

Vesuvius Statement on the Prevention of Slavery and Human Trafficking (2022)

Our business

Vesuvius plc is a public limited company, listed on the London Stock Exchange, and a constituent of the FTSE 250 index. Vesuvius develops and manufactures high-technology products and solutions for supply to the steel and casting industries under the brand names Vesuvius and Foseco. Vesuvius has a global presence with operations in 41 countries. Vesuvius has 75 sales offices, 54 production sites and places industry experts at many customer locations. Vesuvius' business is operated through 2 divisions – Steel and Foundry – with the Steel Division organised around three product lines – Steel Flow Control, Advanced Refractories and Digital Services. For more information on Vesuvius' business please refer to our [2021 Annual Report](#).

Vesuvius is committed to protecting the health and safety of our employees, customers, suppliers, contractors, visitors and others affected by our operations. We do not condone Slavery or Human Trafficking. We will never knowingly engage in these activities in our own business and will not tolerate them if we find them within our supply chain. Vesuvius' [Code of Conduct](#) expressly prohibits forced or child labour in our operations. This is supported by our [Human Rights Policy](#) which reflects the principles contained within the United Nations Universal Declaration of Human Rights, the International Labour Organisation's Fundamental Conventions on Labour Standards and the United Nations Global Compact.

Our supply chain and purchasing procedures

Vesuvius sources raw materials, other tradeable goods and ancillary supplies for our manufacturing processes on a global, regional and site-specific basis. The Group VP Procurement and his team are responsible for purchasing identified categories of major raw materials used across the Group, together with the procurement of logistics. Our largest purchasing spend is raw materials (predominantly in the form of high-quality technical grade treated minerals and chemicals) the majority of which is organised, monitored and controlled by Global Category Directors, reporting to the Group VP Procurement. Individuals within the Group Purchasing organisation are also responsible for global logistics procurement, supplier quality and development, procurement intelligence and standardisation of purchasing processes. All purchasing of goods and services not undertaken at the Group level is undertaken by the Business Units and local sites, being sourced from both global and local suppliers. Operational responsibility for integration of modern slavery considerations into business practices is held by our purchasing professionals, at Group and business unit level.

We completed the review of our standard supplier contracting terms in 2018, with the updates fully implemented in early 2020. The changes enable the Company to withdraw from supply relationships if modern slavery concerns are identified in the supply chain and cannot be resolved.

Under our supplier assessment programme, we engage with suppliers on their business practices to ensure quality and security of supply to Vesuvius. During 2020 we initiated a programme to introduce supplier due diligence with respect to Environment, Social and Governance issues engaging an external rating agency to support this. This ongoing roll out includes our larger suppliers and those identified as higher risk during our Modern Slavery Risk Assessment.

Risk Assessment

We have previously conducted a risk assessment of our purchasing activities seeking to identify, by location and industry, where we consider the potential risks of modern slavery to be the highest in our supply chain. This increased

our understanding of the potential risk areas and assisted us in strengthening our oversight and procedures. Our risk assessment identified 4 industries that pose a higher risk of modern slavery for Vesuvius;

1. Mining and Extractive industries (raw materials)
2. Textiles (PPE & work clothing)
3. Transport and packaging
4. Maintenance, cleaning, agricultural work and food preparation

Our modern slavery risk assessment is reviewed regularly to update for business changes and input from across our business. As part of this review, we reconsider our assessment of the higher risk industries for Vesuvius. Our current assessment remains consistent with the understanding established in the initial risk assessment conducted in 2016.

Actions in 2021

Mica

Vesuvius is committed to working only with suppliers that respect the UN Global Compact's 10 principles, and in particular do not employ child labour. As the mica industry has been widely recognised as a risk in this respect, we have engaged in a process of verifying our supplier base. In 2021, we contacted all our suppliers of Mica, asking for written confirmation that they are not using child labour. Upon analysis of their replies, we asked suppliers to undergo sustainability assessments, with a focus on human rights. By year end, suppliers representing 96.6% of our mica spend had confirmed not employing any child labour and had completed or were in the process of undergoing a Sustainability Assessment. We have exited our relationships with those suppliers not willing to undergo the Sustainability Assessment.

