Governance

Chairman's governance letter

Dear Shareholder,

On behalf of the Board, I am pleased to present Vesuvius' Corporate Governance Statement. This Statement provides investors and other stakeholders with an insight into the governance structure and activities of the Board and its Committees during the year. It also describes how the Group has complied with the Principles of the UK Corporate Governance Code during 2024. The table on page 79 signposts where detailed information on each section of the Code (and associated Principles) can be found. The Board of Vesuvius plc is committed to maintaining high standards of governance and to continuous improvement to reflect ongoing best practice.

The Board's key focus in 2024 was on continuing to support management to further develop the Group's strategy. In November, it approved the purchase of a 61.65% stake in PiroMET, a Turkish business, which strengthens our Advanced Refractories business in the fast-growing region of EEMEA.

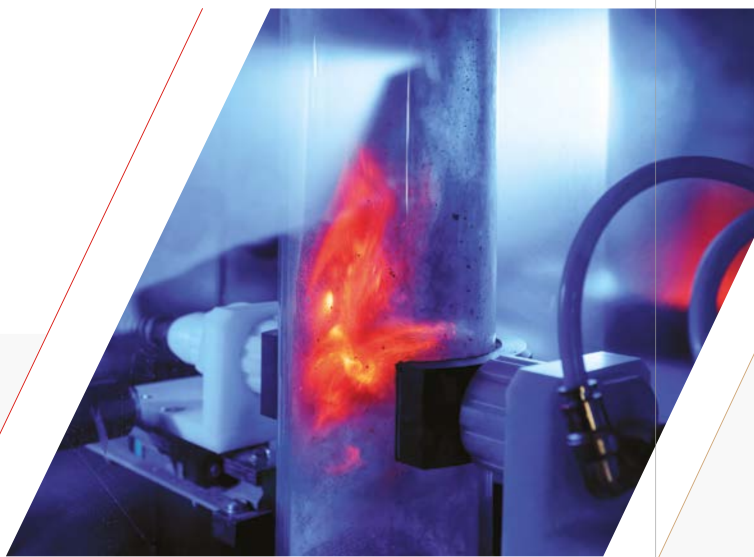
Following the successful completion of our £50m share buyback programme in August, we launched a second £50m share buyback programme at the end of the year, to deliver on our promise to return cash to shareholders.

Alongside this strategic focus, the Directors also oversaw the continued refreshment of the Board during 2024. We welcomed Eva Lindqvist and Italia Boninelli to the Board on 15 May 2024 and 1 June 2024, respectively. Eva assumed the role of Senior Independent Director when Douglas Hurt retired from the Board at the close of the 2024 AGM and Italia took over as Remuneration Committee Chair when Kath Durrant stepped down from the Board on 31 July 2024.

Yours sincerely

Carl-Peter Forster
Chairman
5 March 2025

In this section



Board of Directors

Carl-Peter Forster

Chairman

Appointed to the Board 1 November 2022, and as Chairman on 1 December 2022

Two years on the Board

- Extensive board experience as Chairman and Chief Executive within international listed companies
- Proven strategic and operational skills gained in complex multinational industrial goods and engineering businesses
- Global commercial and engineering experience, including expertise in operational excellence and lean manufacturing

Current external appointments

Carl-Peter is Chair of Keller Group plc and Senior Independent Director at Babcock International Group plc. He is also Chairman of StoreDot, Director of The Mobility House AG, Gordon Murray Group Ltd, Envisics Ltd, Lead Equities Fund Management GmbH and associated companies and serves as a Director on the advisory board of Kinexon GmbH.

Career experience

Carl-Peter has spent the majority of his career holding senior leadership positions in some of the world's largest automotive manufacturers, including BMW, General Motors and Tata Motors (including Jaguar Land Rover). Since he stepped down from Tata Motors in 2011, he has served as a director on a wide variety of public and private company boards, including IMI plc from 2012–2021, Rexam plc from 2014–2016 and Geely Automotive Holdings, Hong Kong, as well as Volvo Cars Group from 2013–2019. He served as Chairman of Chemring Group plc from July 2016 to 30 November 2024.

Patrick André

Chief Executive

Appointed to the Board 1 September 2017

Seven years on the Board

- Global career serving the steel industry
- Strong background in strategic development and implementation
- Customer focus and proven record of delivery, with strong commercial acumen
- Drive and energy in promoting his strategic vision

Current external appointments

None.

Career experience

Patrick joined the Group as President of the Vesuvius Flow Control Business Unit in 2016, a role which he occupied until his appointment as Chief Executive in September 2017.

Before joining the Group, Patrick served as Executive Vice President Strategic Growth, CEO Europe and CEO for Asia, CIS and Africa, for Lhoist company, the world leader in lime production. Prior to this, he was CEO of the Nickel division, then CEO of the Manganese division of ERAMET group, a global manufacturer of nickel and special alloys.

Mark Collis

Chief Financial Officer

Appointed to the Board 1 April 2023

One year on the Board

- Wealth of international operational experience and leadership skills
- Complements the strong performance-oriented culture and the skills of the management team
- Respected leader for the finance and IT functions

Current external appointments

None.

Career experience

Mark was previously Chief Financial Officer of the Operations business of John Wood Group PLC. He has over 20 years of senior financial experience in a number of international businesses including Amec Foster Wheeler plc and Expro International Group. Mark is a Chartered Accountant qualified with the ICAEW.

Changes to the Board during the year

The Directors named were in office during the year and up to the date of this Annual Report, with the exception of Eva Lindqvist who joined the Board on 15 May 2024 and Italia Boninelli who joined the Board on 1 June 2024.

Douglas Hurt stepped down as Senior Independent Director and Chair of the Audit Committee at the close of the 2024 AGM, held on 15 May 2024. Kath Durrant stepped down as Chair of the Remuneration Committee on 31 July 2024.

Key to Board Committee membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

Engagement with the workforce

E Carla Bailo serves as the designated Non-executive Director responsible for workforce engagement.

* Cevian Capital is a shareholder of Vesuvius plc and, at 5 March 2025, held 22.71% of Vesuvius' issued share capital.

Eva Lindqvist

Senior Independent Director (SID)

Appointed to the Board 15 May 2024

Nine months on the Board

- Strong engineering background
- Broad management skillset in the industrial and service sectors
- Experienced UK governance professional
- Proven management and leadership skills in multinational businesses

Current external appointments

Eva currently supports several small companies and non-profit organisations, and serves as a Non-executive Director of CLS Holdings plc, Greencoat Renewables plc and Tele2 AB.

Career experience

Eva is an engineer with more than 35 years' experience in global industrial and service businesses. She spent 20 years with Ericsson, focusing on strategy, production development and international sales, and then became Senior Vice President and Chief Executive of Telia. She has served on the board of a range of listed companies including Acast AB, Bodycote plc, Keller Group plc, Mr Green & Co AB, Sweco AB and Tarsier AB. She is a member of the Royal Swedish Academy of Engineering Sciences.

Carla Bailo

Non-executive Independent Director

Appointed to the Board 1 February 2023

Two years on the Board

- Strong engineering and product management experience
- Research and development background from more than 40 years in the automotive industry
- International experience and extensive knowledge of US markets

Current external appointments

Non-executive Director of Advance Auto Parts, Inc., SM Energy Company and the Gatik Safety Advisory Council.

Career experience

Carla was President and CEO of the Center for Automotive Research (CAR) in the USA for five years, until 2022. Prior to joining CAR, Carla was Assistant Vice President for Mobility Research and Business Development at The Ohio State University. She spent 25 years at the Nissan Motor Company, culminating as Senior VP, R&D, Americas and Total Customer Satisfaction. Carla served as Non-executive director of EVe Mobility Acquisition Corp. until 21 February 2024. She is certified by the National Association of Corporate Directors and has a certification in cybersecurity from the Digital Directors Network.

Italia Boninelli

Non-executive Independent Director

Appointed to the Board 1 June 2024

Nine months on the Board

- Experienced HR practitioner with a broad range of international experience
- 30+ years' experience of people management
- Proven management and leadership skills

Current external appointments

None.

Career experience

Italia has served as a strategic human resources director in a variety of industries (including mining, healthcare and financial services), most recently at AngloGold Ashanti and Gold Fields Ltd. Her roles have included responsibility for employees across South Africa, Australia, the United States, UK, Germany, Belgium, Hong Kong and several Latin American countries. She served as a Non-executive director and member of the remuneration committee of Polymetal International PLC from 2019 until 2022.

Dinggui Gao

Non-executive Independent Director

Appointed to the Board 1 April 2021

Three years on the Board

- Strong operational experience driving performance in multinational companies
- Proven track record of leadership and international commercial experience
- Strong focus on technology and in-depth knowledge of Asian markets

Current external appointments

Operating Partner CITIC Capital Holdings Ltd.

Career experience

Dinggui has 40 years of operational experience having worked in multinational companies including Bosch, Honeywell, Eagle Ottawa and Sandvik AB. Between 2017 and 2021 he was Managing Director, China of Formel D Group, the German global service provider to the automotive and components industry. Until June 2024 he was a Non-executive Director of Intramco Europe B.V.

Friederike Helfer

Non-executive Director

Appointed to the Board 4 December 2019

Five years on the Board

- An experienced strategist, with strong analytic capability
- Commercial acumen and a strong track record of working with a portfolio of companies to identify scope for operational and strategic improvement

Current external appointments

Partner of Cevian Capital.*

Career experience

Friederike is a Partner of Cevian Capital. She joined Cevian in 2008 and served as a Non-executive Director on the boards of thyssenkrupp AG from 2020 to 2023 and Valmet Oyj from 2013 to 2017. These are both companies in which Cevian was also invested. Prior to joining Cevian, Friederike worked at McKinsey & Company. She is a CFA Charterholder.

Robert MacLeod

Non-executive Independent Director

Appointed to the Board 1 September 2023 and as Chair of the Audit Committee from AGM 2024

One year on the Board

- Qualified Chartered Accountant, with significant experience in large multinational companies
- Knowledgeable corporate and operational finance professional
- Wealth of general management and financial leadership experience

Current external appointments

Non-executive Director and Chair of the Remuneration Committee of RELX PLC, Non-executive Director and Chair of the Audit and Risk Committee of Balfour Beatty plc, Non-executive Director of the British Standards Institution, and Non-executive Member of the Defence Science and Technology Laboratory.

Career experience

Robert served as CEO of Johnson Matthey PLC from 2014 to 2022 and Group Finance Director from 2009 to 2014. Prior to this he worked at WS Atkins PLC, latterly as Group Finance Director.

Group Executive Committee

Patrick André

Chief Executive

Nine years with the Group

For biographical details, please see the Board of Directors on page 76.

Mark Collis

Chief Financial Officer

One year with the Group

For biographical details, please see the Board of Directors on page 76.

Karena Cancilleri

President, Foundry

Five years with the Group

Appointed President, Foundry in October 2019. Karena joined the Group from Beaulieu International Group, where she served for six years as VP Engineered Products and latterly President Engineered Products. She has a breadth of managerial experience spanning various international leadership roles in companies such as FiberVisions, Kraton Corporation and Shell.

Karena is based in London, UK.

Pascal Genest

President, Flow Control

Four years with the Group

Appointed President, Flow Control in January 2021. Pascal joined the Group from GFG Alliance where he held the position of CEO Liberty Ostrava in the Czech Republic. Prior to this he was CEO of SULB in Bahrain. Pascal has 20 years' experience working in the steel industry, mainly with ArcelorMittal. He has also worked in consulting, in private equity and in the aluminium industry.

Pascal is based in London, UK.

Nitin Jain

President, Advanced Refractories

Three years with the Group

Appointed as Deputy President, Advanced Refractories on 1 July 2024. He subsequently assumed the role of President, Advanced Refractories, in January 2025. Nitin joined Vesuvius in March 2021 as Regional Vice President, Steel India and South East Asia. Prior to this he served as Managing Director India and Market Director Asia, for Imerys S.A. He has worked in leadership roles in mergers and acquisitions, operations, product management, and sales and technology, in both North America and Asia.

Nitin is based in London, UK.

Henry Knowles

General Counsel and Company Secretary

Eleven years with the Group

Appointed as General Counsel and Company Secretary in September 2013. Prior to joining Vesuvius, Henry spent eight years at Hikma Pharmaceuticals PLC, a generic pharmaceutical manufacturer with significant operations in the Middle East, North Africa and the US where he held the roles of General Counsel and Company Secretary. Henry is also responsible for the Group's Intellectual Property function.

Henry is based in London, UK.

Agnieszka Tomczak

Chief HR Officer

Six years with the Group

Appointed as Chief HR Officer in October 2018. Agnieszka has over 30 years of senior leadership experience in multinational companies spanning various business sectors and industries. Prior to joining Vesuvius, she spent 12 years at ICI, which was subsequently acquired by AkzoNobel, in regional and global HR roles.

Agnieszka is based in London, UK.

Changes to the Group Executive Committee (GEC)

Richard Sykes served as President, Advanced Refractories, and as a member of the GEC throughout 2024. He retired from Vesuvius on 31 December 2024.

Nitin Jain joined the GEC on his appointment as Deputy President, Advanced Refractories, on 1 July 2024.He took over as President, Advanced Refractories on 1 January 2025.

Karena Cancilleri, President, Foundry, has signalled her intention to leave the Group at the end of March 2025. Manuel Delfino will be appointed President, Foundry effective 1 July 2025, following Karena Cancilleri's departure. During the interim period between 1 April 2025 and 1 July 2025, Patrick André will take direct responsibility for the management of the Foundry Division.

Manuel joined the Group in September 2003 and has since worked in both Vesuvius' Steel and Foundry Divisions. He has worked and lived in Venezuela, Colombia, Brazil, Germany, Mexico and the US where he currently holds the position of Vice President, Flow Control North America.

Corporate Governance Statement

Board Report

2018 UK Corporate Governance Code

The Company applied the Principles of the 2018 UK Corporate Governance Code (the 'Code'), and was fully compliant with its Provisions, throughout the year ended 31 December 2024. A copy of the Code can be found on the FRC website at: https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/

Information availability

Board leadership and Company purpose	The Corporate Governance Statement ('CG Statement') on pages 79–129 gives information on the Group's compliance with the Principles relating to the Board's leadership and Company purpose. More detailed information on: – The Group's statement of purpose can be found on pages 12 and 80 – The Group's strategy, resources and the indicators it uses to measure performance can be found on pages 9, 12 and 13, and 4, 5 and 12 and 28, 29, 35 and 36, respectively – The Group's engagement with stakeholders and the Group's Section 172(1) Statement is contained in the Section 172(1) Statement and stakeholder engagement section on pages 63–66 – The Group's approach to workforce matters can be found in the Our people section on pages 55–58, with further details of the Group's approach to employee involvement and engagement contained in the Section 172(1) Statement on pages 63 and 64 Details of the Group's framework of controls is contained in the Audit Committee report on page 92 of the CG Statement and in the Risk, viability and going concern section on pages 69 and 70.
Division of responsibilities	The CG Statement describes the structure and operation of the Board. The Nomination Committee report, on pages 101 and 102, describes the process the Company conducts to evaluate the Board, to ensure that it continues to operate effectively, that individual Directors' contributions are appropriate and that the oversight of the Chairman promotes a culture of openness and constructive yet challenging debate.
Composition, succession and evaluation	Details of the skills, experience and knowledge of the existing Board members can be found in the Board biographies contained on pages 76 and 77. Information on the Board's appointment process and approach to succession planning and Board evaluation is contained in the Nomination Committee report on pages 96–102 of the CG Statement.
Audit, risk and internal control	Information on the policies and procedures the Group has in place to monitor the effectiveness of the Group's Internal and External Audit functions and the integrity of the Group's financial statements is contained in the Audit Committee report on pages 88–95 of the CG Statement, along with an overview of the procedures in place to manage risk and oversee the internal control framework. Further information on the Group's approach to risk management is contained in the Risk, viability and going concern section of the Strategic Report on pages 67–73. The Board believes the 2024 Annual Report to be a fair, balanced and understandable assessment of the Company's position and prospects. A description of the Audit Committee's work in enabling the Board to reach this conclusion is contained in the Audit Committee report on page 92.
Remuneration	The Company's approach to investing in and rewarding its workforce is described in the Our people section on pages 55 and 56. The Directors' Remuneration Report section of the CG Statement describes the Group's approach to Directors' remuneration, including the procedure for developing policy and the Remuneration Committee's discretion for authorising remuneration outcomes. It also includes information about the Remuneration Consultants appointed by the Remuneration Committee. Details of the linkage of the Directors' Remuneration Policy with long-term strategy is contained on page 103 and also highlighted on pages 28 and 29, and 35 and 36 in the sections on Key Performance Indicators.

The aforementioned sections are incorporated into the Corporate Governance Report by reference.

Corporate Governance Statement continued

Board leadership and Company purpose

The Board is responsible for leading the Group in an efficient and entrepreneurial manner, establishing the Group's purpose, Values and strategy, and satisfying itself that these and the Group's culture are aligned. It focuses primarily on strategic and policy issues and is responsible for ensuring the long-term sustainable success of the Group. It also oversees the allocation of resources and monitors the performance of the Group in pursuit of this strategy. It is responsible for effective risk assessment and management of the Group's risk profile. In performance of these duties, the Board has regard to the interests of the Group's key stakeholders and is cognisant of the potential impact of the decisions it makes on wider society.

Purpose

Vesuvius is a global leader in molten metal flow engineering and technology, serving process industries operating in challenging high-temperature conditions. We think beyond today to create the innovative solutions that will shape the future, delivering products and services that help our customers make their industrial processes safer, more efficient and more sustainable. In turn, we provide our employees with a safe workplace where they are recognised, developed and properly rewarded, and aim to deliver sustainable, profitable growth to provide our shareholders with a superior return on their investment.

The Company held a Capital Markets Day in November 2023 to outline the Group's strategic objectives for the next three years, and to provide further insight into the positive long-term growth trends anticipated in the steel and foundry markets. Further information on the Group's strategic targets can be found on page 9. The Board has identified a number of Key Performance Indicators (KPIs) which provide information on key aspects of the Group's financial and non-financial performance. Reviewing this information assists the Board to assess progress with the execution of the Group's strategy and to determine any remedial action that needs to be taken. Detailed information on the Group's financial and non-financial KPIs can be found on pages 28 and 29, and 35 and 36, respectively.

The Group has established a framework of controls to enable risk to be assessed and managed. Further information on this can be found in the Audit, risk and internal control section on page 87 of this Board Report.

Sustainability

Vesuvius recognises that lasting business success is measured not only in financial performance but in the way in which the Group deals with its customers, suppliers, business associates, employees, investors and local communities. Our sustainability strategy supports the Group's key strategic objectives which are focused on creating a better tomorrow in a profitable and sustainable way. To drive change throughout the Group, the Board has set specific targets focused on ways in which the Group can improve its impact on our planet, our communities and our people, and improve the impact of our customers. The Board monitors these targets and oversees the output of the Sustainability Council in spearheading new activities to enhance Group performance. Further information can be found in the Strategic Report on pages 22 and 23 and in the Non-financial and Sustainability Information Statement on pages 33–62.

Culture

The Board monitors the corporate culture of the Group. The Group's CORE Values – Courage, Ownership, Respect and Energy – define our behaviours across the business and are the practical representation of the culture we seek to foster, aligning with the Company's purpose and strategy, and supporting our governance and control processes. These Values are prominently displayed at all sites. Our CORE Values are reinforced in our performance management systems, which ensure that they are firmly embedded in our day-to-day conversations and behaviours. Further detail can be found on page 59.

The CORE Values are supported by the Group's Code of Conduct which sets out the standards of conduct expected, without exception, of everyone who works for Vesuvius in any of its worldwide operations. The Code of Conduct emphasises the Group's commitment to ethical behaviour and compliance with the law. It also covers every aspect of Vesuvius' approach to business, from the way that the Group engages with customers, employees, its markets and each of its other stakeholders, to the safety of its employees and places of work. Everyone within Vesuvius is individually accountable for upholding these requirements.

