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**VESUVIUS plc****Anti-Corruption and Bribery Policy****GUIDELINES ON BUSINESS CONDUCT IN ORDER TO PREVENT BRIBERY AND CORRUPTION****1.0 Introduction**

- 1.1 This Policy has been produced to provide guidance on business ethics. It supplements the principles set out in the Code of Conduct to show that all Vesuvius entities operate fairly, transparently and with integrity.

**The aim of this policy is to:**

- i) ensure that Vesuvius plc and its subsidiaries ("Vesuvius") comply fully with all applicable laws and operate to ethical standards wherever they conduct business; and
- ii) set out our responsibilities, and those working for us, in observing and upholding our position on bribery and corruption; and
- iii) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

**2. Scope**

- 2.1 These Guidelines apply to all employees of Vesuvius, and where appropriate, to third parties performing services for Vesuvius.
- 2.2 These Guidelines apply throughout the Group irrespective of the country where business is conducted and/or a particular business unit is situated. The principles contained in these Guidelines must be applied in all countries, even if they are more stringent than local law. Where local laws are more stringent than these Guidelines, then they must also be complied with.
- 2.3 Everyone at Vesuvius must show that all business is performed to the highest ethical standards and complies both with these Guidelines and all applicable laws.

**3. Policy**

- 3.1 No one at Vesuvius will engage in any form of bribery.
- 3.2 A "bribe" is the promise of money, reward, favour or a benefit to a person or public official<sup>1</sup> in order to influence the conduct or judgement of that person.

In particular, no Vesuvius employee will

- (i) Offer any bribe to any person;

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<sup>1</sup> "Foreign public official" means an individual who (a) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside the United Kingdom (or any subdivision of such a country or territory), (b) exercises a public function (i) for or on behalf of a country or territory outside the United Kingdom (or any subdivision of such a country or territory), or (ii) for any public agency or public enterprise of that country or territory (or subdivision), or (c) is an official or agent of a public international organisation.

- (ii) Accept any bribe; and/ or
- (iii) Engage in any form of indirect bribery by offering or receiving any bribe through third parties.

#### **4. Compliance and Oversight**

- 4.1 VP Finance of the relevant business unit are responsible for implementing these Guidelines and enforcing them. They must advise on and approve payments, gifts and expenses in accordance with these Guidelines. Internal Audit will monitor the implementation of the Guidelines and will test compliance. The Group Legal Department is also available to answer any questions.

#### **5. Third Parties**

- 5.1 In this policy, third parties means any individual, persons or organisation performing services for Vesuvius or on behalf of Vesuvius and includes actual or potential clients, customers, suppliers, distributors, business contacts, agents, advisers and government and public bodies, including their advisers, representatives and officials, politicians and political parties.
- 5.2 Vesuvius could be held responsible for acts of bribery by its intermediaries such as distributors, agents, advisers, consultants and other third parties. All agents and third parties acting on behalf of Vesuvius must comply with all applicable laws. In addition they must be made aware of these Guidelines, to promote better business conduct generally.
- 5.3 Agents and Distributors must be appointed according to the appropriate policy which includes carrying out appropriate due diligence checks on them (See Policy on Appointing Agents).
- 5.4 Third parties must not be used to perform acts that violate these Guidelines or applicable local laws.

#### **6. Gifts and Entertainment**

- 6.1 Gifts and entertainment must only be offered and accepted for proportionate social and business purposes at a level appropriate to the status and seniority of those involved.
- 6.2 The test when considering gifts and entertainment (whether giving or receiving them) is whether they could be intended, or even be reasonably interpreted, as a reward or encouragement for a favour or for preferential treatment - if they could be, then they are not permitted under these Guidelines.
- 6.3 Gifts must be given openly, unconditionally, must be of modest value and must comply with the expenses policy of the relevant business unit. Gifts and entertainment must never be offered or accepted to obtain or retain business or for reward or inducement.
- 6.4 Any deviations from the Guidelines or the expenses policy of the business unit must be approved in advance in writing by Senior Management.
- 6.5 All proposed offers of gifts and hospitality exceeding certain limits or made to government officials and corporate entities or a person or entity for the benefit of such an official must be approved in advance by Senior Management as provided for

in the Group's gift and hospitality register. The approval or rejection of the request by Senior Management will be documented in the Group's gift and hospitality register.

## 7. Charitable Donations

- 7.1 Charities and donations could potentially be used as a conduit for bribes. Where Vesuvius supports charities, particularly those in its local communities, this must not be made at the request of customers and/or business partners, unless approved in advance in writing by Senior Management. Charitable donations whether made in cash or by way of contribution to charitable events, publications or fundraising initiatives must be approved in advance by Senior Management.
- 7.2 Vesuvius forbids gifts or donations to political parties.

## 8. Facilitation Payments

- 8.1 Facilitation payments are not permitted by these Guidelines. Facilitation payments are payments made to secure or expedite the performance of a routine action by a government official or agency (e.g. issuing licences or permits, processing goods through customs).
- 8.2 There are circumstances where Vesuvius must **by written law**<sup>2</sup> pay for the services of public officials e.g. customs clearances or visits from the environmental regulators. We expect such officials to fulfil their legal and regulatory duty and that any fee paid has a legal basis. Where possible, documentary evidence of the necessity for these payments should be obtained before any such payment is made together with a receipt. Additional payments or gifts must not be made to such officials.

## 9. Potential consequences of failing to comply with these Guidelines

- 9.1 The potential consequences of not complying with these Guidelines may include the following:
- 9.1.1 For Vesuvius:
- Fines of an unlimited amount;
  - Repayment of any profits received;
  - Termination of contracts;
  - Prohibition from bidding for certain contracts, and
  - Reputational damage.
- 9.1.2 For You:
- Fines - which may be of an unlimited amount and which will not be paid by the Company on behalf of the individual;
  - Detention and disciplinary action; and
  - Imprisonment - typically 5-10 year sentences.

Vesuvius will give its full support to anyone refusing to pay a bribe whatever the inconvenience, loss of business or extra costs involved for Vesuvius. However, in all circumstances, you must not take any step which is likely to endanger either your or another person's safety.

## 10. Breaches or potential breaches of these Guidelines

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<sup>2</sup> Not custom and practice

- 10.1 All employees are encouraged to raise concerns about any actual or suspected cases of bribery and corruption at the earliest possible stage.
- 10.2 Where anyone believes the Guidelines are not being complied with or they are being asked to carry out any act not in compliance with these Guidelines, these concerns must be raised immediately with the immediate superior. If the immediate superior is not the appropriate person, then the employee's concerns must be brought directly to the attention of Senior Management, VP Finance of your business unit or the Group Legal Department. You may also report a suspected violation of these guidelines through the Vesuvius Employee Business Concern Helpline.
- 10.3 Further Alerts or "red flags" that may indicate bribery or corruption are set out in the Schedule at the back of this policy

### **11. Training/further guidance**

- 11.1 Selected employees will be required to attend a dedicated presentation explaining the policy and the regulatory context (illustrated with practical examples) and to complete an online training programme supplementing the information in these Guidelines. If you are not selected but would like to receive training please contact your VP Finance.

### **12. Questions**

- 12.1 If you have any questions regarding these Guidelines, please contact either your line manager or the VP Finance of your business unit. If there are any queries that cannot be addressed by the relevant line manager or Senior Management, then the VP Finance will be able to refer to the Group Legal Department.

**Schedule: Potential Alerts or “Red Flags”:**

The following is a list of possible Alerts that may arise during the course of you working for Vesuvius and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for Vesuvius, you must report them promptly to Senior Management, VP Finance or Group Legal Department:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.