Sustainable Procurement Policy

During 2021, a specific Sustainability Procurement Policy which outlines key criteria for suppliers was approved and deployed. The policy uses the Group Procurement's 'Request for Quotation' (RFQ) process to engage a significant number of Vesuvius suppliers and is provided in conjunction with the Vesuvius Terms and Conditions of Purchase. For suppliers to participate in the RFQ, they are obliged to accept and agree to the terms of the [Sustainability Procurement Policy](#), as it forms an addendum to Vesuvius' standard contract clauses. In 2021 164 suppliers representing a spend of £71.5m formally agreed to comply with the policy

The policy applies to all suppliers of goods and/or services either used in our manufacturing processes and/ or sold directly by us to customers, including Tolling and Resale suppliers. It applies to suppliers, their agents, and their sub-contractors. Once accepted, it is the responsibility of the supplier to verify and monitor compliance against this policy – both for their operations and those of any sub-contractors. Compliance with the requirements in the policy is a key consideration in the selection of suppliers.

The major elements of the policy are: – Employees and human rights – Ethical and compliant business practices – Environment – Quality – Business continuity – Documentation and Verification encompassing Supplier due diligence and Supplier assessments

Supplier sustainability assessments

As part of our sustainability agenda, Vesuvius has implemented a Supplier Sustainability Assessment programme, setting targets for the proportion of the total raw material spend value covered by the assessment. Vesuvius has

partnered with an independent third-party service provider – EcoVadis – to rate our raw materials suppliers using a detailed set of criteria. These cover four themes and 21 criteria based on international standards: Labour & Human Rights; Ethics; Environment; and Sustainable Procurement.

Group procurement and regional procurement teams support the programme. 84 employees from these teams have received training on supplier sustainability assessments (72% of the target group). The Board set a target of assessing at least 50% of our raw material spend by the end of 2023 using criteria such as supplier size and risk metrics (including country, category of raw material, availability of alternative sources, delivery, and quality performance) to identify participants

We progressed well against our target, and during 2021, 131 suppliers joined the programme, representing 52% of the Group's raw material spend. We have initiated a process of corrective and preventative actions to support our suppliers' Corporate Social Responsibility (CSR) capacity building and assessment scores. Of the rated suppliers, 16% did not meet the minimum score defined by Vesuvius and were asked to implement improvement actions within a three-year timeline.

Training

A Group-wide modern slavery training programme targeting senior purchasing employees to raise awareness of the issues, was previously launched, briefing management on the different types of human rights abuses, higher risk industries for Vesuvius and providing them with information to assist them in identifying the warning signs of slavery and human trafficking. Since 2017 we have utilised an online training course to supplement this initial awareness training. Supplier facing employees are enrolled into the online training which covers our policies on human rights, industry sector risks, key warning signs, 'red flags', supplier on-boarding protocols and instructions on how to escalate concerns. In addition, our ongoing programme of compliance training given to management globally includes Modern Slavery risks and red flags, with management requested to disseminate this information to their teams.

Reporting concerns

We continue to encourage our employees to remain vigilant to potential modern slavery and human trafficking abuses and escalate any concerns they may have with respect to these issues. Employees can report their concerns to management or through the independent 'Speak up' helpline, where reports are reviewed and investigated independently. We will continue to seek improvements in our knowledge and remain vigilant to potential areas of heightened risk and investigate concerns raised. Where issues are highlighted through business channels these are required to be escalated to senior management for review and resolution. As with all incident reporting, individuals who raise concerns on modern slavery in good faith will never be the target of retaliation.

Looking ahead

During 2022, we aim to review, refine and assess the effectiveness of our Modern Slavery Risk Assessment through further country and product assessments. We will continue to engage with our external supplier rating agency with a continued focus on those suppliers in identified higher risk jurisdictions or categories. This review will be conducted by Group Purchasing and local purchasing teams, together with further engagement with EcoVadis in assessing our suppliers.

UK entities

This statement and the actions taken apply to Vesuvius plc and its subsidiaries, the specific UK entities that meet the reporting threshold are noted below;

- Vesuvius plc
- Vesuvius UK Limited

This statement was reviewed and approved by the Boards of Directors of Vesuvius plc and Vesuvius UK Limited on 26 July 2022 and signed on their behalf by:

John McDonough CBE
Chairman
Vesuvius plc

Patrick Andre
Chief Executive
Vesuvius plc

Henry Knowles
Director
Vesuvius UK Limited