The Board seeks to ensure that the Group's workforce policies and practices are consistent with the Group's long-term sustainable success. Further information about these policies can be found in the Our people and A responsible company sections of the Non-financial and Sustainability Information Statement on pages 55–62. Additional information on the Group's remuneration practices for senior managers can be found in the Directors' Remuneration Report on pages 103–129 and the Group's approach to diversity in the Nomination Committee Report on pages 99–101. Information on the Group's Speak Up confidential employee concern helpline is set out on page 82.

Board site visits

The Directors undertook an extensive programme of site visits in 2024. A full off-site Board meeting was held in China, with Directors visiting Vesuvius' sites in Bayuquan, Changshu, Suzhou, Yingkou and Wuhan, along with a customer site in Qian'An. In addition, the Non-executive Directors visited sites in Ghlin in Belgium, Trinec in the Czech Republic, Feignies in France, Kobe and Toyokawa in Japan, Monterrey and Ramos Arizpe in Mexico, Skawina in Poland and Chicago Heights, USA during the year. The visits provided the Board with the opportunity to meet local management, and hear firsthand about business performance, and local opportunities and challenges. During the visits the Directors were also able to interact with a cross-section of employees, from various functions and organisational levels, and at some sites 'town hall' meetings were held, providing the Non-executive Directors with the opportunity to engage with the workforce to hear the views of employees and answer their questions about the Company. The Directors engaged in firsthand discussions on culture and purpose, providing direct feedback to the Board on their perceptions of each site and potential areas for improvement, alongside highlighting examples of best practice that could be shared more widely.

Board assessment of culture

During the year, the Board's assessment of the Group's culture considered the Group's:

Adherence to the CORE Values

The Board focused on ensuring that there was a consistent culture across the Group, underpinned by the CORE Values. During their site visits, the Directors met with local employees and assessed the extent to which the Values were understood and motivated employee behaviour. They then reported back on their individual findings. In 2024, nominations were once again sought for the Group's peer-nominated Living the Values Awards. The Board was delighted that there were 1,260 nominations, showcasing examples of individuals and teams going the 'extra mile' to live the CORE Values. Members of the Group Executive Committee presented both regional and global awards as part of the process of recognising those individuals who exemplify our Values. The global awards presentation was hosted online to allow all employees to join and celebrate the examples of Vesuvius' Values in action.

Commitment to safety

At each meeting during the year, the Board received an update on issues affecting the global health and well-being of the Group's employees. As a priority the Board receives regular updates on the Group's performance against safety targets, and reviews all Lost Time Incidents and the follow-up action taken. In addition, the Board receives biannual reports on the progress of the Group's safety programmes. During the year, the Directors used their individual site visits to assess each site's commitment to safety, and the Executive Directors and Group Executive Committee members' long-term incentives include a safety target alongside other sustainability measures. A core tenet of the Group's Sustainability initiative is a focus on ensuring the Group affords a safe working environment for all its employees. The Board has set a Group safety target of less than one Lost Time Injury per million hours worked. This equates to an average of less than two lost time work-related Lost Time Injuries or illnesses per month. The Board is encouraged to see the further excellent progress made in 2024 in reducing the rate of Lost Time Injuries to 0.52, but recognises that there is further work still to be done to reach the Group's ultimate aim of zero accidents.

Entrepreneurship

As part of the Board's rolling agenda, the Board received reports from each Business Unit President on their business strategy, new commercial initiatives and future technology trends. The Nomination Committee monitored the recruitment, development and retention of key talent across the Group to execute the Group strategy, and the Board also received reports on the key commercial achievements across the Business Units as part of regular reporting from the Chief Executive.

Transparency

The engagement and openness of the senior managers who presented to the Board and Committees during the year, along with the employees the Board met during site tours, 'town hall' meetings and formal and social engagements, was assessed in terms of the Group's culture. These firsthand reviews were supported by the Directors' regular review of the output of the Group's Speak Up processes. In addition, the Audit Committee sought qualitative feedback from External and Internal Audit on how transparent/engaged managers had been during audit interactions.

Customer focus

In 2024, the Board received detailed briefings on the Group's key customers, and their concentration, diversity and core challenges, alongside information on the state of the Group's markets. They also reviewed the initiatives undertaken in the Company to understand value drivers at our customers, to underpin our solutions-focused business model, and communicate the value contributed to customers by our products. The Chief Executive provided updates on key customer issues, and undertook a range of customer visits, meeting face-to-face with customers to discuss business challenges and future prospects. During the Board site visit to China in September, the Directors visited a key Steel Division customer to hear firsthand their views on the Vesuvius offering.

Throughout the year, the Board also received regular updates on quality performance, with detailed analysis of any specific quality issues.

Diversity and respect for local cultures

In 2024, the Board met the diversity target it had set under the Board Diversity Policy, with women now occupying 44% of directorships on the Board. The Nomination Committee considered the Board's diversity as part of the Director recruitment exercises and monitored progress with the achievement of the Group's gender diversity target. This seeks to have 25% female representation in the Senior Leadership Group, which comprises c.150 individuals, by 2025. The Board also reviewed the results of the employee engagement survey.

Corporate Governance Statement continued

Whistleblowing policy

Speak Up

All Vesuvius employees can speak up without fear of retaliation, either to Vesuvius management or via independent channels. The operation of our Speak Up policy is overseen by the Board. Details of it are provided on the internal Vesuvius website, and communicated by local language posters in all our locations. A third-party operated confidential Speak Up helpline is available 365 days per year, 24 hours per day, to anyone wishing to raise concerns anonymously or in situations where they feel unable to report directly. Details of the helpline can also be found on the Vesuvius website. This independent facility supports online reporting through a web portal and reporting by phone or by voicemail. Ensuring global accessibility, employees can speak with operators in any of our 29 functional languages.

All reports received are reviewed and, where appropriate, investigated, and feedback is provided to the reporter via the helpline portal. Vesuvius' Speak Up helpline is highlighted during internal compliance training and new joiner inductions. No Vesuvius employee will ever be penalised or disadvantaged for reporting a legitimate concern in good faith. Reports received via Speak Up channels are managed by the dedicated ethics and compliance team under the supervision of the Group Head of Compliance and our General Counsel. When received, reports are assessed for risk and category of concern. All reports are considered in line with a protocol for review, investigation, action, closure and feedback, independent of management lines where necessary, and involving senior Business Unit or HR management as appropriate. For complex issues, formal investigation plans are drawn up, and support from external experts is engaged where necessary. Feedback is recognised as an important element of the Speak Up process and we aim to acknowledge all cases within seven days of receipt. The Group monitors the volume, geographic distribution and range of reports made to the Speak Up facility to ascertain whether there are significant regional compliance concerns, or particular themes that recur, and whether this indicates that there are countries where access to this facility is less well understood or publicised.

During 2024, the Board received updates on the nature and volume of reports received by the confidential Speak Up helpline, key themes emerging from these reports and the results of investigations undertaken. Further details on specific issues were provided where requested. In 2024, the Group received a total of 206 reports, of which 188 (91.3%) were submitted through the Speak Up facility and 18 (8.7%) were walk-in reports. Each one of these was reviewed and, where appropriate, investigated. Similar to prior years, a majority of these reports related to HR issues which indicated no compliance concerns, nor serious breaches of the Code of Conduct. Of the small number of reports received that contained allegations of a breach of our Code of Conduct, thorough investigations were performed and, where appropriate, disciplinary action was taken.

Section 172 duties

The Directors are cognisant of the duty they have under Section 172 of the Companies Act 2006 to promote the success of the Company over the long term for the benefit of shareholders as a whole, whilst also having regard to a range of other key stakeholders. In performance of its duties throughout the year, the Board had regard to these duties and remained cognisant of the potential impact on these stakeholders of the Group's activities. Details of the Board and the Company's engagement with stakeholders during the year can be found in the Section 172(1) Statement on pages 63–66.

The Chairman and Chief Executive

The division of responsibilities between the Chairman and the Chief Executive is set out in writing. These role descriptions were reviewed during the year as part of the Company's annual corporate governance review. They are available to view on the Company's website: www.vesuvius.com.

Division of responsibilities

The Board
Responsible for Group strategy, risk management, succession and policy issues. Sets the purpose, Values and culture for the Group. Monitors the Group's progress against the targets set

Chairman
Provides leadership and guidance for the Board, promoting a high standard of corporate governance. Sets the Board agenda and chairs and manages meetings. Independent on appointment, he is the link between the Executive and Non-executive Directors

Chief Executive
Develops strategy for review and approval by the Board. Directs, monitors and manages the operational performance of the Company. Responsible for the application of Group policies, implementation of Group strategy and the resources for their delivery. Accountable to the Board for Group performance

Chief Financial Officer
Supports the Chief Executive in developing strategic direction and works with the Board to develop and implement the Group's strategy. Directs, monitors and manages the finance and IT functions to ensure the Company's financial objectives are met, ensuring sound financial management and control of the Company's business

Senior Independent Director
Acts as a sounding board for the Chairman, an alternative contact for shareholders and an intermediary for other Non-executive Directors. Leads the annual evaluation of the Chairman and recruitment process for the Chairman's replacement, when required

Non-executive Directors
Exercise a strong, independent voice, constructively challenging and supporting the Executive Directors. Scrutinise performance against objectives and monitor financial reporting. Monitor and oversee risks and controls, determine Executive Director remuneration and manage Board succession through their Committee responsibilities. The Non-executive Directors meet at least twice a year without the Executive Directors being present

Company Secretary
Advises the Chairman on governance, together with providing updates on regulatory and compliance matters. Supports the Board agenda with clear information flow. Acts as a link between the Board and its Committees and between the Non-executive Directors and senior management

The Board

Carl-Peter Forster	Non-executive Chairman	
Patrick André	Chief Executive	
Mark Collis	Chief Financial Officer	
Carla Bailo	Non-executive Director and designated Non-executive Director responsible for workforce engagement	
Italia Boninelli	Non-executive Director and Chair of the Remuneration Committee	Joined 1 June 2024
Dinggui Gao	Non-executive Director	
Friederike Helfer	Non-executive Director	
Eva Lindqvist	Senior Independent Director	Joined 15 May 2024
Robert MacLeod	Non-executive Director and Chair of the Audit Committee	
Leavers during the year:		
Kath Durrant	Non-executive Director and Chair of the Remuneration Committee	Stepped down on 31 July 2024
Douglas Hurt	Senior Independent Director and Chair of the Audit Committee	Stepped down on 15 May 2024

Corporate Governance Statement continued

The Board

The Board has a formal schedule of matters reserved to it and delegates certain matters to its Committees. It is anticipated that the Board will convene on seven occasions during 2025, holding ad hoc meetings to consider non-scheduled business if required.

Directors' independence

The Board considers that, for the purposes of the UK Corporate Governance Code, 62.5% of the Board – five of the current Non-executive Directors (excluding the Non-executive Chairman), namely Carla Bailo, Italia Boninelli, Dinggui Gao, Eva Lindqvist and Robert MacLeod, are independent of management and free from any business or other relationship which could affect the exercise of their independent judgement. Friederike Helfer is a Partner of Cevian Capital, which continues to hold 22.71% of Vesuvius' issued ordinary share capital (excluding Treasury shares). As a result, Friederike Helfer is not considered to be independent. The Chairman satisfied the independence criteria on his appointment to the Board. The Board and its Committees have a wide range of skills, experience and knowledge, and further details of each Director's individual contribution in this regard can be found in their biographical information on pages 76 and 77.

Board Committees

The principal governance Committees of the Board are the Audit, Nomination and Remuneration Committees. Each Committee has written terms of reference which were reviewed and where applicable, updated during the year to reflect the requirements of the revised UK Corporate Governance Code. These terms of reference are available to view on the Company's website: www.vesuvius.com.

Committee composition is set out in the relevant Committee reports. No one, other than the Committee Chair and members of the Committee, is entitled to participate in meetings of the Audit, Nomination and Remuneration Committees. However, as detailed in the Committee reports, where the agenda permits, other Directors and senior management regularly attend by invitation, supporting the operation of each of the Committees in an open and consensual manner.

The interactions in the governance process are shown in the schematic below.

Group Executive Committee

The Group also operates a Group Executive Committee (GEC), which is convened and chaired by the Chief Executive and assists him in discharging his responsibilities. During 2024, the GEC comprised the Chief Executive, Chief Financial Officer, the main Business Unit Presidents, the Chief HR Officer and the General Counsel/Company Secretary. In addition, Nitin Jain, Deputy President, Advanced Refractories, joined the GEC on 1 July 2024 in advance of his promotion to President, Advanced Refractories. The GEC met for six formal multi-day meetings and two R&D reviews during 2024.

Board

Governance Committees

Audit Committee
To monitor the integrity of financial reporting and to assist the Board in its review of the effectiveness of the Group's internal controls and risk management systems

Chair
Robert MacLeod

Membership
All independent Non-executive Directors

Remuneration Committee
To determine the remuneration policy for the Executive Directors and set the appropriate remuneration for the Chairman, Executive Directors and senior management

Chair
Italia Boninelli

Membership
All independent Non-executive Directors

Nomination Committee
To advise the Board on appointments, retirements and resignations from the Board and its Committees and to review succession planning and talent development for the Board and senior management

Chair
Carl-Peter Forster, Chairman (except when considering his own succession, in which case the Committee would be chaired by the Senior Independent Director)

Membership
Chairman and the Non-executive Directors

Administrative Committees

In addition, the Board delegates certain responsibilities to a Finance Committee and Share Scheme Committee, which operate in accordance with the delegated authority agreed by the Board

Finance Committee
To approve specific funding and treasury-related matters in accordance with the Group's delegated authorities or as delegated by the Board

Chair
Carl-Peter Forster, Chairman

Membership
Chairman, Chief Executive, Chief Financial Officer and Group Treasurer

Share Scheme Committee
To facilitate the administration of the Company's share schemes

Chair
Any Board member

Membership
Any two Directors or any two Directors and the Company Secretary

2024 Board programme

The Board discharges its responsibilities through an annual programme of meetings.

At each of the regularly scheduled meetings, a number of standard items were considered.

These included:
- Directors' duties, including those in respect of S172, and conflicts of interest
- Minutes of the previous meeting and matters arising
- Reports from the Chief Executive (CEO) and the Chief Financial Officer (CFO) on key aspects of the business, and from the General Counsel and Company Secretary on governance matters

In 2024, the Board focused on key areas of strategy, performance and governance, including the matters outlined below:

Strategy

- Reviewing M&A opportunities
- Receiving and reviewing reports on strategy from the Flow Control, Advanced Refractories, Foundry and Sensors & Probes Business Units
- Receiving and reviewing regular reports from the CEO on the implementation of the Group's strategic objectives, and monitoring the Group's achievement of its cost-saving targets
- Reviewing the progress of the Group's sustainability agenda, including receiving updates on the Group's health, safety and environmental objectives, and TCFD compliance
- Participation in a two-day off-site review of strategy attended by the three main Business Unit Presidents and the Company's key financial advisers
- Receiving and considering a progress report on the Group's R&D strategy and objectives
- Receiving and considering reports on the Group's key customers, and its purchasing, cyber, legal and compliance activities and the management of the Group's key litigation and pension liabilities
- Reviewing the Group's capital structure, including investors' views, and receiving reports from the Company's brokers on market issues
- Reviewing the Group's capital expenditure, and approving material items including the Group's warehouse expansion in Skawina, Poland

Performance

- Receiving regular business reports from the CEO on business highlights including the Divisions' commercial activities, changes in the Group's markets and procurement practices
- Receiving regular reports on the Group's financial performance against key indicators
- Receiving biannual reports on progress against the Group's sustainability targets
- Receiving regular safety reports and summaries of the investigations conducted after serious safety incidents
- Receiving regular reports on performance against product quality targets
- Scrutinising the Group's financial performance and forecasts
- Reviewing and agreeing the annual budget and financial plans
- Approving the Group's trading updates, and preliminary and half-year results announcements

Governance

- Receiving regular reports from the Board Committees
- Approving the launch of the Group's second £50 million share buyback programme
- Approving the new syndicated bank facility
- Overseeing the process to identify new Non-executive Directors, and then approving the appointments of Italia Boninelli and Eva Lindqvist
- Approving the Annual Report and Notice of AGM
- Approving the payment of the interim dividend, and approving the recommendation of the payment of the final dividend subject to shareholder approval
- Reviewing the Group's internal controls, risk management practices and risk appetite, monitoring the Group's key risks and approving the Group's risk register
- Reviewing and approving the Group's Modern Slavery Statement
- Reviewing information received through the Group's Speak Up reporting processes, including investigation outcomes
- Reviewing the Group's external sustainability ratings and the steps being taken to ensure future compliance with CSRD, including approving the Group's double materiality assessment
- Approving the Group's UK tax strategy
- Reviewing and approving the level of fees for the Non-executive Directors
- Completing an evaluation of the Board and Committees' performance, and reviewing progress against the improvement actions identified in the 2023 Board evaluation
- Reviewing the Board's engagement with employees, including feedback from the Directors' site visits and the results of the Group engagement survey
- Receiving regular updates on corporate governance and regulatory developments, and conducting the formal annual review of the Group's governance arrangements

Corporate Governance Statement continued

Information and support

The Board ensures that it receives, in a timely manner, information of an appropriate quality to enable it adequately to discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or Committee meeting to enable them to make further enquiries about any matters prior to the meeting should they so wish. This also allows Directors who are unable to attend to submit views to the relevant Chairperson in advance of the meeting.

In addition to the formal Board processes, the Chief Executive provides updates on important Company business issues between meetings, and the Board is provided with regular reports on key financial and management information. The Directors also receive regular updates on shareholder matters, along with copies of analysts' notes issued on the Company. For the distribution of all information, Directors have access to a secure online portal, which includes a reference section containing relevant background information.

All Directors have access to the advice and services of the Company Secretary.

There is also an agreed procedure in place for Non-executive Directors, in the furtherance of their duties, to take independent legal advice at the Company's expense.

Directors' conflicts of interest

The Board has established a formal system to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company (situational conflicts). Directors declare situational conflicts so that they can be considered for authorisation by the non-conflicted Directors.

In considering a situational conflict, these Directors act in the way they consider would be most likely to promote the success of the Company and may impose limits or conditions when giving authorisation, or subsequently, if they think this is appropriate.

The Company Secretary records the consideration of any conflict and any authorisations granted. The Board believes that the approach it has in place for reporting situational conflicts continues to operate effectively. The Board has authorised (subject to certain exceptions) any potential or actual conflicts of interest that might arise as a result of Ms Helfer's role as a Partner of Cevian Capital AG.

Board and Committee attendance

The attendance of Directors at the Board meetings held in 2024, and at meetings of the principal Committees of which they are members, is shown in the table below. The maximum number of meetings in the period during which the individual was a Board or Committee member is shown in brackets.

	Board	Audit Committee	Remuneration Committee	Nomination Committee	% attendance[3]
Chairman					
Carl-Peter Forster	11 (11)	–	–	5 (5)	100%
Executive Directors					
Patrick André	11 (11)	–	–	–	100%
Mark Collis	11 (11)	–	–	–	100%
Non-executive Directors					
Carla Bailo	11 (11)	5 (5)	5 (5)	5 (5)	100%
Italia Boninelli[1]	6 (6)	3 (3)	3 (3)	3 (3)	100%
Kath Durrant[2]	6 (7)	3 (3)	3 (3)	3 (3)	94%
Dinggui Gao	10 (11)	5 (5)	5 (5)	5 (5)	96%
Friederike Helfer	8 (8)	–	–	5 (5)	100%
Douglas Hurt[2]	4 (5)	2 (2)	2 (2)	2 (2)	91%
Eva Lindqvist[1]	6 (6)	3 (3)	3 (3)	3 (3)	100%
Robert MacLeod	11 (11)	5 (5)	5 (5)	5 (5)	100%

1. Eva Lindqvist and Italia Boninelli and were appointed to the Board on 15 May 2024 and 1 June 2024, respectively.
2. Douglas Hurt retired from the Board at the close of the AGM on 15 May 2024 and Kath Durrant stepped down from the Board on 31 July 2024.
3. The table reflects the number of Board and Committee meetings that the Directors could have attended during the year.

Kath Durrant, Dinggui Gao and Douglas Hurt missed Board meetings arranged at short notice due to pre-existing commitments. All Directors received the papers for meetings that they missed in advance and relayed their comments to the Chairman for communication at the meeting.

