations and emission factors
		<p>After calculating the 'Commuting FTE' and 'Teleworking FTE' using the above methodology, emissions are calculated using the following formula:</p> <p><i>Number of days employees worked on average * Commuting/Teleworking FTE * Commuting/Teleworking Emission Factor (kgCO<sub>2</sub>e/FTE/day).</i></p> <p>Employee commuting emissions were calculated using national average data for travel modes taken by commuters and related distance travelled(sourced via Numbeo.com), combined with emission factors for different travel modes taken from DESNZ.</p> <p>Teleworking emissions were calculated based on a variety of assumptions relating to the average energy consumption of teleworkers in different countries/regions (sourced via Anthesis guide 'Estimating energy consumption &amp; GHG emissions for remote workers and Worldometer.com) using appropriate emission factors for Natural Gas and Electricity for each country/region (see Scope 1 &amp; 2).</p> <p>The calculation includes WTT and transportation and distribution emissions associated with the fuel and electricity used to power commuting vehicles and homes. These emissions are considered optional with GHG Protocol guidance but are recommended for inclusion by the Science Based Target initiative (SBTi).</p>
8. Upstream leased assets	Estimation based on employees	Estimates have been made for Upstream leased assets by creating a kWh per FTE intensity metric based on sites identified as 'Office' in the site register. Separate intensity metrics have been calculated for each business division and applied to the FTE associated with upstream leased assets. Geographic specific emissions factors have then been applied, in line with scope 1&2 for the estimated electricity and natural gas usage.
9. Downstream Transportation & Distribution	Spend data Logistics data	<p><b>Warehousing</b> Emissions have been calculated to represent energy consumption in warehouses which are paid for by Weir's customers or third parties as part of its outbound logistics process. These calculations have been made based on actual floor area data and energy consumption benchmarks data from CIBSE.</p> <p>Electricity: Consumption is based on assumed 53 KWH per M2 per year "Good" performance Distribution Warehouse, taken from table 20.6 in CIBSE Guide F, "Energy Efficiency in buildings" (2012)</p> <p>Natural Gas: Consumption is based on assumed 114 KWH per M2 per year "Good" performance Distribution Warehouse, taken from table 20.6 in CIBSE Guide F, "Energy Efficiency in buildings" (2012).</p> <p>Geographic specific emissions factors have then been applied, in accordance with scope 1&amp;2 for the estimated electricity and natural gas usage</p>
11. Use of Sold Products	Sold products, actual and estimations of motor size, assumptions on utilisation and country/	Sold products in this category include all sold machinery with motors that produce emissions. To capture raw data, Weir interrogated all sales data pulled into the CDP (see further explanation in section titled - Systems). Emissions are recognized in the year of reporting using the goods issued date within the sales data. All sold machinery with the following associated data is included: motor power rating in kW, machine brand, operating location, date of shipment, and estimated date of operation.