The Chairman and Non-executive Directors have letters of appointment which set out the terms and conditions of their directorship. An indication of the anticipated time commitment is provided in recruitment role specifications, and each Non-executive Director's letter of appointment provides details of the meetings that they are expected to attend, along with the need to accommodate travelling time. Non-executive Directors are required to set aside sufficient time to prepare for meetings, and regularly to refresh and update their skills and knowledge.

Copies of all contracts of service or, where applicable, letters of appointment of the Directors, are available for inspection during business hours at the registered office of the Company and are available for inspection at the location of the Annual General Meeting (AGM) for 15 minutes prior to and during each AGM.

All Non-executive Directors have agreed to commit sufficient time for the proper performance of their responsibilities, acknowledging that this will vary from year to year depending on the Group's activities, and will involve visiting operational and customer sites around the Group. The Chairman in particular dedicates a significant amount of time to Vesuvius in discharging his duties.

Directors are expected to attend all scheduled Board and Committee meetings and any additional meetings as required. Each Director's other significant commitments are disclosed to the Board during the process prior to their appointment and they are required to notify the Board of any subsequent changes.

The Company has reviewed the availability of the Chairman and the Non-executive Directors to perform their duties and considers that each of them can, and in practice does, devote the necessary amount of time to the Company's business.

Composition, evaluation and succession

Appointment and replacement of Directors

The Company's Articles of Association specify that Board membership should not be fewer than five nor more than 15 Directors, save that the Company may, by ordinary resolution, from time to time, vary this minimum and/or maximum number of Directors. Directors may be appointed by ordinary resolution or by the Board. The Board may appoint one or more Directors to any executive office, on such terms and for such period as it thinks fit, and it can also terminate or vary such an appointment at any time. The Articles specify that, at every AGM, any Director who has been appointed by the Vesuvius Board since the last AGM and any Director who held office at the time of the two preceding AGMs, and who did not retire at either of them, shall retire from office. However, in accordance with the requirements of the Code, all Directors will offer themselves for election or re-election at the 2025 AGM. The Board believes that each of the current Directors is effective and demonstrates commitment to his or her respective role. Accordingly, the Board recommends that shareholders approve the resolutions to be proposed at the 2025 AGM relating to the election and re-election of the Directors. The biographical details of the Directors offering themselves for election or re-election, including details of their other directorships and relevant skills and experience, will be set out in the 2025 Notice of AGM. The biographical details of the Directors are also set out on pages 76 and 77.

Recommendations for appointments to the Board and rotation of the Directors are made by the Nomination Committee. The Nomination Committee is also responsible for overseeing the maintenance of an effective succession plan for the Board and senior management. Further information on the activities of the Nomination Committee is set out in the Nomination Committee report on pages 96–102.

A comprehensive induction programme is available to new Directors. The induction programme is tailored to meet the requirements of the individual appointee and explains the dynamics and operations of the Group, and its markets and technology. The induction includes, as a minimum, a series of meetings with key Group executives, along with site visits to the Group's key strategic sites. Further details of the induction provided for Italia Boninelli and Eva Lindqvist are set out in the Nomination Committee report on page 98.

The Chairman, through the Company Secretary, continues to ensure that there is an ongoing process to review training and development needs. Directors are provided with details of seminars and training courses relevant to their role and are encouraged to attend them. External input on legal and regulatory developments impacting the business is also given, as appropriate, with specialist advisers invited to the Board and Committee meetings to provide briefings on material developments.

In 2024, regulatory updates were provided as a standing item at each Board meeting in a Secretary's Report and at each Remuneration Committee meeting in a Remuneration Update Report. Information on developments impacting the work of the Audit Committee is provided to the Committee by the Finance team and Auditors. In 2024, the Board received presentations on material topics such as the likely impact of the forthcoming EU CSRD requirements, the Remuneration Committee considered changes in guidance from key institutional governance agencies and the Audit Committee reviewed the work being undertaken to support the Company's compliance with the forthcoming corporate reform measures which will require a Board declaration on the effectiveness of the Company's material controls.

Performance evaluation

The Board carries out an evaluation of its performance and that of its Committees and individual Directors, including the Chairman, every year. Details of the evaluation conducted in 2024 can be found in the Nomination Committee report.

Audit, risk and internal control

The Audit Committee is responsible for ensuring that policies and procedures are in place to ensure the independence and effectiveness of the Internal and External Audit functions. It also reviews the effectiveness of the Group's Internal and External Audit functions, in addition to monitoring the integrity of the Group's financial and narrative statements. Further information about the work of the Audit Committee can be found in the Audit Committee report on pages 88–95.

The Board is responsible for setting the Group's risk appetite and ensuring that appropriate risk management systems are in place. The Audit Committee assists the Board in reviewing the effectiveness of the system of internal control, including financial, operational and compliance controls, and risk management systems. The Group's approach to risk management and internal control is discussed in greater detail on pages 67–71 and the Group's principal risks and how they are being managed or mitigated are detailed on pages 72 and 73. The Viability Statement which considers the Group's future prospects is included on page 71. Risk management and internal control are also discussed in greater detail in the Audit Committee report.

All of the independent Non-executive Directors serve on both the Audit and Remuneration Committees. They therefore bring their experience and knowledge of the activities of each Committee to bear when considering critical areas of judgement. This means that, for example, the Directors are able to consider carefully the impact of incentive arrangements on the Group's risk profile and ensure that the Group's Remuneration Policy and programme are structured to align with the long-term objectives and risk appetite of the Company.

Remuneration

The Directors' Remuneration Report on pages 103–129 is incorporated into this Corporate Governance Report by reference. It describes the work of the Remuneration Committee in developing the Group's policy on executive remuneration, determining Director and senior management remuneration, reviewing workforce remuneration and related policies – including ensuring that these align with the Group's strategic objectives and culture, and overseeing the operation of the executive share incentive plans. It also includes information on the Group's remuneration advisers.

Audit Committee

Robert MacLeod – Committee Chairman

Carla Bailo

Italia Boninelli
(from 1 June 2024)

Kath Durrant
(until 31 July 2024)

Dinggui Gao

Douglas Hurt
(until 15 May 2024)

Eva Lindqvist
(from 15 May 2024)

The Company Secretary is Secretary to the Committee

On behalf of the Audit Committee, I am pleased to present my first Audit Committee report, since taking over as Chair of the Audit Committee in May upon Douglas Hurt's retirement from the Board. Douglas chaired the Audit Committee for a little over nine years and I would like to express the appreciation of the Board for Douglas' significant contribution.

The foundation of the Committee's work is a recurring programme of activities which are defined in an annual rolling Audit Committee timetable. The Audit Committee then considers additional items as matters arise or priorities change.

During the year we welcomed a new Head of Internal Audit who I interviewed as part of the recruitment process. They will continue to broaden the Internal Audit remit beyond financial matters to focus on other material Group risks.

The Committee also considered the ongoing implementation of the CFO's Finance function strategy. The strategy focuses on improving organisational design, systems, processes and controls and the quality of finance personnel, with an objective of greater cost-efficiency and improved business support.

In September, the Committee received a letter from the FRC noting that, as part of its ordinary review processes, it had conducted a review of Vesuvius' Annual Report and Accounts for the year ended 31 December 2023. The FRC noted that there were no questions or matters with respect to the report that required a response.

Robert MacLeod
Chair of the Audit Committee
5 March 2025

The Audit Committee comprises all the independent Non-executive Directors of the Company.

Robert MacLeod was appointed Chair of the Committee on 15 May 2024, following Douglas Hurt's retirement from the Board. Robert is a Chartered Accountant and served as Finance Director of W.S. Atkins Plc and Johnson Matthey Plc for ten years. Douglas and Robert's backgrounds provide them with the 'recent and relevant financial experience' required under the Code.

The Code and Financial Conduct Authority Disclosure Guidance and Transparency Rules also contain requirements for the Audit Committee as a whole to have competence relevant to the sector in which the Company operates. Vesuvius' Non-executive Directors have significant breadth and depth of experience, both from their previous roles and from their induction and other activities since joining the Vesuvius Board. The Directors' biographies are shown on pages 76 and 77. The Board considers that the Audit Committee as a whole has competence relevant to Vesuvius' business sector.

The Committee met five times during 2024 and once in 2025 prior to the signing of this Annual Report. The Board Chairman, the non-independent Non-executive Director, the Chief Executive, the Chief Financial Officer, and the Group Head of Internal Audit were all invited to each meeting. Other management staff attended as appropriate.

Audit Committee meetings are conducted to promote an open debate; they enable the Committee to provide constructive challenge of significant accounting judgements, and guidance and oversight to management, to ensure that the business maintains an appropriately robust control environment. Between meetings, the Audit Committee encourages open dialogue between the External Auditors, the management team and the Group Head of Internal Audit to ensure that emerging issues are addressed in a timely manner.

The Committee operates under formal terms of reference which were reviewed during the year and updated to reflect the implementation of the new UK Corporate Governance Code. They are available to view in the Investors/Corporate Governance/Board Committees section of the Company's website: www.vesuvius.com. Within these terms, the Committee and its individual members are empowered to obtain outside legal or other independent professional advice at the cost of the Company. These powers were not utilised during the year. The Committee may also secure the attendance at its meetings of any employee or other parties with relevant experience and expertise should it be considered necessary.

The Committee members believe that they received sufficient, relevant and reliable information throughout the year from management and the Internal and External Auditors to enable the Committee to fully discharge its responsibilities. The work of the Audit Committee is further elaborated in the remainder of this report.

How the Audit Committee delivered on its responsibilities in 2024

Published financial information

To monitor and assess the integrity of the financial statements of the Company, and to review any significant financial reporting issues and judgements which those statements contain:

- It reviewed the integrity of the half-year and annual Financial Statements and recommended their approval to the Board
- It reviewed the Preliminary and Interim Results announcements
- It deliberated on and challenged reports from the Chief Financial Officer setting out: areas of judgement and/or estimation, the rationale for the accounting treatment and disclosures, the pertinent assumptions, and the sensitivities of the estimates to changes in the assumptions
- It reviewed provisions held for disposal, closure and environmental costs, including the reasonableness of underlying assumptions and estimates of costs, and the quantum of any related insurance assets
- It considered the Group's outstanding litigation items, and the adequacy of provisions held in regard to these
- It reviewed the External Auditors' Reports for the half-year and year-end, on the treatment of significant issues, which provided a summary for each issue, including an assessment of the appropriateness of management's judgements or estimates
- It challenged the assumed growth rates and discount rates used for asset impairment assessments
- It considered the Company's going concern and viability statements, reviewing the nature, quantum and assessment of the significant risks to the business model, future performance, solvency and liquidity of the Group which were modelled as part of the scenarios
- It advised the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provided the information necessary for the shareholders to assess the Group's position and performance, business model and strategy
- It reviewed the management representation letters to be provided to the External Auditors by the Company in respect of the half-year and annual financial statements and recommended them to the Board for approval
- It confirmed that it was content that the External Auditors had received access to all the information necessary to conduct their audit
- It considered the Group's compliance with the requirements in respect of TCFD reporting, including the assurance received regarding the sustainability KPI data
- It considered the small number of recommendations made by the FRC for inclusion in the 2024 Annual Report
- It reviewed the Group's Tax Strategy, and commended the Group's UK tax strategy to the Board for approval

Audit Committee continued

How the Audit Committee delivered on its responsibilities in 2024

Risk management and internal control

To review and monitor the Company's internal financial controls and risk management processes, and monitor and review the role and effectiveness of the Company's Internal Audit function and audit programme:

- It received reports from the Internal Audit function at each meeting, summarising activity and outlining progress with the audit programme
- It monitored the responses from and follow-up by management, to Internal Audit recommendations, including, where necessary, short-term mitigations and discussed any significant issues raised, the root causes for those issues and the actions being taken to resolve them
- It monitored and reviewed the role and effectiveness of the Company's Internal Audit function and audit programme, considered the resourcing of the function and approved the new Internal Audit Charter
- It reviewed the resourcing and delivery of the 2024 Internal Audit plan and approved the 2025 Internal Audit plan
- It considered the annual effectiveness of the Internal Audit process, receiving feedback from the CFO on the results of an internal review of the Internal Audit function and the actions proposed to further enhance the work of the function
- It met with the Group Head of Internal Audit without management being present on a regular basis, and discussed a range of topics, ensuring that the function operated free from management or other restrictions
- The Committee Chair participated in the process to recruit a new Group Head of Internal Audit
- It received a report from the CFO on the strategy for the Finance function
- It reviewed the Group's risk management processes and internal controls, including the work undertaken to review the Group's risk register and the results of the Group's self-certification process
- It recommended statements to be included in the Annual Report concerning the effectiveness of the Group's internal financial controls and risk management systems
- It considered the Group's procedures for detecting fraud, and carried out a review of all alleged instances of fraud notified to the Committee
- Members of the Committee met and discussed business and control matters with senior management both during Board presentations and during site visits

External Audit

To oversee the relationship with the external auditors including making recommendations to the Board in relation to their appointment, negotiating and agreeing the statutory audit fee and the scope of the statutory audit, approving any permitted non-audit services, reviewing the findings of their work, assessing the effectiveness of the external audit process and monitoring the external auditors' processes for maintaining independence:

- It reviewed the findings of the work of PwC (the Group External Auditors) including their key accounting and audit judgements, how any risks to audit quality were addressed and their views on interactions with senior management
- It monitored the External Auditors' independence, objectivity and effectiveness
- It reviewed the findings of the FRC's annual Audit Quality and Inspection Report of the External Auditors
- It considered the External Auditors' 2024 Audit Strategy and approved the 2024 engagement letter. It also made recommendations to the Board on the reappointment of the External Auditors and agreed the annual fees
- It reviewed and approved the non-audit services provided by the External Auditors
- It considered the intended rotation of the External Audit Partner following the completion of the 2024 audit and, having noted that the Chair of the Committee had met with the proposed candidate, and having concluded that the individual exhibited the appropriate skills and independence to fulfil the role, approved the appointment of the new Audit Partner
- It reviewed the effectiveness of the External Audit process, receiving feedback from management on the results of an internal review of the External Audit process and the areas identified for further improvement
- It met with the External Auditors without management being present on a regular basis

How the Audit Committee delivered on its responsibilities in 2024

Governance

Report to the Board on how the Committee has discharged its responsibilities. Arrange for periodic reviews of its own performance and review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval:

- It reviewed the forthcoming changes to the UK Corporate Governance Code with respect to the requirement for Companies to make a declaration of the effectiveness of the businesses' material controls and the assurance undertaken of those controls as at the balance sheet date, and the actions being taken to prepare for this requirement
- It approved amendments to its terms of reference and monitored developments in corporate governance that were likely to impact the future work of the Committee, including the development of the UK Government's plans to augment the regime on internal control and assurance
- It conducted an evaluation of its performance and effectiveness
- It reported to the Board on the outcomes of Audit Committee meetings

Significant issues and material judgements

The Committee considered the following significant issues in the context of the 2024 Financial Statements. It identified these areas to be significant, taking into account the level of materiality and the degree of judgement exercised by management.

The Committee resolved that the judgements and estimates made on each of the significant issues detailed below were appropriate and acceptable.

Impairment of goodwill

The 2024 year-end carrying value of goodwill was tested against the current and planned performance of the CGUs. The Committee considered the Board-approved medium-term business plans and terminal growth assumptions, and the discount rates used in the assessments. Relevant sensitivities using reasonably possible changes to key assumptions were evaluated. The detailed assumptions are provided in the Group Financial Statements.

Given that the models indicated, even with the application of reasonable sensitivities to the assumptions, that there remains significant headroom between the Value in Use and the carrying value, the Committee concurred that no goodwill impairment charges were required.

Cost reduction programme expenses

In 2023, Vesuvius announced a multi-year cost reduction programme. The Committee reviewed the nature and materiality of the expenses being incurred to achieve targeted cost savings. The Committee also considered disclosure of similar expenses by other companies. The Committee agreed that disclosure of these expenses as a separately reported item will provide useful information, assisting users in better understanding the underlying financial performance in the periods when the programme costs are incurred or making projections of future results. The Committee agreed with this classification of expenses and considers the disclosure in the Annual Report to be appropriate.

Provision for wastewater treatment in respect of disused mines

In 1999, the Group acquired Premier Refractories which owned a disused clay mine in the United States. In 2018, wastewater containing pollutants was discovered and in 2022 a water treatment facility was installed. There is judgement to determine both the annual expected treatment cost and the period over which the cost will continue to be incurred. The Committee reviewed the reassessment of expected water treatment costs performed by the Company in 2024. The Committee also considered the period over which water treatment costs are expected to be incurred. After consideration and challenge, and having reviewed the analysis of expected operations by the Company, the Committee is satisfied that there are appropriate levels of provisions set for committed water treatment costs and that adequate disclosure has been made. The Committee also reviewed the nature and materiality of costs arising from the reassessment of the provision. The Committee agreed that disclosure of the costs arising from the increase in provision as a separately reported item will provide useful information, assisting users in better understanding the underlying financial performance of the Company. The Committee agreed with this classification of costs arising from the increase of the provision and considers the disclosure in the Annual Report to be appropriate.

Other provisions

The Committee continues to monitor the implications of a number of potential exposures and claims arising from litigation, product quality, employee disputes, restructuring, environmental matters, tax disputes and indemnities or warranties outstanding for disposed businesses. After due consideration and challenge, and having considered legal advice obtained by the Company, the Committee is satisfied that there are appropriate levels of provisions set aside to settle third-party claims and disputes, and that adequate disclosure has been made.

Audit Committee continued

Fair, balanced and understandable reporting

The Committee considered all the information available to it in reviewing the overall content of the Annual Report and Financial Statements and the process by which it was compiled and reviewed, to enable it to provide advice to the Board that the Annual Report and Financial Statements are fair, balanced and understandable. The Committee was satisfied that it could recommend to the Board that the Annual Report and Financial Statements are fair, balanced and understandable.

Risk management and internal controls

Risk management is inherent in management's thinking and is embedded in the business planning processes of the Group. The Board has overall responsibility for establishing and maintaining a system of risk management and internal control, and for reviewing its effectiveness; the Audit Committee assists the Board in reviewing the effectiveness of the Group's system of internal control, including financial, operational and compliance controls, and risk management systems.

Committee members participated in this Board review of existing risks and ongoing mitigating actions. The review continued to focus on emerging risks and well as existing ones across all of the Group's markets, trading and other activities. Following this process, the Group's principal risks and uncertainties were confirmed to remain appropriate and were therefore unchanged in 2024.

The Committee considered the Company's going concern statement and challenged the nature, quantum and effects of the combination of the unlikely but significant risks to the business model, future performance, solvency and liquidity of the Group. These were all modelled as part of the scenarios and stress testing undertaken to support the Viability Statement. As part of this review, the Committee considered the Group's forecast funding requirements over the next three years and analysed the impact of key risks faced by the Group with reference to the Group's debt covenants; these included stress testing for a significant business downturn, business interruption due to an unplanned loss of a key plant and the impact of significant supply chain disruption. The Committee noted that the Group's debt headroom was sufficient to accommodate the modelled stress scenarios. As a result of its review, the Committee was satisfied that the going concern statement and Viability Statement had been prepared on an appropriate basis. The 2024 going concern statement and the 2024 Viability Statement are contained within the Risk, viability and going concern section on page 71.

The key features of the Group's internal control system, which provides assurance on the accuracy and reliability of the Group's financial reporting, are detailed in the Risk, viability and going concern section on page 70. During 2024, the Committee considered the process by which management evaluates internal controls across the Group. PwC reports if there are any significant control deficiencies identified during the course of their audit, with no such deficiencies reported in 2024.

The Group is made up of several large operating units, but also many small units in geographically diverse locations. Consequently, segregation of duties, overlapping access controls on systems and remote management oversight can give rise to control vulnerabilities and fraud opportunities. The Group continues to move towards greater harmonisation of its ERP landscape and a shared services model for financial transactions which is expected to enhance the overall internal control environment in the smaller operating units.

The Group undertakes a range of activities to mitigate the risk of fraud. This framework is regularly reviewed to determine areas for improvement. Reducing the risk of fraud remains one of the key areas of focus for Group Internal Audit.

Any control issues identified by management locally or as a result of the work performed by Group Internal Audit are escalated as appropriate. Group Internal Audit rates all control issues they identify in terms of their significance and agrees remediation plans with the management of the auditee and an action owner, in each case establishing a target date for remediation. For significant issues, management at all levels within the Business Unit are engaged to agree the actions and remediation dates. The status of the remediation is monitored in the Internal Audit system and overdue issues are escalated appropriately with management and are reported at Audit Committee meetings. Where a specific audit identifies multiple issues, or where issues arise on the progress of remediation activities, the Audit Committee continues to challenge management to identify root causes and ensure that the right organisational structure and people are in place to address issues effectively.

The Board is responsible for the oversight and monitoring of the Group's Speak Up helpline, but the Audit Committee monitors any complaints received by the Company regarding fraud, accounting, internal accounting controls and auditing matters. During the year it reviewed the investigations being undertaken in relation to allegations of fraud and those implicated in them, as well as the action subsequently taken to implement changes to the Company's practices and procedures to prevent any repetition.

Each year, the senior financial, operational and functional management of the businesses self-certify compliance with Group policies and procedures for the areas of the business under their responsibility and confirm the existence of adequate internal control systems throughout the year. The Committee reviews any exceptions noted in this bottom-up exercise.

After considering these various inputs, the Committee was able to provide assurance to the Board on the effectiveness of internal financial control within the Group, and on the adequacy of the Group's broader internal control systems.

Internal Audit

The Group's Internal Audit function operates on a global basis through professionally qualified and experienced individuals. The team reports to the Group Head of Internal Audit, who in turn reports directly to the CFO and the Chair of the Audit Committee. The Company has appointed a new Group Head of Internal Audit, who joined Vesuvius in September 2024.

The Committee received, considered and approved the 2024 Internal Audit plan which was constructed using a risk-based approach to cover the Group's control environment. The plan was based on the premise that all operating units are audited at least once every three to four years, and each of the large operating entities located in Germany, the US, China, Mexico and Brazil are audited on an annual basis.

Throughout 2024, Internal Audit continued to perform a programme of audits focusing on internal financial controls and key compliance topics, alongside audits with a focused scope aligned to the principal risks. In total, five categories of audit were conducted:
– Financial controls audits
– Compliance audits
– Focused audits (contract audits, capex projects, IT procurement, sustainability reporting, revenue and service contracts)
– IT audits
– Follow-up audits

The majority of the 32 audit assignments undertaken in 2024 (2023: 35) focused on financial controls.

The Committee received a report from the Group Head of Internal Audit at each of its meetings detailing progress against the agreed plan, and key trends and findings. An update on the progress made towards mitigating open issues was also given. Common themes emerging from Internal Audit reports coupled with Internal Audit and management's assessment of risk have informed the development of the 2025 Internal Audit plan. The 2025 plan also continues to include audits related to the Group's principal risks.

Internal Audit monitors the progress made on the resolution of identified issues, and meetings continue to be held with each Business Unit President to ensure that engagement on the resolution of those issues is clearly understood at all levels of the business and responsibility for remediation has been appropriately assigned. The results are communicated to the Audit Committee which also involves senior management as necessary to provide an update against any high-priority actions. Internal Audit undertakes follow-up reviews as required. In situations where audit findings require longer-term solutions, the Audit Committee oversees the process for ensuring that adequate mitigating controls are in place.

At the end of the year the CFO also conducted an internal review of the effectiveness of the Internal Audit function.

Having considered the work of the Internal Audit function during 2024, including progress against the 2024 Internal Audit plan, the quality of reports provided to the Committee, and the results of the review of the function's effectiveness, the Committee concluded that the Group Internal Audit function operated effectively during 2024, exhibiting an appropriate level of independence and challenge.

External Audit

Auditors' appointment

In 2017, the Company appointed PricewaterhouseCoopers LLP ('PwC') as External Auditors to the Company and the Group, and Mazars LLP ('Mazars') to audit the non-material entities within the Group. Darryl Phillips serves as the PwC audit partner responsible for the Group audit, a role he assumed following the completion of the 2020 half-year review. In accordance with the usual time frame for Audit Partner rotation, Darryl will be stepping down from the role following the completion of the 2024 year-end audit, and will be replaced by Linda Kempenaar.

Under the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order, the Audit Committee is required to report in which year the Company proposes to complete a competitive tender process in respect of the statutory External Auditor, and the reasons why the proposed year for the competitive tender process is in the best interests of the shareholders. In compliance with the Order, the Audit Committee confirms that a competitive tender process for the appointment of a statutory auditor will, subject to satisfactory annual reviews of the effectiveness of the External Auditors and its costs in the intervening period, be conducted later this year or next year with a view to recommending the appointment of a new statutory auditor or the reappointment of the incumbent auditor, for the financial year ending December 2027. The Audit Committee believes that conducting a competitive tender process for the appointment of a new statutory auditor for the financial year ending December 2027 will allow enough time to ensure any successor firm would be independent on appointment, and in the best interests of the shareholders.

Audit Committee continued

2024 Audit plan

During the year the Committee evaluated the PwC Group audit scope for 2024. The year-end audit plan was based on agreed objectives, with the audit focused on areas identified as representing significant risk and requiring judgement. In order to manage costs, and ensure that the Group maintains audit relationships outside the 'Big 4', Mazars undertakes some of the Group audit work under the direction of PwC. It is principally responsible for the statutory audits of the non-material Group subsidiaries, but it also undertook specific audit procedures for certain component entities that were within PwC's Group audit scope in 2024.

PwC maintained an ongoing dialogue with the Audit Committee throughout the year, providing regular updates, including commentaries on significant issues and its assessment of consistency and appropriateness in the judgements and estimates made by management. Private sessions were held with PwC without management being present. PwC confirmed that its work had not been constrained in any way and that it was able to exercise appropriate professional scepticism and challenge throughout the audit process. The Chairman of the Audit Committee met on a number of occasions with PwC to monitor the progress of the audit and discuss questions as they arose.

The Independent Auditors' Report provided by PwC on pages 139–146 includes PwC's assessment of the key audit matters. These key audit matters are discussed in the significant issues and material judgements comments above. The report also summarises the scope, coverage and materiality levels applied by PwC in its audit. As part of the audit planning process and based on a detailed risk assessment, the Committee agreed a materiality figure of £9.1m for Group financial reporting purposes which is 7% higher than last year (£8.5m) and is based on 5.0% of three-year average profit before tax adjusted for non-recurring separately reported items. Importantly, much lower levels of materiality are used in the audit fieldwork on the individual businesses across the Group and these lower figures drive the scope and depth of audit work. Any misstatement at or above £0.45m was reported to the Committee.

There were no significant changes this year to the coverage of the audit which stood at 73% of the Group's revenue and 88% of the Group's profit before tax. This coverage was considered to be sufficient by the Committee. The audit coverage is reflective of the long tail of smaller businesses within the Group that individually are not 'material' to the Group result.

The PwC audit fee approved by the Audit Committee was £2.3m. This was constructed bottom-up on a local currency basis and was assessed in light of the audit work required by the agreed materiality level and scope. The fee agreed with Mazars for the audit of the non-material entities and three material entities was £1.1m, resulting in a combined audit fee for 2024 of £3.4m, compared with £3.3m in 2023.

Independence and objectivity

The Committee is responsible for safeguarding the independence and objectivity of the External Auditors in order to ensure the integrity of the External Audit process. It is responsible for the implementation and monitoring of the Group's policies on External Audit, including the policy on the employment of former employees of the External Auditors, and the policy on the provision of non-audit services by the External Auditors. To assist with its assessment of independence, the Committee also sought regular confirmation from the incumbent External Auditors during 2024 that they considered themselves to be independent of the Company in their own professional judgement, and within the context of applicable professional standards. It assessed the work of the External Auditors, reviewing compliance against the non-audit services policy and reviewed the details of the non-audit services provided by the External Auditors and associated fees. As a result of its review, the Committee concluded that the External Auditors remained appropriately independent.

Non-audit services

Vesuvius operates a policy for the approval of non-audit services. A copy of the current policy is available to view in the Audit Committee section of the Investors/Corporate Governance pages of the Company's website: www.vesuvius.com.

The use of the External Auditors for the provision of non-audit services is strictly prohibited except for specific permitted audit-related services. These comprise: Category 1 services which the External Auditors are obliged to perform due to law or regulation, such as regulatory and solvency reports; and Category 2 services which could be provided by others (albeit there are typically significant efficiencies to be had when done in combination with the audit, such as interim reporting). An annual budget for the additional Category 2 service fees proposed to be paid to the External Auditors in the following year is presented for pre-approval to the Audit Committee each year. Audit Committee approval is required for expenditure in excess of this approved budget.

All audit-related and permissible non-audit services proposed to be carried out for any Group company worldwide by the External Auditors must be pre-approved before an engagement is agreed. Pre-approval must be obtained from the Chief Financial Officer, who will confirm that the Audit Committee has approved the engagement. Any assignment proposed to be carried out by the External Auditors must also have been cleared by the External Auditors' own internal pre-approval process, to assess the firm's ethical ability to do the work.

In 2024, the fees for non-audit services payable to PwC amounted to £0.2m (2023: £0.2m). The 2024 fees represent payment for assurance services related to the review of the Group's half-year financial statements, quarterly reviews and tax form audits in India (as required by regulation) and Mexico, and subscription to the PwC knowledge database. These are services where it was considered most efficient to use PwC because of their existing knowledge of the business or because the information required was a by-product of the audit process. In each of the past four years the non-audit-related fees have represented <9% of the statutory audit fees.

Effectiveness of the External Audit process

The Committee and the Board are committed to maintaining the high quality of the External Audit process. Each year the Committee carries out a formal assessment of the performance of the External Auditors in carrying out their work and of the audit process in general. Input into the evaluation in 2024 was obtained from management and other key Company personnel, members of the Audit Committee and the External Audit team. The review focused on the External Auditors' mindset and culture, skills, character and knowledge, and the quality of its controls, as set out in the guidance for audit committees prepared by the FRC.

The evaluation of the External Auditors included the following steps:
- A survey of key finance and non-finance stakeholders
- A commentary-based survey of Audit Committee members focused on their experience of working with PwC
- A review of other external evidence on PwC audit quality (e.g. a report on PwC by the FRC)
- Discussions with PwC and key finance and non-finance personnel

The quality of the audit team, their audit approach, technical expertise and independence were all positively rated along with their communication of issues and findings. Debrief meetings were held at a local level to discuss the 2023 audit, and to constructively share feedback that would facilitate further improvements to the audit planning for the 2024 audit. A set of Audit Quality Indicators for the 2024 audit were agreed with PwC. Fulfilment of these will be monitored by the Committee.

Reappointment of PwC

The Committee is responsible for making recommendations to the Board in relation to the appointment, reappointment and removal of the External Auditors. In undertaking this duty, the Committee takes into consideration a number of factors concerning the External Auditors and the Group's current activity, including:
- The results of its most recent review of the effectiveness of the Auditors
- The results of its review of the independence and objectivity of the Auditors, particularly in light of the provision of non-audit services
- Its ability to coordinate a global audit, working to tight deadlines
- The cost competitiveness of the Auditors in relation to the audit costs of comparable UK companies
- The tenure of the incumbent Auditors
- The periodic rotation of the senior audit management assigned to the audit of the Company
- External reviews of the performance and quality of the Auditors, including:
  - The annual report issued by the Audit Quality Review team of the Financial Reporting Council on the work of the Auditors
  - The Auditors' own annual Transparency Report

Having considered the aforementioned factors, the Committee recommended to the Board that PwC be reappointed. It confirms that its recommendation is free from the influence of any third party and that there are no contractual restrictions on the choice of auditors. A resolution proposing the reappointment of PwC will be included in the Notice of AGM for 2025.

Statement of compliance with the Competition and Markets Authority (CMA) Order

The Committee considers that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (Article 7.1), published by the CMA on 26 September 2014, including with respect to the Audit Committee's responsibilities for agreeing the audit scope and fees and authorising non-audit services.

Audit Committee evaluation

The Audit Committee's performance was evaluated as part of the Board and Committee performance evaluations performed by the Company Secretary, which are further described in-depth on pages 101 and 102. The review concluded that the Committee continued to operate effectively, with an appropriately diverse membership, access to good quality information and well-prepared agenda. The quality of discussion was highly rated, with a good level of engagement and open discussion. The execution of a smooth transition to the new Chair was also positively noted. It was agreed that the Divisional Finance VPs would be invited to present at future meetings to enhance the work of the Committee, and that priorities for the Committee in 2025 would include supporting the CFO in the implementation of the Finance function strategy and working with the new Group Head of Internal Audit to further enhance the work of the Internal Audit function.

On behalf of the Audit Committee

Robert MacLeod
Chair, Audit Committee
5 March 2025

Nomination Committee

Carl-Peter Forster – Committee Chairman

Carla Bailo

Italia Boninelli
(from 1 June 2024)

Kath Durrant
(until 31 July 2024)

Dinggui Gao

Friederike Helfer

Douglas Hurt
(until 15 May 2024)

Eva Lindqvist
(from 15 May 2024)

Robert MacLeod

The Company Secretary is Secretary to the Committee

Dear Shareholder,

In 2024, the Committee's focus on Board recruitment continued, with Eva Lindqvist joining at the AGM to replace Douglas Hurt as Senior Independent Director, and Italia Boninelli appointed in June to take over from Kath Durrant as Chair of the Remuneration Committee in July.

The Committee also continued to spend time in 2024 on senior management development and succession planning, particularly with respect to the changes in membership of the Group Executive Committee. The Committee monitored the turnover, diversity and promotional potential of staff reporting to members of the GEC, and considered the Group's wider talent management programme. It reviewed the talent distribution and diversity in the Group's senior and middle management, and the challenges and opportunities for the Group's talent pipeline. In addition, the Committee reviewed progress with the Group's diversity initiatives, noting the positive progress made in attracting more women to join the Group.

Yours sincerely

Carl-Peter Forster
Chairman, Nomination Committee
5 March 2025

Role and responsibilities

The Nomination Committee's foremost priorities are to ensure that the Company has the best possible leadership and that plans are in place for orderly succession to both the Board and Group Executive Committee positions. The Committee ensures that the procedure for the selection of potential candidates for Board appointments – either as an Executive Director or independent Non-executive Director – is formal, rigorous and transparent, and undertaken in a manner consistent with best practice. It also ensures that the Board is composed of individuals with the appropriate drive, abilities, diversity and experience to lead the Company in the delivery of its strategy, and that appointments are made on merit, against objective criteria, with due regard for the benefits of gender, social, ethnic and cognitive diversity, and personal strengths.

The Committee is composed solely of Non-executive Directors and is chaired by the Chair of the Board. The Chief Executive and Chief HR Officer attend all scheduled meetings of the Committee. Members' biographies are set out on pages 76 and 77. The Committee met five times during the year. It operates under formal terms of reference, a copy of which is available on the Group's website at: www.vesuvius.com/en/investors/corporate-governance/committees.html.

The Committee and its members are empowered to obtain outside legal or other independent professional advice at the cost of the Company in relation to its deliberations. These rights were not exercised during the year. The Committee may also secure the attendance at its meetings of any employee or other parties it considers necessary.

Board composition

The Committee keeps the current and future membership needs of the Board and its Committees under continual review. The independence and diversity of the Board, along with the Company's ongoing compliance with the Board Diversity Policy, and the requirements of the UK Listing Rules as they pertain to the Committee, are also examined as part of the Group's annual corporate governance review. Whilst the Board recognises that over time the proportion of female Directors may fluctuate naturally as Board members retire and new Directors are appointed, the Board will always seek to review a diverse list of candidates for any Board position.

Having taken into account the structure, size and composition of the Board, along with prospective retirements of Board members, the Committee sought to recruit additional resource for the Board and its Committees in 2024.

How the Nomination Committee delivered on its responsibilities in 2024

Board composition

- It reflected on the balance of skills, knowledge and experience of the current Directors and compared this to the list of key skills the Board assesses are needed to support the delivery of the Company's strategy
- It reviewed the membership needs of the Board and its Committees, considering the existing tenure and the prospective rotation and retirement of Board members
- It recommended to the Board that Eva Lindqvist be appointed as a new Non-executive Director
- It appointed Spencer Stuart to undertake a search for a new Non-executive Director, to take over the role of Chair of the Remuneration Committee from Kath Durrant on her retirement from the Board
- It considered and interviewed potential candidates, including assessing whether individuals had the appropriate time available to commit to the roles, before making final recommendations on the appointment of the preferred candidate, Italia Boninelli, to the Board

Committee evaluation

- It participated in the Board's evaluation of its performance, reviewing the Committee's performance and effectiveness during 2024, including evaluating the contribution of each Non-executive Director and whether they continued to be able to allocate sufficient time to fulfil their duties

Governance

- It approved the Nomination Committee report for publication in the Annual Report
- It reviewed the Committee's terms of reference and recommended to the Board a minor change to reflect the updated UK Corporate Governance Code

Succession planning and senior management development

- It ensured, in line with good governance, that the Committee continued to review succession processes for the Group's Executive Directors
- It maintained oversight of the changes to membership of the GEC during the year, reviewing talent development and succession proposals for the resourcing of vacant roles going forward
- It undertook an in-depth review of the talent management programme for the Group's senior and middle management, considering the promotional potential of these individuals, and the diversity and level of turnover in this group
- It reviewed the Board and senior management succession plans, focusing particularly on any gaps in these and the action being undertaken to ensure these are filled on a timely basis
- It reviewed the Group's wider talent pipeline, including the methods used to identify and develop talent across the Group

Diversity

- It reviewed the diversity of the Group's employees, with a focus on gender diversity and the range of nationalities represented in the Senior Leadership Group
- It reviewed the Group's progress in achieving its diversity targets, noting the actions being taken to improve the Group's diversity, particularly the number of women employed throughout the Group

Nomination Committee continued

Remuneration Committee Chair appointment process

Requirement – The Committee sought to recruit a new Remuneration Committee Chair.

Brief

The global specialist search consultant, Spencer Stuart, was retained to assist with the search. Spencer Stuart has adopted the Voluntary Code of Conduct addressing gender diversity and best practice in search assignments. It does not have any other connection with the Group, other than in respect of management recruitment work undertaken as part of normal trading activities.

Search considerations

A candidate specification was prepared taking into consideration the balance of skills, knowledge and experience of the existing Directors, the diversity of the Board, the independence of continuing Board members, and the ongoing requirements and anticipated strategic developments of the Group. A candidate was sought with experience serving on the Remuneration Committee of a listed UK company.

Review

Spencer Stuart identified potential candidates and produced a diverse longlist for consideration. A shortlist was drawn up, based upon the objective criteria identified at the beginning of the process and these candidates were invited for interview with the Chairman.

Selection

The preferred candidates then met with other members of the Board. Italia Boninelli was then identified as the lead candidate, and detailed external references were taken up. Italia demonstrated that she had sufficient time available to devote to the role and the Committee confirmed that there were no potential conflicts of interest.

Appointment

The Committee made a formal recommendation to the Board for the appointment of Italia, and the Board approved the appointment.

Induction

A comprehensive induction programme was put in place. Italia was given access to past Board and Committee papers, and she attended the Board's June Strategy meetings where she received immersive insight into the Group's strategy for its global businesses. She also attended the whole Board's visits to the Group's operations in China in September. A programme of formal meetings with senior executives was also set up to ensure that she was quickly able to assimilate additional fundamental information about the business and the Group's operations.

Italia Boninelli and Eva Lindqvist's induction programmes

Areas covered:	Provided by:
Vesuvius' purpose, strategy, customer and supplier landscape and strategic priorities	Attending the Group's June Strategy meetings and further one-to-one sessions with the CFO, BU Presidents, VP Business Development and Chief Digital Officer
Business operations and culture	Vesuvius Technical/Product Training, site visits to operations and a customer in China with the Board, and to Skawina in Poland
Financial position and performance, risk management, tax and treasury matters	CFO, External Audit Partner, Company Broker, Head of Investor Relations, Global Shared Services Manager, Group Head of Tax, Group Treasurer
People management and Executive compensation strategy	Chief HR Officer, External Remuneration Adviser
Health and safety and sustainability strategy	VP Sustainability, provision of policies/procedures, access to past Board sustainability presentations
Corporate governance, Board operations, legal and regulatory matters	General Counsel/Company Secretary, Compliance Director

Diversity

The Group's policy on Diversity and Equality outlines Vesuvius' commitment to encouraging a supportive and inclusive culture among its global workforce, promoting diversity and eliminating any potential discrimination in our work environment. (See the Policy summary on page 57.) Vesuvius' Board Diversity Policy explains how this commitment manifests in relation to the Board.