Scope 3 sources	Data inputs	Calculations and emission factors												
	region of sale.	<p>Data for one product line is manually uploaded into the CDP system, due to the need to differentiate the fuel source used. Annualised power consumption was calculated based on date of shipment. The annualised power consumption was then multiplied by a product specific lifetime (range 8-20 years), which is the assumed use-phase (lifetime energy consumption).</p> <p>Country specific location-based emission factors were then applied based on the ship to country location from IEA 2025, DESNZ 2025, NGAF 2025, USA EPA 2025, CADI 2025 and where no emissions factors were available a custom factor was created by SLR Consulting.</p> <p>Below is a worked example of a calculation conducted in the CDP:</p> <p>(Nameplate power)*(Annual Utilisation)*(Nameplate factor)<sup>24</sup>*(365)/(Efficiency)  <math>710 * 0.90 * 0.95 * 24 * 365 / 0.87 = 6,112,366 \text{ kWh}</math>            Emission factor = 0.81 kg CO<sub>2</sub>e/kWh  <math>6,112,366 * 0.81 / 1000 = 4,951 \text{ tCO}_2\text{e}</math></p> <p>The utilisation rules, nameplate factor, efficiency and useful life assumptions are informed by technical experts within Weir and reviewed on an annual basis. For 2025 the following have been applied:</p> <table border="1" data-bbox="564 976 1211 1171"> <thead> <tr> <th></th> <th>Lower Range</th> <th>Higher Range</th> </tr> </thead> <tbody> <tr> <td>Annual Utilisation</td> <td>37%</td> <td>95%</td> </tr> <tr> <td>Nameplate factor</td> <td>70%</td> <td>100%</td> </tr> <tr> <td>Efficiency</td> <td>80.80%</td> <td>96.4%</td> </tr> </tbody> </table> <p>Weir provides services to customer sites across Canada. Emissions associated with these facilities have been based on actual energy &amp; fuel consumption data which has been extrapolated. Emissions are &lt;1% of this category.</p>		Lower Range	Higher Range	Annual Utilisation	37%	95%	Nameplate factor	70%	100%	Efficiency	80.80%	96.4%
	Lower Range	Higher Range												
Annual Utilisation	37%	95%												
Nameplate factor	70%	100%												
Efficiency	80.80%	96.4%												
12. End of Life Treatment of Sold Products	Spend by category Spend by supplier Tonnes (ESCO only)	<p>Purchased goods and services tonnage data was used as proxy for the materials sold in the reporting year. For example, if 10,000 tonnes of steel plate were purchased in the reporting year, it was understood that 10,000 tonnes of steel plate would be disposed of by customers (not accounting for wear). For certain product lines a 'wear factor' was applied to all materials which were incorporated into the products. Other materials had a wear rate of 100% (i.e. they did not lose any material). Materials were assumed to be 100% recycled unless they were unable to be recycled in which case they were assumed to be 100% landfilled.</p> <p>Where purchased goods and services tonnage data was not available for the reporting year, an estimation was applied based on tonnage data from 2021. Total purchased goods and services spend from 2021 and 2025 was compared to find YoY change. This percentage change was applied to material weight from 2021 to estimate tonnage in 2025. Metals were assumed to be 100% recycled whilst plastics were assumed to be 100% sent to landfill.</p> <p>For all of the above, DESNZ 2025 waste emission factors were applied to the material weight to calculate emissions.</p>												
13. Downstream leased assets	Sold products, estimations of motor size,	Weir has a very small amount of activity leasing equipment to customers. Emissions associated from leased equipment has been estimated and energy usage has been calculated by averaging pump sales in year.												

Scope 3 sources	Data inputs	Calculations and emission factors
	assumptions on utilisation & country/region of sale.	Appropriate geographic emissions factors have then been applied based on market share.
15. Investments	Fuel and energy consumption data	<p>Emissions have been calculated from Weir's 50% joint venture (JV) investment. Actual fuel and energy consumption data is tracked annually as part of Weir's central data collection system, and a 50% share of this is allocated to Weir in alignment with its JV share in the reporting year.</p> <p>Optional WTT &amp; transportation and distribution emissions have been calculated for this site.</p>

### Scope 3 – excluded emission categories

The following scope 3 categories have been assessed as not relevant as they were all considered to make no contribution to our scope 3 emissions. As such, they are not applicable to the calculation methodology:

- Processing of sold products: Weir products are sold directly to the end user.
- Franchises: Weir does not have Franchises.

If any significant business changes, as with the baseline and restatement policy, the relevance of excluded emission categories will be reassessed.

## KPI: Research and development expenditure as a percentage of revenue reporting methodology

### Definitions

Development: Development expenditure relates to the use of scientific or technical knowledge to produce new materials, devices, products or services or to install new processes or systems prior to the commencement of commercial production or commercial applications.

Research: Research expenditure means expenditure falling into the following categories:

- pure (or basic) research: experimental or theoretical work undertaken primarily to acquire new scientific or technical knowledge for its own sake rather than directed towards any specific aim or application; and / or
- applied research: original or critical investigation undertaken in order to gain new scientific or technical knowledge and directed towards a specific practical aim or objective.

Revenue: Revenue from continuing operations as reported in the Consolidated Financial statements of the Group under International Financial Reporting Standards (IFRS).

### Systems

R&D financial data is collected and reported via the ERP systems across the business.

### Basis of calculation

Research and development (R&D) expenditure classification will generally be analysed on a project basis i.e. assess if the project meets the definition for R&D activity, and if so, include all related personnel time and general overheads attached to project.

Employee time is included when the employee is allocated to a relevant R&D department and/or project. The allocation may be 100% of their time, and their related expenses, or may be applied proportionally based on their contribution to the project/department.

R&D expenditure includes:

- expense and labour investments in major projects or processes;
- advanced research projects for products, process, and materials;
- new product development for products (physical and digital), process, and materials;
- facility and technical support for research and development activities;
- product development related engineering costs;
- intellectual property costs associated with product R&D; and
- product optimisation that drives direct substantial benefit to the customer.

Other circumstances may be classified as R&D expenditure out with R&D project teams where it meets the definitions set out above. For example manufacturing activity that results in innovative solutions to solve problems in production.

Standard inclusions and exclusions are aligned with our accounting policies for reporting R&D costs, please see the Consolidated Financial Statements (page 182).