Vesuvius recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the organisation into the future. We believe that the dedication and professionalism of our people is the most significant contributor to our success. Having a balance of cultures, ethnicities and genders helps to promote innovation, creativity and engagement.

The diversity of our senior management cadre and employees is one of the core strengths of the Group. (See page 57 for further information about the Group's approach to diversity.)

The Nomination Committee considers the Group's progress in implementing the Group's diversity policy each year and the achievement of the Group's diversity targets. Across the Group in 2024, 15% of our workforce were women, which is no change versus 2023. The Group has set a target of ensuring that 25% of the Senior Leadership Group of the Company (which comprises c.150 individuals) are female by 2025. This KPI has been incorporated into the long-term incentives of our senior management. The number of women in the Senior Leadership Group increased slightly to 21% in 2024 (2023: 20%), but is still disappointingly well below target. Each of the Group's four Business Units has put in place strategies to enhance gender diversity.

As at 31 December 2024, the gender balance of the Group's employees was as follows:

	Female	Male	Gender not available[1]	Total	Female	Male
Group Executive Committee members	2	6		8	25%	75%
Leadership roles reporting to members of the GEC	12	41		53	23%	77%
Senior Managers[2]	**14**	**47**		**61**	**23%**	**77%**
All other employees	1,659	9,410	3	11,072	15%	85%
Vesuvius employees	**1,673**	**9,457**	**3**	**11,133**	**15%**	**85%**
Directly supervised contractors	83	324	2,175	2,582		
Vesuvius employees and directly supervised contractors	**1,756**	**9,781**	**2,178**	**13,715**		
Senior Leadership Group[3]	**32**	**121**		**153**	**21%**	**79%**

1. The Group had 2,582 directly supervised contractors who were contracted through third parties and for whom the Group does not hold detailed employment records.
2. Senior Managers comprise Group Executive Committee members plus key leadership roles reporting directly to members of the Group Executive Committee.
3. The Senior Leadership Group comprises the 153 most senior managers in the organisation.

Senior management development and succession

The Committee's succession planning activities also encompass the senior management levels immediately below the Board, aiming to support and encourage the growth of a pool of talent able to step up to the Group's top roles. As a matter of routine, the Committee is informed of changes in personnel amongst Senior Managers and the Committee maintained oversight of the changes to membership of the Group Executive Committee throughout the year.

The Committee considers succession plans for each member of the GEC. It assesses the availability of candidates who could cover the roles on a short-term contingency basis should the need arise, along with the pool of medium-term and long-term talent available for future development into specific roles. It monitors the level of turnover and diversity in the broader management group, along with the balance of internal promotions and external appointments into these roles. During 2024, it monitored succession plans for members of the GEC, and examined the Group's talent management processes and how the senior and middle management cadres were performing – all aimed at ensuring the Group has a pipeline of experienced and talented managers to succeed to roles at the highest level of the business. In this process, the Committee focused both on the bench strength in key skills and expertise, as well as the talent pipeline in critical geographies. The Committee also considered the level of turnover in the senior and middle management tiers and the challenges and opportunities for developing and retaining an appropriate talent pool.

Nomination Committee continued

Board diversity

A large part of the work of the Nomination Committee focuses on ensuring that the Board and its Committees have the appropriate range of diversity, skills, experience, independence and knowledge of the Company and the markets in which it operates, to enable them to discharge their duties and responsibilities effectively. The Board Diversity Policy confirms the Group's commitment to maintaining a diverse Board, while continuing to appoint candidates based on merit. We continue to look at diversity in its broadest sense – reflected in the range of backgrounds and experience of Board members who are drawn from different nationalities and have managed a variety of complex global businesses. The Nomination Committee recognises that diversity is a key ingredient in creating a balanced culture for open discussions at Board level and in minimising 'groupthink'.

All independent Non-executive Directors serve on the Audit and Remuneration Committees, and the Chairman and all the Non-executive Directors serve on the Nomination Committee, so the diversity of the Board's principal Committees reflects the diversity of our Non-executive Directors. The Nomination Committee therefore considers the diversity of the Non-executive Directors as a stand-alone cadre, as well as the diversity of the Board as a whole, when considering recruitment to the Board.

In 2023, the Board set a target for at least 40% female Board membership, with at least one of the senior Board positions (Chair, CEO, SID or CFO) to be held by a woman by the end of 2024. As at 31 December 2024, women made up 44% of the Directors (versus 33% as at 31 December 2023), and one of the senior Board positions (SID) was held by a woman. In addition, one of the Directors (11%) identified as having an Asian heritage, and another Director (11%) identified as having a mixed-race heritage, with no changes in these numbers since 31 December 2024. Currently, seven Directors hold citizenship outside the UK.

Women made up 60% of the membership of the Audit and Remuneration Committees as at 31 December 2024 (40% in 2023), and 57% of the membership of the Nomination Committee (43% in 2023). There have been no changes in the constitution of the Board or its Committees between 31 December 2024 and the date of this report.

As at 31 December 2024, the gender balance of the Directors and members of the Group Executive Committee was as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Group Executive Committee	Percentage of Group Executive Committee
Men	5	56%	3	6	75%
Women	4	44%	1	2	25%
Not specified/prefer not to say	–	–	–	–	–

The data for this table was collected by asking individuals to self-report against the categories displayed.

As at 31 December 2024, the ethnic background of the Directors and members of the Group Executive Committee was as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Group Executive Committee	Percentage of Group Executive Committee
White British or other White (including minority-white groups)	7	78%	75%	6	74%
Mixed/Multiple ethnic groups	1	11%	25%	1	13%
Asian/Asian British	1	11%	–	1	13%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The data for this table was collected by asking individuals to self-report against the categories displayed.

As at 31 December 2024, the gender balance of the Directors serving on the Audit, Remuneration and Nomination Committees was as follows:

	Number of Audit and Remuneration Committee members	Percentage of the Audit and Remuneration Committee	Number of Nomination Committee members	Percentage of the Nomination Committee
Men	2	40%	3	43%
Women	3	60%	4	57%
Not specified/prefer not to say	–	–	–	–

The data for this table was collected by asking individuals to self-report against the categories displayed.

Vesuvius Board Diversity Policy

Vesuvius plc recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the organisation into the future. Vesuvius is committed to ensuring equality of opportunities, with the aim of promoting diversity and inclusion. In this context, the promotion of diversity and inclusion relates, but is not limited to, both protected and non-protected characteristics, including gender, age, educational and professional background, ethnicity, sexual orientation, disability and socio-economic background.

Objectives

- The Nomination Committee will focus on ensuring that it, the Board and the Board's Committees, have the appropriate range of diversity, skills, experience, independence and knowledge of the Company to enable them to discharge their duties and responsibilities effectively
- As all independent Non-executive Directors serve on the Audit and Remuneration Committees, and the Chairman and all of the Non-executive Directors serve on the Nomination Committee, the diversity of the Board's principal Committees reflects the diversity of the Non-executive Directors. For the purposes of considering the diversity of the Board's Committees, the Nomination Committee will therefore consider the diversity of the Non-executive Directors as a stand-alone cadre, as well as the diversity of the Board as a whole, when considering recruitment to the Board
- The Nomination Committee will ensure that all appointments to the Board and its Committees are aligned with Vesuvius' Policy, and are based on merit with each candidate assessed against objective criteria focused on the skills, experience and knowledge required of the position, and with due regard to the benefits of diversity and inclusion on the Board
- The Nomination Committee will engage with executive search firms in a manner which ensures that opportunities are taken for a diverse range of candidates to be considered for appointment. This will include ensuring that the Committee only uses search firms that are signed up to the Voluntary Code of Conduct for Executive Search Firms
- The Nomination Committee supports senior management efforts to increase diversity in the senior management pipeline to facilitate succession planning towards executive Board positions. With respect to the representation of women on the Board, the Board is supportive of the initiatives to increase the proportion of women on the boards of FTSE 350 companies. Vesuvius aims, by the end of 2024, to achieve a Board with at least 40% of the Directors being women, and at least one of the senior positions (the Chair, Chief Executive, Senior Independent Director and Chief Financial Officer) being held by a woman, while continuing to appoint candidates based on merit
- With regard to ethnic diversity, the Board is committed to ensure that at least one Director is from a minority ethnic background
- The Board recognises that over time the proportion of women Directors and Directors from a minority ethnic background may fluctuate naturally as Board members retire and new Directors are appointed

View the Board Diversity Policy on the Vesuvius website at: www.vesuvius.com/content/dam/vesuvius/corporate/Sustainability/policies/board-diversity-policy-july-2023.pdf

Board evaluation

The Board carries out an evaluation of its performance in the last quarter of each year. This year's evaluation was overseen by the Chairman, and after a number of years' external facilitation by the corporate advisory firm, Lintstock, was internally facilitated by the Company Secretary.

Each evaluation was conducted via a series of targeted questionnaires, sent to all the Directors, the Company Secretary and Chief HR Officer. As with previous years, the evaluation covered both the performance of the Board and that of its Committees, along with individual reviews of each Director and an analysis of the performance of the Chairman. Narrative reports were prepared for the Board, and the Audit, Nomination and Remuneration Committees.

In 2024, the Board assessment focused on six core areas:

- Board dynamics
- Allocation of Board time
- Strategy
- Workforce engagement
- Risk management
- Ongoing priorities

Nomination Committee continued

Overall, the Board was felt to be well-composed with a good range of skills and experience, covering a mixture of different industrial sectors, functional expertise and geographies. The Board's dynamics were generally positively rated with good collaboration and high-quality debate, though it was noted that there had been heightened tension in the Boardroom around some topics during the year. The Board agenda was considered balanced, with an improved focus on strategic and commercial matters. The Board's understanding of the views and requirements of stakeholders was also rated highly, with the Board's visit to a customer site in 2024 identified as particularly valuable. The Board was felt to engage well with the workforce through site visits and discussions, but it was felt that more work could be done to allow Directors to fully understand the Company's culture and performance challenges through those visits. The Board's oversight of risk management was considered to have improved, with thorough annual assessments.

The Chairman conducted one-on-one meetings with each of the Directors, to discuss the evaluation process and outcomes, and ensure that the Group was drawing effectively on each of their skills and experience. He concluded that each Director continued to contribute effectively to the work of the Board.

From these discussions a number of points for further attention of the Board were highlighted, including the continued need to deepen the Board's understanding of the priorities and dynamics of the Group's customer and supplier base, as well as developments in the structure of the Group's competitive environment. The importance of robust succession planning was also re-emphasised, together with ensuring that through its agenda and activities, the Board continues to meet senior managers, to gain understanding and feedback on the operational issues that are of most importance to the Group. Each of these areas was seen as a key input to the Board's overall discussions on Group strategy and its development.

An assessment of the Chairman was conducted by the Senior Independent Director with overall feedback provided to the Chairman on the positive role he is playing. Each of the Committees was also considered to have operated effectively during the year.

As in previous years, a set of action points was compiled from the output of the evaluation to ensure that its findings are integrated into the Board's activities. These will be implemented by the Board in 2025, with progress reviewed by the Board throughout the year.

The 2023 evaluation identified the following priorities for future Board attention. These were addressed during 2024 as follows:

Area	Issue	Action taken in 2024
Strategy	Measure the impact and success of the Group's investment in R&D	Presentations on R&D strategy were received from each Business Unit R&D head. These included information on new product development, allocation of resources and areas of critical focus, as well as the commercial impact of historical R&D.
	Continue the development of the Board's understanding of priorities and dynamics in our customer and supplier relationships	In addition to the Chief Executive's regular updates in this area, the Group Head of Strategy and the VP Purchasing again presented to the Board on customer and supplier base, and on structural changes and developments during the year. These areas were also highlighted by the BU Presidents in their operational presentations to the Board.
People and organisation	In line with good governance, ensure a robust process is in place to consider Executive Director succession	The Nomination Committee continued to review its strategies for Executive Director succession, focusing on process, readiness and the talent pipeline.
Board dynamics	Ensure Board agenda – and presentations to the Board – enable the Board to focus on the key issues/ priorities to drive business success	The Board's agenda continued to develop with increased focus on strategy, operational challenges and the Group's priorities for development. Each of the BU Presidents presented to the Board on issues specific to their Business Units, identifying critical activities to drive performance and efficiency.
	Facilitate greater contact between the Board and BU Presidents	As noted above, as well as presenting formally to the Board twice in each year, the BU Presidents supported and attended site visits with Board Directors during the year. The BU President for Flow Control also travelled with the Board during its visit to China in September 2024.

Committee evaluation

The Committee's activities were a separate part of the evaluation of Board effectiveness during the year. The results of the evaluation questionnaires circulated by the Company Secretary were collated, and a written report tabled and discussed by the Committee, as well as being discussed in one-on-one meetings with the Chairman.

The Nomination Committee was considered to operate effectively, with the smooth rotation and induction of new Non-executive Directors in 2024 noted as a key achievement. The Committee was considered to comprise individuals with appropriate experience, skills and knowledge and the quality of discussion in meetings was highly rated, with subjects handled efficiently.

The quality of information provided to the Committee was also rated highly, although the need to deepen discussions on senior management talent was noted. Succession plans for the Executive Directors and other members of the GEC were highlighted as an area for continued focus along with senior management quality and turnover.

On behalf of the Nomination Committee

Carl-Peter Forster
Chairman, Nomination Committee
5 March 2025

Directors' Remuneration Report

Remuneration overview

Italia Boninelli – Committee Chair
(from 31 July 2024)

Carla Bailo

Kath Durrant
(until 31 July 2024)

Dinggui Gao

Douglas Hurt
(until 15 May 2024)

Eva Lindqvist
(from 15 May 2024)

Robert MacLeod

The Company Secretary
is Secretary to the Committee

Dear Shareholder,

I am pleased to present our Directors' Remuneration Report ('Remuneration Report') for 2024.

The report outlines how we implemented the Directors' Remuneration Policy in 2024, and how we intend to apply the Policy in 2025.

I would firstly like to thank my predecessor, Kath Durrant, for her work as the Committee's Chair for the first part of the year and for her support throughout the handover of responsibilities. I would also like to thank my fellow Committee members for their insights and valued contributions during the past year.

Overview of executive remuneration

The Committee remains focused on providing the Chief Executive and his executive team with a remuneration framework which is aligned to the Group's long-term strategic goals and which provides a fair reward for the successful delivery of those goals.

In addition, the Committee has continued to monitor the competitiveness of executive remuneration during the past year – both in terms of the structure of incentives and the quantum relative to the global marketplace in which the Group recruits its executives. Whilst no changes are proposed to the structure of executive remuneration for 2025, this will remain an area of particular focus for the Committee ahead of the next Directors' Remuneration Policy renewal in 2026.

For 2025, the Chief Executive and CFO will both receive a base pay increase of 3% which is slightly below our global workforce budget of 5% but consistent with UK market forecasts. No changes are proposed to their levels of incentive opportunity in 2025.

Key activities in 2024

- Reviewing and approving achievement against the performance targets for the outcome of the 2023 Annual Incentive arrangements
- Setting performance targets and approving the structure of the 2024 Annual Incentive arrangements
- Reviewing and assessing the Company's attainment of performance conditions applicable to the Vesuvius Share Plan (VSP) awards made in 2021
- Setting the performance measures and targets, and authorising the grant of new awards in 2024 under the VSP, the Deferred Share Bonus Plan and the Medium-Term Incentive Plan
- Considering the Company's ongoing share sourcing requirements to meet obligations under the Company's share plans, and funding of the Employee Benefit Trust (EBT)
- Reviewing employee remuneration arrangements around the Group
- Considering retention issues and implementing significant uplifts in base pay for selected key management roles
- Approving the 2023 Directors' Remuneration Report
- Reviewing the Committee's terms of reference
- Approving the 2025 remuneration for the Chairman, Chief Executive, CFO and senior management

Alignment of our KPIs with Company strategy, purpose and Values

The delivery of financial KPIs and the development of an effective organisation sustainable over the long term relies on a clear set of Values. Vesuvius believes that high levels of performance and growth require a diversity of thinking and continuous innovation, underpinned by the Values of courage, ownership, respect and energy. The alignment of our incentives with our strategic objectives is summarised in the table on the following page. The reward structure operated as intended in 2024 and no changes are proposed in the KPIs used to assess performance in 2025.

Strategic Value alignment

Return on Sales | Free Cash Flow | Cost Savings | Sustainability

See more about **Our business model** on **p12 and 13**

Remuneration overview continued

KPI	2023 and 2024 weighting	2025 weighting	Strategic rationale
Annual Incentive Plan: one-year performance			
Headline EPS	**40%**	**50%**	Aligned with our strategic aim of sustainable, profitable growth Maintains the primary focus on a profit measure in short-term incentivisation
Working capital/sales	**20%**	**30%**	Consistent with our strategic aim of maintaining strong cash generation and an efficient capital structure
Post-tax ROIC	**20%**	–	ROIC has been removed as an Annual Incentive Plan metric for 2025, in order to eliminate the overlap between short- and long-term incentive targets
Personal measures	**20%**	**20%**	Enables a focus on specific personal deliverables, managed through the performance management system
Vesuvius Share Plan: three-year performance			
Relative TSR	**40%**	**40%**	Aligned with our strategic aim of delivering shareholders a superior return on their investment
Post-tax ROIC	**40%**	**40%**	Consistent with our strategic aim of generating sustainable profitability and creating shareholder value
ESG	**20%**	**20%**	Provides a specific focus on the three priority long-term ESG measures for the Group: CO_2e emissions intensity (10%), Safety (5%) and Diversity (5%)

Performance and incentive outcomes in 2024

As the Chief Executive outlined in his statement, Vesuvius' performance in 2024 showed resilience despite difficult market conditions, thanks to a strong focus on cost reduction and to the continuing benefits of the Group's technology strategy. Performance highlights are summarised below – full details are in the Strategic Report on pages 6–11 and 24–62.

Financial/ operational	– Global steel production remained subdued with growth limited to 0.8% for the full year – Foundry markets, with the exception of India, remained very weak throughout 2024, affecting all industrial end-markets outside of China, including the light vehicle industry which had performed well in 2023 – Despite adverse market conditions, the Steel Division performed well in 2024. On an underlying basis, the Steel Division revenue remained broadly stable (-0.1%) while profit grew by 9.9% – Severe market decline, in particular in EU+UK and North Asia which represents c.40% of the Foundry Division turnover, reduced overall Foundry Division revenue by c.10%. The Division was, however, able to mitigate this general market downturn with market share gains of c.5% – We maintained a strict focus on working capital management and were able to reduce our trade working capital intensity further, to 22.9% at year-end, versus 23.4% last year
Strategic including sustainability	– We continued our strong investment in research and development in 2024 at £37m, equating to 2.0% of revenue. Our New Product Sales ratio reached 19.1% for the Group in 2024, up from 17.6% in 2023 – Our cost optimisation programme, launched late 2023, delivered cost savings of £13m in 2024, with an annualised exit run-rate of £18m – We have reduced our carbon intensity (CO_2e tonnes per million tonnes product sold) by 27% versus our 2019 reference year, on a pro forma basis (-40% on a reported basis), significantly ahead of our 2025 objective of a 20% reduction
Health and safety	– In 2024, we achieved a further improvement in safety, with a Lost Time Injury Frequency Rate of 0.52, our best result ever, having achieved 0.60 in 2023

In 2024, the Annual Incentive Plan (AIP) was based 40% on Group headline earnings per share (EPS), 20% on Group post-tax ROIC (return on invested capital), 20% on the Group's working capital to sales ratio (based on the 12-month moving average) and 20% on specified personal objectives. Performance against these measures is illustrated in the charts overleaf and full details are given on page 120.

The Committee also agreed personal objectives for the Chief Executive and CFO at the start of 2024, and assessed their performance to merit 71.0% and 70.0% of maximum targets, respectively.

The outcome of the Annual Incentive Plan was 36.5% of maximum for the Chief Executive and 36.3% of maximum for the CFO, representing 63.9% and 54.5% of base salary, respectively. The Committee gave careful consideration to these outcomes and was satisfied that they were consistent with the Group's resilient performance and strategic progress outlined above. The Committee noted that similar and complementary KPIs exist in the incentive programmes for managers and employees and was mindful of the outturns for the wider workforce in confirming its decisions for Executive Directors and the Group Executive Committee. Consequently, the Committee concluded that no discretionary adjustment was required.

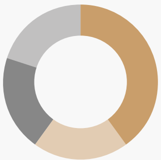
A full disclosure of the Annual Incentive Plan outturn is provided on page 120.

The performance period for the 2022 Vesuvius Share Plan award ended on 31 December 2024 and the formulaic outcome was 65.0% of maximum vesting, full details of which are provided on page 122. The Committee was satisfied that this outcome, derived from strong performance across all three of the performance metrics over the three-year performance period, was appropriate in light of the overall stakeholder experience and concluded that no discretionary adjustment was required.

Annual Incentive Plan outturn

Weighting

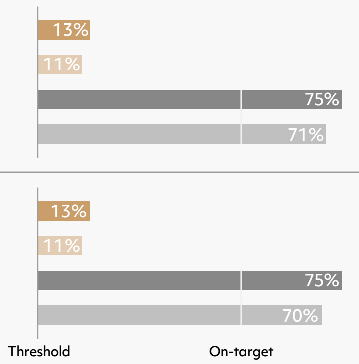
- 40% EPS
- 20% ROIC
- 20% Working capital/sales ratio
- 20% Personal objectives



Performance

Patrick André, Chief Executive

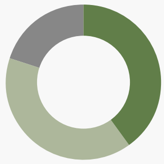
Mark Collis, Chief Financial Officer



Long-Term incentive

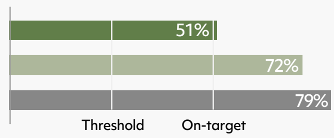
Weighting

- 40% Total shareholder return
- 40% Three-year average ROIC
- 20% Environmental, Social and Governance



Performance

Patrick André, Chief Executive



Chairman and Non-executive Directors' fees

In line with the base pay increases for the Executive Directors, the Committee approved a 3% increase in the Chairman's annual fee from 1 January 2025. Separately, the Board considered Non-executive Director fees and made some consequent adjustments to the fee structure that are detailed on page 124.

Employee engagement

During the year the Non-executive Directors visited plants in Czech Republic, Belgium, the United States, Mexico, Poland, Japan and China. Each of these site visits enabled direct discussions with local management teams and the workforce on a range of topics. At larger sites, 'town hall' meetings were also held and enabled a two-way dialogue on a range of issues of interest to the workforce. In these meetings it was usual for Non-executive Directors to present on how the Board and its Committees operate, and on corporate governance, including executive remuneration.

In 2024, the Remuneration Committee received a report from the Chief HR Officer regarding workforce terms and conditions across the globe and summarising key areas of focus, particularly the pressure on attracting and retaining staff in many key talent markets. Work undertaken by management to address this challenge, including considering more bespoke incentive arrangements for certain commercial roles in business units and regions, was noted by the Committee and taken into consideration in its deliberations on executive remuneration.

Shareholder engagement

At the 2024 AGM, the Annual Report on Remuneration (excluding the Directors' Remuneration Policy) was supported by 97.1% of voting shareholders and we are very grateful for this strong demonstration of support. As no changes are proposed to the structure of executive remuneration arrangements in 2025, we have not consulted with shareholders on specific remuneration issues during the past year. However, the Committee and I would welcome any comments or feedback from shareholders on remuneration matters at the forthcoming AGM.

Our Directors' Remuneration Policy was last approved at the 2023 AGM and so will require its standard triennial renewal by shareholders at the 2026 AGM. Ahead of that renewal, the Committee will undertake a detailed review of the remuneration framework to ensure that it continues to support the Group's talent and strategic priorities. We will consult with shareholders as required, and if any material changes are proposed.

The remainder of this Directors' Remuneration Report outlines how we implemented the Directors' Remuneration Policy in 2024 and how we intend to apply the Policy in 2025. I would welcome your support for this Report at the AGM.

Italia Boninelli
Chair of the Remuneration Committee
5 March 2025

Operation of the Remuneration Committee

Remuneration Committee structure

The membership of the Remuneration Committee comprises all of the independent Non-executive Directors of the Company.

The Committee Chair is Italia Boninelli, who has served on the Committee since her appointment to the Board on 1 June 2024, and as Committee Chair since 31 July 2024. Carla Bailo, Dinggui Gao and Robert MacLeod have served on the Committee throughout 2024. Eva Lindqvist joined the Committee on her appointment to the Board, on 15 May 2024. Douglas Hurt served on the Committee up until 15 May 2024, at which point he stepped down from the Board having served as a Director for nine years. Kath Durrant stepped down from the Board on 31 July 2024 having served as a Director for over three years, for the majority of which she also served as Chair of the Committee.

The Committee complies with the requirements of the UK Corporate Governance Code for the composition of remuneration committees. Each of the members brings a broad experience of international businesses and an understanding of their challenges to the work of the Committee. The Company Secretary is Secretary to the Committee. Members' biographies are on pages 76 and 77.

Meetings

The Committee met five times during the year. The Group's Chairman, Chief Executive, Chief Financial Officer and Chief HR Officer were invited to each meeting, together with Friederike Helfer, Vesuvius' non-independent Non-executive Director, though none of them participated in discussions regarding their own remuneration. In addition, a representative from Deloitte, the Remuneration Committee adviser, attended the meetings. The attendees supported the work of the Committee, giving critical insight into the operational demands of the business and their application to the overall remuneration strategy within the Group. In receiving views on remuneration matters from the Executive Directors and senior management, the Committee recognised the potential for conflicts of interest to arise and considered the advice accordingly. The Chair of the Committee reported the outcomes of all meetings to the Board.

The Committee operates under formal terms of reference which were reviewed during the year. The terms of reference are available on the Group website: www.vesuvius.com. The Committee members are permitted to obtain outside legal advice at the Company's expense in relation to their deliberations. The Committee may also secure the attendance at its meetings of any employee or other parties it considers necessary.

Role and responsibilities

The Committee is responsible for:

- Determining the overall remuneration policy for the Executive Directors, including the terms of their service agreements, pension rights and compensation payments
- Setting the appropriate remuneration for the Chairman, the Executive Directors and senior management (being the Group Executive Committee)
- Reviewing workforce remuneration and related policies, and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration
- Overseeing the operation of share incentive plans

Advice provided to the Remuneration Committee

Deloitte is appointed directly by the Remuneration Committee to provide advice on executive remuneration matters, including remuneration structure and policy, updates on market practice and trends, and guidance on the implementation and operation of share incentive plans. The Committee appointed Deloitte, a signatory to the Remuneration Consultants Group Code of Conduct in relation to Executive Remuneration Consulting in the UK, following a formal tender process in 2014. Deloitte also provides the Remuneration Committee with ongoing calculations of total shareholder return (TSR) to enable the Committee to monitor the performance of long-term share incentive plans. Deloitte does not have any other connection with any individual Director.

In addition, in 2024, Deloitte provided the Group with IFRS 2 calculations for the purposes of valuing the share plan grants and, within the wider Group, was engaged in various jurisdictions to provide tax advisory work, and some consultancy services. During 2024, Deloitte's fees for advice to the Remuneration Committee, charged on a time spent basis, amounted to £62,690. The Committee conducted a review of the performance of Deloitte as remuneration adviser during the year and concluded that Deloitte continued to provide effective, objective and independent advice to the Committee. No conflict of interest arises as a result of other services provided by Deloitte to the Group.

Directors' Remuneration Report

Remuneration Policy design principles

Remuneration Policy design

The Committee is satisfied that the Remuneration Policy, approved in 2023, is designed to promote the long-term success of the Company in accordance with the requirements of the Code with regard to:

Clarity

Executive remuneration arrangements are transparent with full disclosure in the Annual Report. The Annual Incentive structure for the Executive Directors is based on the same structure utilised for senior executives throughout the Group. Long-term sustainable growth is core to the long-term incentive, and alongside five-year holding periods clearly aligns the interests of executives with those of the Group's shareholders.

Simplicity

The Policy, with its focus on three core elements: fixed pay, Annual Incentive and Long-Term Incentive, is clear, simple and easy to understand.

Risk

The Committee has carefully analysed the range of possible outcomes of awards and believes the Policy to be fair and proportionate, with the clear linkage to Group profitability mitigating the potential for excessive rewards and the reliance on audited profit numbers and externally verified TSR targets serving to mitigate behavioural risk. The Committee has discretion under the Vesuvius Share Plan to determine the vesting of awards in accordance with the Code requirement and malus and clawback provisions also apply.

Predictability

The remuneration illustrations indicate the minimum and maximum potential remuneration. The Committee reviews the underlying financial performance of the Company over the performance period, and the non-financial performance of the Group and participants, to ensure that pay-out levels are justified. The Committee has the discretion to amend the final vesting level if required.

Proportionality

The Committee believes that the performance-related elements of remuneration have financial targets which are transparent, stretching and clearly align the Executive Directors' remuneration with the delivery of the Group's strategy. The Vesuvius Share Plan rewards long-term performance directly linked with the Group's strategy and results, ensuring that only strong performance is rewarded (see page 117).

Alignment to culture

The Executive Directors' incentive arrangements are consistent with the Group's core strategic objective of delivering long-term sustainable and profitable growth and support our performance-orientated culture, Values and purpose (see page 103).

The Remuneration Policy was prepared in accordance with the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the Financial Conduct Authority's Listing Rules and the Disclosure Guidance and Transparency Rules.

2023 Remuneration Policy

The Policy set out below contains minor amendments, as appropriate, to reflect activities undertaken in 2024. For reference, the Policy, as approved by shareholders at the AGM on 18 May 2023, can be found on pages 124 to 132 of the 2022 Annual Report, available on the www.vesuvius.com website.

Comparison of Remuneration Policy for Executive Directors with that for other employees

The Remuneration Policy for Executive Directors is designed in line with the remuneration philosophy set out in this report – which also underpins remuneration for the wider Group. However, given that remuneration structures for other employees need to reflect both seniority and local market practice, they differ from the policy for Executive Directors. In particular, Executive Directors receive a higher proportion of their remuneration in performance-related pay and share-based payments.

All members of the Group Executive Committee participate in the Vesuvius Share Plan and receive awards of Performance Shares, which vest on the basis of the same performance targets set for the Executive Directors. The level of awards granted to members of the Group Executive Committee who don't serve on the Board are lower than those granted to the Executive Directors.

Middle and senior managers also participate in the Annual Incentive Plan and, in certain cases, longer-term share or cash-based plans, with awards predominantly based on a blend of Group and regional or Business Unit performance measures appropriate for the scope of participants' responsibilities. Individual percentages of variable versus fixed remuneration and participation in share-based structures increase as seniority increases.

Consideration of conditions elsewhere in the Group in developing policy

The Non-executive Directors participated in a number of 'town hall' meetings and site visits during the year which provided the opportunity to engage with the workforce on a wide range of issues, including executive remuneration where appropriate. The Remuneration Committee also commissioned an annual review of workforce remuneration in 2024, which reported on general remuneration, incentives and benefits practices around the Group. The Committee takes into account all such detail regarding the pay and employment conditions of other Group employees when determining Executive Directors' remuneration, particularly when determining base salary increases, when the Committee will consider the salary increases for other Group employees in the same jurisdiction.

Consideration of shareholder views

Vesuvius is committed to open and transparent dialogue with its shareholders on remuneration as well as other governance matters. The Chair of the Committee welcomes shareholder engagement and is available for any discussions investors wish to have on remuneration matters.

Remuneration Policy Table for Executive Directors

Alignment/purpose	Operation	Opportunity	Performance
S Base salary			
Helps to recruit and retain key employees. Reflects the individual's experience, role and contribution within the Company	Base salary is normally reviewed annually, with changes effective from 1 January. Base salary is positioned to be market competitive when considered against other global industrial companies, and relevant international and FTSE 250 companies (excluding investment trusts). Paid in cash, subject to local tax and social security regulations.	Salary increases will normally not exceed the average increase awarded to other employees in the Group, although increases may be made above this level at the Committee's discretion in appropriate circumstances. In considering any increase in base salary, the Committee will also take into account: (i) The role and value of the individual (ii) Changes in job scope or responsibility (iii) Progression in the role (e.g. for a new appointee) (iv) A significant increase in the scale of role and/or size, value or complexity of the Group (v) The need to maintain market competitiveness No absolute maximum has been set for Executive Director base salaries. Current Executive Directors' salaries are set out in the Annual Report on Directors' Remuneration section of this Remuneration Report.	Any increase will take into account the individual's performance, contribution and increasing experience.
B Other benefits			
Provides normal, market-aligned benefits	A range of benefits including, but not limited to: car allowance, private medical care (including spouse and dependent children), life insurance, disability and health insurance, expense reimbursement (including costs if a spouse accompanies an Executive Director on Vesuvius business), together with relocation allowances and expatriate benefits, in some instances grossed up for tax, in accordance with the Group's policies, and participation in any employee share scheme operated by the Group.	There is no formal maximum as benefit costs can fluctuate depending on changes in provider, cost and individual circumstances.[1]	None.
P Pension			
Helps to recruit and retain key employees Ensures income in retirement	An allowance is given as a percentage of base salary. This may be used to participate in Vesuvius' pension arrangements, invested in own pension arrangements or taken as a cash supplement (or any combination of the above options).	Maximum of 17% of base salary for incumbent Executive Directors from the end of 2022, in line with the average of that received by the majority of the global workforce.[2] The level of allowance for Executive Directors appointed following the adoption of this Policy will be aligned with the post-retirement benefits applicable to the majority of the workforce or, where appropriate, to the majority of the workforce of the relevant geography.	None.

1. The Remuneration Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Policy set out here, where the terms of the payment were agreed: (i) before the Policy set out here came into effect, provided that the terms of the payment were consistent with the shareholder-approved Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' include the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.
2. As analysed in the business's Workforce Retirement Practices review conducted in 2020, as detailed on page 122 of the 2020 Annual Report.

2023 Remuneration Policy continued

Alignment/purpose	Operation	Opportunity	Performance
AI Annual Incentive			
Incentivises Executive Directors to achieve key short-term financial and strategic targets of the Group Additional alignment with shareholders' interests through the operation of bonus deferral	Normally 33% of any Annual Incentive earned by Executive Directors will be deferred into awards over shares under the Vesuvius Deferred Share Bonus Plan which normally vest after at least three years, other than in specified circumstances, i.e. in cases of dismissal for cause, as outlined on page 114 in this Policy. These may be cash or share settled. The Committee has the discretion to award participants the equivalent value of dividends accrued during the vesting period on any shares that vest. Subject to malus and clawback.	Below threshold: 0%. At threshold: Between 0 and 25% of maximum. On-target: 50% of the applicable maximum opportunity in any year. Maximum: Up to 175% of base salary. The Remuneration Committee will normally set the level of maximum bonus opportunity for each Executive Director at the start of each year. Payments start to accrue on meeting the threshold level of performance, with payments between threshold and on-target and between on-target and maximum made on a pro rata basis.	The Annual Incentive is normally measured on targets set at the beginning of each year. In unusual or exceptional circumstances, for example where there is exceptional economic volatility which limits visibility to set robust 12-month targets, the Committee may elect to set and measure targets other than on an annual basis. The majority of the Annual Incentive will be determined by measure(s) of Group financial performance. The remainder of the Annual Incentive will be based on financial, strategic or operational measures appropriate to the individual Director. Actual performance targets will be disclosed after the performance period has ended. They are not disclosed in advance due to their commercial sensitivity. The Committee may use its discretion to amend the formulaic outturn upwards or downwards if it does not consider the formulaic outcome appropriate.
VSP Vesuvius Share Plan (VSP)			
Aligns Executive Directors' interests with those of shareholders through the delivery of shares. Rewards Executive Directors for achieving the strategic objectives of growth in shareholder value and earnings Assists retention of Executive Directors over a three-year performance period and the further two-year holding period	VSP awards to Executive Directors are granted as Performance Share awards. These may be cash or share settled. Awards vest three years after their award date, other than in specified circumstances outlined elsewhere in this Policy, subject to the achievement of specified conditions. All vested shares, net of any tax liabilities, are then subject to a further two-year holding period after the vesting date, which will continue to apply notwithstanding the termination of employment of the participants during this holding period, except at the Committee's discretion in exceptional circumstances, including a change of control or where the participant dies or has left employment due to ill health, injury or disability. The Committee has the discretion to award participants the equivalent value of dividends accrued during the vesting period and further two-year holding period on any shares that vest. Subject to malus and clawback.	Executive Directors are eligible to receive an annual award with a face value of up to 200% of base salary in Performance Share awards. Vesting at threshold performance is between 0 and 25% of the award, rising to vesting of the full award at maximum.	Vesting will be subject to performance conditions as determined by the Remuneration Committee ahead of each award. Those conditions will be disclosed in the Annual Report on Directors' Remuneration section of the Remuneration Report. The performance conditions for 2025 are relative TSR, post-tax ROIC and ESG measures, weighted at 40%, 40% and 20%, respectively. The Remuneration Committee will retain discretion for future awards to include additional or alternative performance conditions which are aligned with the corporate strategy. At its discretion, the Committee may elect to add additional underpinning performance conditions. The Company reserves the right only to disclose certain of the performance targets after the performance period has ended, due to their commercial sensitivity. Prior to any vesting, the Remuneration Committee reviews the underlying financial performance of the Group over the performance period, and the non-financial performance of the Group and participants, to ensure that the vesting is justified. Following this review, the Committee has the discretion to amend the final vesting level if it does not consider that it is justified.

Illustration of the application of the Remuneration Policy for 2025

The charts below show the total remuneration for Executive Directors for 2025 for minimum, on-target and maximum performance. The fixed elements of remuneration comprise base salary, pension and other benefits, using 2025 salary data. The assumptions on which they are calculated are as follows:

Minimum

Fixed remuneration only.

On-target

Fixed remuneration plus on-target Annual Incentive (made at 87.5% of base salary for Patrick André and 75% for Mark Collis); and for the Performance Share awards under the Vesuvius Share Plan, median performance for the TSR element and the midpoint between threshold and maximum performance for the post-tax ROIC and ESG performance conditions (with overall vesting at 40% of maximum, based on the vesting schedule detailed on page 117). No share price appreciation is assumed.

Maximum

Fixed remuneration plus maximum Annual Incentive (being full achievement of financial and personal targets, made at 175% of base salary for Patrick André and 150% for Mark Collis) and 100% vesting for Performance Share awards (made at 200% of base salary for Patrick André and 150% of base salary for Mark Collis) under the Vesuvius Share Plan. No share price appreciation is assumed.

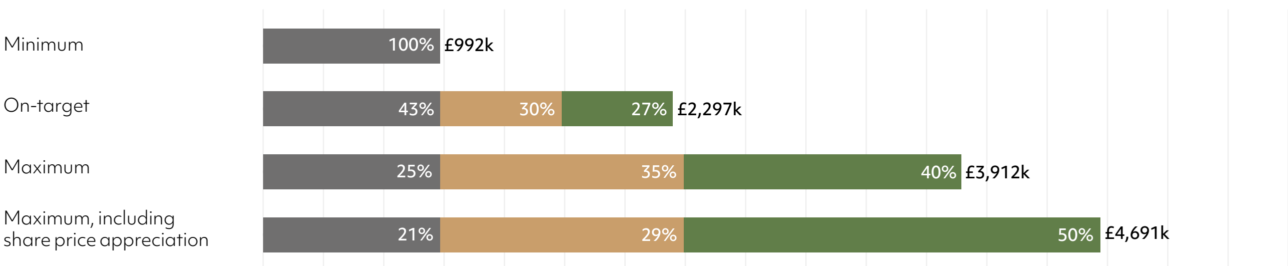
Maximum including assumed 50% share price appreciation

This shows the value of the maximum scenario if 50% share price appreciation is assumed over the three-year performance period of the Performance Share awards.

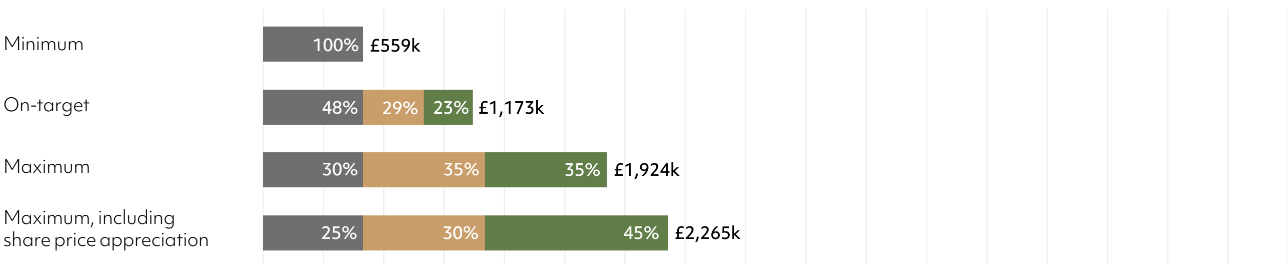
Note: In addition, the Committee retains the discretion to award dividends (either shares or their cash equivalent) on any shares that vest.

Remuneration illustrations £000

Patrick André, Chief Executive



Mark Collis, Chief Financial Officer



Fixed elements Annual variable elements Long-term variable elements

2023 Remuneration Policy continued

General operation of the Policy for Executive Directors

Shareholding guidelines

The Remuneration Committee encourages Executive Directors to build and hold a shareholding in the Company equivalent in value to at least 200% of base salary.

Compliance with the shareholding policy is tested at the end of each year for application in the following year, with the valuation of any holding being taken at the higher of: (1) the share price on the date of vesting of any shares derived from a share award, in respect of those shares only; and (2) the average of the closing prices of a Vesuvius ordinary share for the trading days in that December.

Unless exceptionally the Committee determines otherwise, under the post-employment shareholding guideline the Executive Directors will remain subject to their shareholding requirement in the first year after their cessation as an Executive Director and to 50% of the shares retained in the first year during the second year after such cessation, recognising that there is no requirement to purchase additional shares if the shares held when they cease to be an Executive Director are less than the applicable shareholding guideline. However, in relation to shares acquired by an Executive Director in their personal capacity, the Committee may, where appropriate, exempt such shares from the post-employment guideline.

Malus/clawback arrangements

The Executive Directors' variable remuneration is subject to malus and clawback provisions. These provide the Committee with the flexibility, if required, to withhold or recover payments made to Executive Directors under the Annual Incentive Plan (including deferred awards) and/or to withhold or recover share awards granted to Executive Directors under the Vesuvius Share Plan, including any dividends granted on such awards. The circumstances in which the Committee could potentially elect to apply malus and clawback provisions include: a material misstatement in the Group's financial results; an error in the calculation of the extent of payment or vesting of an incentive; gross misconduct by an individual; or significant financial loss or serious reputational damage to Vesuvius plc resulting from an individual's conduct; a material failure of risk management or a serious breach of health and safety. These malus and clawback provisions apply for a period of up to three years after the end of a performance period (or end of the deferral period in respect of awards made under the Vesuvius Deferred Share Bonus Plan).

Performance measures

In selecting performance measures for the Annual Incentive, the Committee seeks to reflect key strategic aims and the need for a rigorous focus on financial performance. Each year, the Committee agrees challenging targets to ensure that underperformance is not rewarded. The Company will not be disclosing the specific financial or personal objectives set until after the relevant performance period has ended because of commercial sensitivities. The personal objectives are all job-specific in nature and track performance against key strategic, organisational and operational goals.

In selecting performance measures for the Vesuvius Share Plan, the Committee seeks to focus Executive Directors on the execution of long-term strategy and also align their rewards with value created for shareholders. In the Policy period, the Committee will continually review the performance measures used to ensure that awards are made on the basis of challenging targets that clearly support the achievement of the Group's strategic aims.

The Committee may vary or waive any performance condition(s) if circumstances occur which cause it to determine that the original condition(s) have ceased to be appropriate, provided that any such variation or waiver is fair, reasonable and not materially less difficult to satisfy than the original condition (in its opinion). In the event that the Committee were to make an adjustment of this sort, a full explanation would be provided in the next Remuneration Report.

Service contracts for Executive Directors

The Committee will periodically review the contractual terms for new Executive Directors to ensure that these reflect best practice. Service contracts currently operate on a rolling basis and are limited to a 12-month notice period.

Patrick André is employed as Chief Executive of Vesuvius plc pursuant to the terms of a service agreement made with the Company dated 17 July 2017. Mark Collis is employed as Chief Financial Officer pursuant to the terms of a service agreement with Vesuvius plc dated 4 January 2023. Patrick André's appointment is terminable by Vesuvius on not less than 12 months' written notice, and by him on not less than six months' written notice. Mark Collis's appointment is terminable by him and Vesuvius on not less than six months' written notice.

External appointments of Executive Directors

The Executive Directors do not currently serve as non-executive directors of any other quoted company outside the Group. Subject always to consent being granted by the Company for them to take up such an appointment, were they to so serve, the Company would allow them to retain any fees they received for the performance of their duties.

Other

The Committee may: (a) in the event of a variation of the Company's share capital, demerger, special dividend or any other corporate event which it reasonably determines justifies such an adjustment, adjust; and (b) amend the terms of awards granted under the share schemes referred to above in accordance with the rules of the relevant plans.

Share awards may be settled by the issue of new shares or by the transfer of existing shares. In line with prevailing best practice at the time this Policy was approved, any issuance of new shares is limited to 5% of share capital over a rolling ten-year period in relation to discretionary employee share schemes and 10% of share capital over a rolling ten-year period in relation to all employee share schemes.

The Committee may make minor amendments to the Policy set out in this Policy Report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Policy for joining and leaving: Recruitment policy

Typical event	Policy
Executive Director appointed or promoted	On appointment or promotion of a new Executive Director, the Committee will typically use the Remuneration Policy in force at the time of the Committee's decision to determine ongoing remuneration. Base salary levels will generally be set in accordance with the Remuneration Policy current at the time of the Committee's decision, taking into account the experience and calibre of the appointee. Other than in exceptional circumstances, other elements of annual remuneration will, typically, be set in line with the Remuneration Policy, including a limit on awards under the Annual Incentive and Vesuvius Share Plan of 375% of salary in aggregate.
First year of appointment	If appropriate the Committee may apply different performance measures and/or targets to a Director's first incentive awards in his/her year of appointment.
Service contract agreed	Service contracts will be entered into on terms similar to those for the existing Executive Directors, summarised in the service contracts of Executive Directors section above.
Appointment of Chairman or Non-executive Director	With respect to the appointment of a new Chairman or Non-executive Director, appointment terms will be consistent with those applicable at the time the appointment is agreed. Variable pay will not be considered. With respect to Non-executive Directors, fees will be consistent with the Policy at the time the appointment is agreed. If, in exceptional circumstances, a Non-executive Director was asked to assume an interim executive role, the Company retains the discretion to pay them appropriate executive compensation, in line with the Policy.
Individual appointed on a base salary below market, contingent on performance	If it is appropriate to appoint an individual on a base salary initially below what is adjudged to be market positioning, contingent on individual performance, the Committee retains the discretion to realign base salary over the one to three years following appointment, which may result in a higher rate of annualised increase than might otherwise be awarded under the Policy. If the Committee intends to rely on this discretion, it will be noted in the first Remuneration Report following an individual's appointment.
Internal appointment	In the event that an internal appointment is made, or where a Director is appointed as a result of transfer into the Group on an acquisition of another Company, the Committee may continue with existing remuneration provisions for this individual, where appropriate.
Relocation required	If necessary and appropriate to secure the appointment of a candidate who has to move locations as a result of the appointment, whether internal or external, the Committee may make additional payments linked to relocation, above those outlined in the policy table, and would authorise the payment of a relocation allowance and repatriation, as well as other associated international mobility terms. Such benefits would be set at a level which the Committee considers appropriate for the role and the individual's circumstances.
Buying out compensation forfeited on leaving previous employer	In addition to the annual remuneration elements noted above, the Committee may consider buying out terms, incentives and any other compensation arrangements forfeited on leaving a previous employer that an individual forfeits in accepting an appointment with Vesuvius. The Committee will have the authority to rely on Listing Rule 9.3.2 R(2) or to apply the existing limits within the Vesuvius Share Plan to make Restricted Share awards on recruitment. In making any such awards, the Committee will review the terms of any forfeited awards, including, but not limited to, vesting periods, the expected value of such awards on vesting and the likelihood of the performance targets applicable to such awards being met, while retaining the discretion to make any buy-out award the Committee determines is necessary and appropriate. The Committee may also require the appointee to purchase shares in Vesuvius to a pre-agreed level prior to vesting of any such awards. The value of any buy-out award will be capped, to ensure its maximum value is no higher than the value of the awards that the individual forfeited on joining Vesuvius. Any such awards will be subject to malus and clawback.
Reimbursement of other costs	In addition to the elements noted above, the Committee may consider reimbursement of other demonstrable, specific costs incurred by an individual in relation to their appointment (e.g. legal costs).

2023 Remuneration Policy continued

Policy for joining and leaving: Exit payment policy

Vesuvius has the option to make a payment in lieu of part or all of the required notice period for Executive Directors. Any such payment in lieu will consist of the base salary, pension contributions and value of benefits to which the Director would have been entitled for the duration of the remaining notice period, net of statutory deductions in each case. Half of any payments in lieu of notice would be made in a lump sum, the remainder in equal monthly instalments commencing in the month in which the midpoint of their foregone notice period falls (and are reduced or extinguished by salary from any role undertaken by the departing Executive in this time). Executive Directors are subject to certain non-compete covenants for a period of nine to 12 months, and non-solicitation covenants for a period of 12 months, following the termination of their employment. Their service agreements are governed by English law.

Executive Directors' contracts do not contain any change of control provisions; they do contain a duty to mitigate should the Director find an alternative paid occupation in any period during which the Company must otherwise pay compensation on early termination.

The table below summarises how the awards under the annual bonus and Vesuvius Share Plan are typically treated in different leaver scenarios and on a change of control.

Whilst the Committee retains overall discretion on determining 'good leaver' status, it typically defines a 'good leaver' in circumstances such as retirement with agreement of the Company, ill health, disability, death, redundancy, or part of the business in which the individual is employed or engaged ceasing to be part of the Group. Final treatment is subject to the Committee's discretion.

Event	Timing	Calculation of vesting/payment
Annual Incentive Plan – during period prior to payment		
Good leaver	Paid at the same time as to continuing employees.	Annual bonus is paid only to the extent that any performance conditions have been satisfied and is pro-rated for the proportion of the financial year worked before cessation of employment. In determining the level of bonus to be paid, the Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole based on appropriate performance measures as determined by the Committee. The bonus may, at the Committee's discretion, be paid entirely in cash.
Bad leaver	Not applicable.	Individuals lose the right to their annual bonus.
Change of control	Paid on the effective date of change of control.	Annual bonus is paid only to the extent that any performance conditions have been satisfied and is pro-rated for the proportion of the financial year worked.
Annual Incentive Plan – in respect of any amount deferred into awards over shares under the Vesuvius Deferred Share Bonus Plan		
Good leaver	On the date of the event.	Deferred awards vest in full.
Bad leaver	On the date of the event.	Other than dismissal for cause, deferred awards will vest in full.
Change of control[1]	Within seven days of the event.	Deferred awards vest in full.
Vesuvius Share Plan		
Good leaver[2]	On normal release date (or earlier at the Committee's discretion).	Unvested awards vest to the extent that any performance conditions have been satisfied and a pro rata reduction applies to the value of the awards to take into account the proportion of performance period not served, unless the Committee decides that the reduction in the number of vested shares is inappropriate.
Bad leaver	Unvested awards lapse.	Unvested awards lapse on cessation of employment.
Change of control[1]	On the date of the event.	Unvested awards vest to the extent that any performance conditions have been satisfied and a pro rata reduction applies for the proportion of the vesting period not served, unless the Committee decides that the reduction in the number of vested shares is inappropriate.

1. In certain circumstances, the Committee may determine that unvested awards under the Vesuvius Deferred Bonus Plan and Vesuvius Share Plan will not vest on a change of control but will instead be replaced by an equivalent grant of a new award, as determined by the Committee, in the new company.
2. Under the rules of the Vesuvius Share Plan, any vested shares, net of any tax liabilities, are subject to a further two-year holding period after the vesting date. The holding period may be terminated early at the Committee's discretion in exceptional circumstances, including a change of control or where the award holder dies or leaves employment due to ill health, injury or disability.

Benefits normally cease to be provided on the date employment ends. However, the Committee has the discretion to allow some minor benefits (such as health insurance, tax advice and repatriation expenses) to continue to be provided for a period following cessation where this is considered fair and reasonable, or appropriate on the basis of local market practice. In addition, the Committee retains discretion to fund other expenses for the Executive Director; for example, payments to meet legal fees incurred in connection with termination of employment, or to meet the costs of providing outplacement support, and de minimis termination costs up to £5,000 to cover the transfer of mobile phone or other administrative expenses.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment.

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors, including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These would be used only where the Committee believed it was in the best interests of the Company to do so.

Remuneration Policy for Non-executive Directors

The Company seeks to appoint Non-executive Directors who have relevant professional knowledge and have gained experience in a relevant industry and geographical sector, to support diversity of expertise on the Board and match the wide geographical spread of the Company's activities.

Non-executive Directors attend Board, Committee and other meetings, held mainly in the UK, together with an annual strategy review to debate the Company's strategic direction.

All Non-executive Directors are expected to familiarise themselves with the scale and scope of the Company's business and to maintain their specific technical skills and knowledge.

The Board sets the level of fees paid to the Non-executive Directors after considering the role and responsibilities of each Director and the practice of other companies of a similar size and international complexity. The Non-executive Directors do not participate in Board discussions on their own remuneration.

Alignment/purpose	Operation	Opportunity	Performance
Fees			
To attract and retain Non-executive Directors of the necessary skill and experience by offering market-competitive fees	Fees are usually reviewed every year by the Board. Non-executive Directors are paid a base fee for the performance of their role plus additional fees for roles that involve significant additional time commitment and/or responsibility. Such roles could include, but are not limited to, Committee chairmanship (and, where appropriate, membership) or acting as the Senior Independent Director. Fees are paid in cash. When travelling internationally on Company business, all Non-executive Directors may also be provided with additional travel allowance payments, reflecting the associated time commitment, paid in cash. The Chairman is paid a single cash fee and receives administrative support from the Company.	Non-executive Directors and the Chairman will be paid market-appropriate fees, with any increase reflecting changes in the market or adjustments to a specific Non-executive Director's role. Any travel allowances payable will be reflective of travel time incurred as necessary to fulfil Company business. No eligibility for bonuses, retirement benefits or to participate in the Group's employee share plans. Base fees paid to Non-executive Directors excluding the Chairman will, in aggregate, remain within the aggregate limit stated in our Articles, currently being £500,000.	None.
Benefits and expenses			
To facilitate execution of responsibilities and duties required by the role	All Non-executive Directors are reimbursed for reasonable expenses incurred in carrying out their duties (including any personal tax owing on such expenses). Should the Board deem it appropriate, additional benefits can be provided to Non-executive Directors as required (e.g. liability insurance).	Non-executive Directors' expenses are paid in accordance with Vesuvius' expense procedures. Provision of additional benefits will be at the discretion of the Board and will reflect the reasonable needs of a Non-executive Director in undertaking Company business.	None.

2023 Remuneration Policy continued

Terms of service of the Chairman and other Non-executive Directors

The terms of service of the Chairman and the Non-executive Directors are contained in letters of appointment. Each Non-executive Director is appointed subject to their election at the Company's first Annual General Meeting following their appointment and re-election at subsequent Annual General Meetings. The Chairman is entitled to six months' notice from the Company. None of the other Non-executive Directors is entitled to receive compensation for loss of office at any time.

All Non-executive Directors are subject to retirement, and election or re-election, in accordance with the Company's Articles of Association. The current policy is for Non-executive Directors to serve on the Board for a maximum of nine years, with review at the end of three and six years, subject always to mutual agreement and annual performance evaluation. The Board retains discretion to extend the tenure of Non-executive Directors beyond this time, subject to the requirements of Board balance and independence being satisfied.

The table below shows the date of appointment for each of the Non-executive Directors:

Non-executive Director	Date of appointment
Carl-Peter Forster	1 November 2022
Carla Bailo	1 February 2023
Italia Boninelli	1 June 2024
Dinggui Gao	1 April 2021
Friederike Helfer	4 December 2019
Eva Lindqvist	15 May 2024
Robert MacLeod	1 September 2023

Directors' Remuneration Report

Annual Report on Directors' Remuneration

Executive Directors' remuneration in the year ahead

The table below sets out the phasing of receipt of the various elements of Executive Director remuneration for 2025.

	2025	2026	2027	2028	2029	2030	Description and link to strategy
S Base salary							Salaries are set at an appropriate level to enable the Company to recruit and retain key employees, and reflect the individual's experience, role and contribution within the Company.
B Benefits							Provides normal market practice benefits.
P Pension							The pension benefit helps to recruit and retain key employees and ensures income in retirement.
AI Annual Incentive							The Annual Incentive incentivises the Executive Directors to achieve key short-term financial and strategic targets of the Group.
AI Deferred Annual Incentive							The deferral of a portion of the Annual Incentive increases alignment with shareholders.
VSP Vesuvius Share Plan				Holding period			Awards under the Vesuvius Share Plan align Executive Directors' interests with those of shareholders through the delivery of shares and assist in the retention of the Executive Directors. The VSP rewards the Executive Directors for achieving the strategic objectives of growth in shareholder value and earnings and of our three priority long-term ESG targets.

The table below sets out how the Remuneration Policy will be applied to the Executive Directors' remuneration for 2025. Further details about each of the elements of remuneration are set out in the Remuneration Policy.

S Base salary

Patrick André	Mark Collis
£778,680	**£455,000**
2024: £756,000	**2024:** £441,000
As explained in the Committee Chair's letter, the CEO was awarded a 3% increase, effective 1 January 2025.	As explained in the Committee Chair's letter, the CFO was awarded a 3% increase, effective 1 January 2025.

B Benefits

Benefits for Executive Directors may include:

- Car allowance
- Private medical care
- Relocation expenses
- Tax advice and tax reimbursement
- Commuting costs
- School fees
- Directors' spouses' travel
- Administrative expenses

P Pension

17% of base salary, in line with the average received by the majority of the global workforce.

AI Annual Incentive

Annual Incentive potential for Patrick André, maximum value	175%	of base salary
Annual Incentive potential for Mark Collis, maximum value	150%	of base salary

For 2025, the maximum Annual Incentive potential for Patrick André will remain at the level previously available, i.e. 175% of base salary with target Annual Incentive potential being 87.5% of base salary for the achievement of target performance in all elements. For Mark Collis, potential will also remain at the level previously available, i.e. 75% at target, and 150% at maximum. Pay-outs will commence and increase incrementally from 0% once the threshold performance for any of the elements has been met.

33% of any Annual Incentive earned will be deferred into awards over shares, which will vest after a holding period of three years, except in cases of dismissal for cause.

These incentives are based 50% on Group headline earnings per share, 30% on the Group's working capital to sales ratio (based on the 12-month moving average) and 20% on specified personal objectives.

The Company will not be disclosing the targets set until after the relevant performance period has ended because of commercial sensitivities. Targets will be set and performance assessed so as to exclude approved restructuring costs and any unbudgeted M&A costs.

The personal objectives for 2025 are focused on long-term strategic objectives or are job-specific in nature and track performance against the Group's key strategic, organisational and operational goals with a specific focus on ESG outcomes.

VSP Vesuvius Share Plan (VSP)

Patrick André, maximum value	200%	of base salary
Mark Collis, maximum value	150%	of base salary

Share awards with a maximum value of 200% of salary will be granted to Patrick André and, for Mark Collis a maximum value of 150% of salary will be granted. The grant price for the awards will be determined by reference to the average share price over the 30 calendar days prior to grant. Vesting of 40% of shares awarded will be based upon the Company's TSR performance relative to that of the constituent companies of the FTSE 250 (excluding investment trusts), 40% on post-tax return on invested capital (ROIC) and 20% on ESG. Targets are set out overleaf. Performance will be measured over three years with awards vesting after three years. There will then be a further two-year holding period applicable to the awards.

Annual Report on Directors' Remuneration continued

Targets for the VSP Awards for the year 2025

TSR ranking relative to FTSE 250 excluding investment trusts	Weighting 40%

	Vesting percentage (of total LTIP)
Below median	0%
Median	10%
Between median and upper quintile	Pro rata between 10% and 40%
Upper quintile and above	40%

Post-tax ROIC[1]	Weighting 40%

	Vesting percentage (of total LTIP)[2]	Average ROIC over three-year performance period
Threshold and below	0%	13.1%
Maximum	40%	15.4%

1. ROIC is defined as Net Operating Profit After Tax (NOPAT), divided by invested capital (IC). NOPAT is defined as Group trading profit, plus post-tax share of JV results, less amortisation of intangible assets calculated as an average over the target period. (The inclusion of amortisation charges serves to reduce the calculation of ROIC returns though we believe this to be the most appropriate definition.) Invested capital is defined as total assets excluding cash and non-interest-bearing liabilities, less the goodwill and intangibles that arose under IFRS3 in respect of the Foseco acquisition in 2008, calculated as the average of IC at the start and the end of the target period at constant currency.
2. Vesting between these points will be on a straight-line basis.

Environment, Social and Governance	Weighting 20%

Safety: Average Lost Time Injury Frequency Rate (LTIFR)[1] 2025–2027

	Vesting percentage (of total LTIP)[2]	Range
Threshold and below	0%	0.80
Maximum	5%	0.50

Energy: CO_2e: Reduction in Scope 1 and 2 CO_2e emission intensity excluding the dolime process (vs 2019 baseline) in 2027[3]

	Vesting percentage (of total LTIP)[2]	Range
Threshold and below	0%	-42%
Maximum	10%	-45%

Diversity: Gender diversity in Senior Leadership Group[4] on 31 Dec 2027

	Vesting percentage (of total LTIP)[2]	Range
Threshold and below	0%	20%
Maximum	5%	24%

1. LTIFR is the Lost Time Injury Frequency Rate, based on the number of lost time injuries that occur during the performance period per million hours worked.
2. Straight-line vesting between threshold and maximum.
3. Reduction of CO_2e emissions per metric tonne of product packed for shipment.
4. Senior Leadership Group is defined as the Group Executive Committee plus the most senior Vesuvius managers worldwide, in terms of their contribution to the Group's overall results and to the execution of the Group's strategy.

Explaining the ROIC target range

The Committee has considered the Group strategy over the period, market conditions, and historic and current estimates of WACC provided by our financial advisers in determining the target range.

This year we have transitioned to an ROIC target which excludes goodwill and intangibles that arose upon the historic acquisition of Foseco in 2008, as the Committee believes that this approach removes the distortive effects of that acquisition, and provides a clearer measure of management performance . This measure is one of the Company's KPIs, as set out on page 29. The targets have been set, and performance will be assessed, excluding approved restructuring costs. The threshold pay-out level remains at 0% this year, but may change for future awards.

Adjustments to the ROIC target range may be required should the Board approve certain mergers, acquisitions or disposals. For any such event that requires Board approval then management will assess the potential impact on ROIC as part of their broader submission, and the Committee will determine whether any adjustment to targets should be made. In general, the Committee will have regard to the materiality of the event and the timing in the life of the award cycle. The intention will be to maintain fair, stretching but achievable targets, whilst not providing a disincentive to management to bring forward proposals for mergers, acquisitions or disposals that are in the Company's interest.

Explaining the ESG metrics

The Environment, Social and Governance targets for the 2025 awards represent key strategic priorities for the management team as well as the Board.

Safety continues to be of paramount cultural importance to Vesuvius and progressive improvement has been made in recent years. The targets are considered stretching in the context of an operationally challenging environment with many employees working remotely at customer sites. Lost Time Injury Frequency Rate is a recognised metric, and is measured per million hours worked.

Energy – the reduction in Scope 1 and 2 emissions is a key feature of the Company's sustainability strategy (see pages 35–54) and as such a measure of CO_2e emission intensity is used (CO_2e emissions per tonne of product packed for shipment). Baseline and current emissions have been verified by Carbon Footprint Ltd. The targets have been set relative to the 2024 outturn of 40% (versus the 2019 baseline) which, as outlined on page 51, reflected actual performance excluding the dolime process. The exclusion of dolime represents a change compared to the way that this metric was assessed for target-setting in 2023 and 2024, consistent with the evolution of our sustainability plans for the short to medium term as outlined in our Non-Financial and Sustainability Information Statement on page 48.

Diversity – a focus on gender diversity has seen improvements in the Senior Leadership Group of c.150 individuals in recent years. The Committee notes that the market for female talent in the sector remains extremely tight and, following a review of estimated market talent pipelines in our industry, it believes that the target range is appropriately stretching.

Executive Directors' remuneration in year under review

Single total figure table – audited

The table below sets out the total remuneration received by Executive Directors in the financial year under review:

	Patrick André		Mark Collis[1]	
	2024 (£000)	2023 (£000)	2024 (£000)	2023 (£000)
Total salary	756	720	441	315
Taxable benefits[2]	78	61	27	30
Pension[3]	129	122	75	54
Total fixed pay[4]	963	904	543	399
Annual Incentive[5]	483	942	240	348
Long-Term Incentives[6,7,8,9]	963	628	–	–
Buy-out awards[10,11]	–	–	14	178
Total variable pay[12]	1,446	1,570	254	526
Total[13]	2,409	2,473	797	925

1. Mark Collis joined Vesuvius as Chief Financial Officer and as an Executive Director effective 1 April 2023. As such the figures shown for 2023 represent the actual, pro-rated amounts received during the period served in 2023.
2. Standard benefits for the Executive Directors include car allowance and private medical care. In 2023, Patrick André also received external professional services support, funded by the Company, in relation to EU Settled Status applications for him and his wife, in line with the approval for such support granted by the Remuneration Committee in May 2019. The total cost of this support including gross up of associated taxes was £3,098 in 2023. In 2024, Patrick André also received external professional services support, funded by the Company, in relation to clarifying his status and assessing his liabilities associated with the forthcoming implementation of the Foreign Income and Gains regime.
3. The pension figures for 2023 and 2024 for Patrick André and Mark Collis represent the value of all cash allowances and contributions received in respect of pension benefits, at a rate of 17% of base salary, implemented in line with the Remuneration Policy from 1 January 2023. In 2024, for both Patrick André and Mark Collis, pension benefit comprised £10,000 contribution into pension, with the remainder provided as a pension cash supplement.
4. The sum of total salary, taxable benefits and pension.
5. This figure includes the Annual Incentive payments to be made to the Executive Directors in relation to the year under review. 33% of any Annual Incentive payments will be deferred into awards over shares, subject to a three-year vesting period, and subject to no further performance measures. See page 110 for more details. Leaver and change of control provisions in relation to these shares are set out in the Policy on page 114.
6. The 2023 figure represents the Performance Share awards granted to Patrick André in 2021 under the VSP, which vested in 2024.
7. The value of the 2023 Long-Term Incentive, relating to the Performance Share award granted to Patrick André under the VSP in 2021, is reflective of a share price depreciation of 9.95% between the share price used at grant (536.9p), versus the vesting share price of 483.5p. The values also include dividend vesting at 64.55p per vested share.
8. The 2024 figure represents the Performance Share awards granted to Patrick André in 2022 under the VSP, which will vest in 2025.
9. The value of the 2024 Long-Term Incentive, relating to the Performance Share award granted to Patrick André under the VSP in 2022, is reflective of a share price depreciation of 1.54% between the share price used at grant (402.0p), versus the Q4 2024 average share price (395.8p) used as a proxy for the vesting price. The values also include dividend vesting at 67.35p per vested share.
10. As detailed on page 126 of the 2023 Annual Report, Mark Collis received a one-off payment to compensate for the 2022 annual incentive payment forfeited when leaving his former employer, as well as a combination of Restricted Share awards and Performance Shares to compensate for forfeited equity incentives, which the Committee resolved to make in line with the Remuneration Policy. The figure quoted here for 2023 comprises the one-off payment value, equivalent to the 2022 payment he had foregone, equal to £73,261 as well as Restricted Share awards made during the year with face value totalling £105,034 (as referenced on page 126 and detailed further on page 129 of the 2023 Annual Report).
11. The figure quoted here for 2024 comprises the two Performance Share awards, for which the performance period ended on 31 December 2023, but for which the vesting performance (aligned with that of Mark Collis's former employer) was not as yet known at the time of publication of the 2023 Annual Report. The awards, granted on 20 June 2023, comprised 23,820 shares due to vest at earliest on 8 April 2024, and 5,955 shares due to vest at earliest on 9 March 2026, as detailed further on page 129 of the 2023 Annual Report. The resulting vesting performance of these awards, as detailed on page 142 of the John Wood Group plc 2023 Annual report, was 10% of maximum. The value shown here reflects the vested value of the first of these awards based on the vesting share price of 491.5p on 8 April 2024 (reflecting a share price appreciation of 26.9% versus the share price used at grant, 387.3p, that being the average closing share price for the 30 dealing days prior to the Board's confirmation of his appointment on 4 January 2023), plus dividend vesting at 6.8p per vested share; plus the vested value of the second of these awards, due to vest on 9 March 2026, for which the Q4 2024 average share price (395.8p) has been used as a proxy for the vesting price.
12. The sum of the value of the Annual Incentive, Long-Term Incentives and Buy-out awards where the performance period ended during the financial year.
13. The sum of base salary, benefits, pension, Annual Incentive, Long-Term Incentives and buy-out awards where the performance period ended during the financial year.

Additional note:

14. Total 2024 Directors' Remuneration (Executive Directors and Non-executive Directors) is £4.058m. 2023 Directors' Remuneration for the Directors who served during 2023 was £4.238m.

Annual Report on Directors' Remuneration continued

Incentive for 2024 performance – audited

The Executive Directors are eligible to receive an Annual Incentive calculated as a percentage of base salary, based on achievement against specified financial targets and personal objectives. Each year, the Remuneration Committee establishes the performance criteria for the forthcoming year. The financial targets are set by reference to the Company's financial budget. The target range is set to ensure that Annual Incentives are only paid out at maximum for significantly exceeding performance expectations. The Remuneration Committee considers that the setting and attainment of these targets is important in the context of achievement of the Company's longer-term strategic goals.

Pay-outs will commence and increase incrementally from 0% once the threshold performance for any of the elements has been met.

The Annual Incentive has a target level at which 50% of the maximum opportunity is payable, and a maximum performance level at which 100% of the maximum opportunity is earned, on a pro rata basis.

For 2024, the maximum Annual Incentive potential for the Executive Directors was 175% of base salary for Patrick André and 150% for Mark Collis, with their target Annual Incentive potential being 87.5% and 75% of base salary respectively.

For the Financial Year 2024, the Executive Directors' Annual Incentives were based 40% on Group headline EPS, 20% on the Group's return on invested capital (post-tax ROIC), 20% on the Group's working capital to sales ratio (based on the 12-month moving average) and 20% on specified personal objectives.

Financial targets and outcomes for the Annual Incentive in 2024

The 2024 Vesuvius Group headline EPS performance targets set out below were set at the December 2023 full-year average foreign exchange rates, being the rates used for the 2024 budget process.

In assessing the Group's performance against these targets, the Committee has applied adjustments to ensure a constant currency approach, including retranslating the full-year 2024 EPS performance at December 2023 full-year average foreign exchange rates to establish performance, consistent with practice in previous years. Outturns are also adjusted for unbudgeted M&A costs.

	2024 Financial targets			2024 Outcomes		
					Incentive outturns (% of salary)	
Metric	Threshold	Target	Maximum	Metric outcome	CEO	CFO
Group Headline EPS	45.8p	51.3p	56.8p	47.2p	8.9%	7.6%
Group Post-tax ROIC	8.2%	9.1%	10.0%	8.4%	3.9%	3.3%
Group Working Capital/Sales	24.4%	23.4%	22.4%	22.9%	26.3%	22.5%

Based on the above outcomes, the total incentive outturns related purely to financial objectives were 39.0% of base salary and 33.5% of base salary for the CEO and CFO respectively.

Personal objectives

In 2024, a proportion (20%) of the Annual Incentive for Executive Directors (representing 35% of salary for the CEO, and 30% of salary for the CFO) was based on the achievement of personal objectives. The Committee sets specific target ranges for such objectives, against which actual performance is then measured. A summary of 2024 performance is detailed in the following tables.

Patrick André

Summary of objective	Key objective details	Summary of outcome
Review and implement Group strategy	– Monitor and implement road map to facilitate achievement of enhanced return on sales targets – Close at least one attractive external acquisition in 2024	– Successful implementation of plans to facilitate local optimisation of cost and pricing, yielding positive market share gains in the face of extremely challenging market conditions – Acquisition of PiroMET signed after a protracted negotiation process
Drive performance and deliver results	– Deliver enhanced cash conversion and market share, achieve defined cash tax savings, annualised cash savings in line with 2023 Capital Markets Day commitment, and optimise gross margin, quality performance and R&D efficiency – Deliver strategic expansion and optimisation of capex on budget and on time	– Solid performance in all areas with, for example, achievement above target for cash conversion, and above maximum in relation to cash tax savings and annualised cash savings – Maximum performance, with all related projects delivered ahead of targets in 2024
Prepare GEC succession and reinforce talent management	– Implement smooth succession for BU President Advanced Refractories by year-end – Continue to develop internal succession pipelines for other GEC roles including CEO, CFO and BU Presidents	– Successful, effective and efficient integration of Nitin Jain into the Group Executive Committee, and significant development and progression of internal talent pipeline for a range of GEC positions
Improve Vesuvius' sustainability performance	– Drive further reduction in CO_2 emission intensity and reinforce governance risk management	– Continued, significant improvements in energy efficiency across the business and 100% employee uptake of risk management training programmes to support governance in 2024

In summary, after considering performance as outlined above, the Committee approved an Annual Incentive pay-out of 24.9% of contractual base salary, out of the maximum potential 35%, in respect of the personal objectives of Patrick André.

Mark Collis

Summary of objective	Key objective details	Summary of outcome
Optimise cash management and profitability	– Deliver enhanced cash conversion, annualised cash savings and trading profit margin, reduce receivables and achieve targeted cash tax savings	– Solid performance in relation to cash conversion and reduction of trade creditors. Above maximum performance in relation to annualised cash and cash tax savings
Review investor relations strategy	– Attract at least two new long-term global investors into the shareholder base before the end of 2024	– Not completed during 2024
Drive IT performance	– Fully implement learnings from 2023 cyber security incident, conduct follow-up audits and implement recommendations – Go-live of SAP A1 system in Steel Division in EMEA by end of 2024	– Learnings and audit fully implemented with testing underway for subsequent implementation of recommendations – SAP A1 deployment very close to completion for Steel Division as at end 2024
Drive OPEX reductions	– Finalise implementation of Finance operating model in EMEA and NAFTA by end 2024 – Progress projects to implement consolidation of EMEA finance invoicing processes and decrease central finance headcount in line with defined targets	– Significant progress of implementation in the EMEA region with NAFTA completion pending – Projects fully completed and implemented with performance above maximum target levels
Improve Vesuvius' sustainability performance	– Drive further reduction in CO_2 emission intensity and reinforce governance risk management	– Continued, significant improvements in energy efficiency across the business and 100% employee uptake of risk management training programmes to support governance in 2024

In summary, after considering performance as outlined above, the Committee approved an Annual Incentive pay-out of 21.0% of contractual base salary, out of the maximum potential 30%, in respect of the personal objectives of Mark Collis.

The total Annual Incentive awards payable to Patrick André and Mark Collis, in respect of their service as Executive Directors during 2024, are therefore 63.9% and 54.5% of salary respectively, of which 33% will be deferred into awards over shares, to be held for a period of three years, with vesting in accordance with the Remuneration Policy. Other than in cases of dismissal for cause, deferred awards will vest in full.

The Committee considered the appropriateness of this overall AIP payment in the context of the experience of our various stakeholders during 2024 and was satisfied that no discretionary adjustments were required.

Annual Report on Directors' Remuneration continued

2022 VSP Awards (vesting in 2025) – audited

The performance period applicable to these awards ended on 31 December 2024. Further details on the number of shares awarded are shown on page 129.

	Weighting	0% vesting	25% vesting	50% vesting	100% vesting	Performance achieved	Pay-out level (% of maximum)
TSR relative to FTSE 250 excluding investment trusts[1]	40%	Below median	Median	–	Upper quintile	Between median and upper quintile (Ranked 58th)	20.4%
Post-tax ROIC[1]	40%	7.5%	–	–	10.0%	9.3%	28.8%[3]
Safety: Average Lost Time Injury Frequency Rate (LTIFR) 2022–2024	5%	1.10	–	–	0.90	0.73	5.0%
Energy: CO_2e: Reduction in Scope 1 and 2 CO_2e emission intensity (vs 2019 baseline) in 2024[2]	10%	-14%	–	–	-20%	-40%[2]	10.0%
Diversity: Gender diversity in the Senior Leadership Group on 31 Dec 2024	5%	20%	–	–	26%	21%	0.8%

1. Straight-line vesting applies between the vesting points.
2. Performance in relation to the Energy targets reflects a change in the way CO_2e statistics have been calculated in 2024, and now shows the actual performance, which reflects a reduction in demand for and operation of the dolime process. The targets for the 2022 VSP award were set based on the normal operation of the dolime process. If the dolime process had continued to operate normally in 2024 (based on average production levels for 2019–2022), i.e. the same basis for modelling 'normal' performance, and the basis upon which the 2022 VSP targets were defined, this would show a proforma outturn of -27%, still beyond maximum. See page 51 for further information.
3. Adjusted for unbudgeted M&A costs and approved restructuring costs.

Share awards granted during the financial year – audited

VSP award

An award was granted under the VSP to selected senior executives in April 2024. UK executives receive awards in the form of nil-cost options with a flexible exercise date. This award is subject to the performance conditions described below and will vest in April 2027 (with a subsequent two-year holding period for any vested shares to April 2029).

	Type of award	Date of grant	Maximum number of shares[1]	Face value (£)	Face value (% of salary)	Threshold vesting	End of performance period
Patrick André	Nil-cost option	8 April 2024	310,721	£1,511,999	200%	25% of award	31 December 2026
Mark Collis	Nil-cost option	8 April 2024	135,940	£661,498	150%	25% of award	31 December 2026

1. In 2024, Patrick André and Mark Collis were entitled to receive allocations of Performance Shares worth 200% and 150% of their base salaries respectively. Awards were calculated based on the average closing mid-market price of Vesuvius' shares on the 30 dealing days prior to grant, of £4.8661. The maximum number of shares quoted excludes any additional shares that may be awarded in relation to dividends accruing during the vesting and holding periods.

Vesting of the VSP awards is subject to satisfaction of the following performance conditions. Any LTIP vesting is at the discretion of the Remuneration Committee.

	Weighting	Threshold	100% vesting
TSR relative to FTSE 250 excluding investment trusts[1]	40%	Median	Upper quintile
Group post-tax ROIC[1]	40%	8.5%	11.5%
ESG: Safety: Average Lost Time Injury Frequency Rate (LTIFR) 2024–2026[1,2]	5%	0.95	0.65
ESG: Energy: CO_2e: Reduction in Scope 1 and 2 energy CO_2e emissions/tonne (vs 2019 baseline) in 2026[1,3]	10%	-20%	-26%
ESG: Diversity: Gender diversity in Senior Leadership Group on 31 December 2026[1,4]	5%	20%	26%

1. Straight-line vesting applies between the vesting points. Threshold vesting for the TSR element is 25% of maximum, and 0% of maximum for all other elements.
2. LTIFR is the Lost Time Injury Frequency Rate, based on the number of Lost Time Injuries that occur during the performance period. The calculation rate is LTIFR per million hours worked.
3. Reduction of CO_2e emissions per metric tonne of product packed for shipment.
4. Senior Leadership Group is defined as the Group Executive Committee plus the most senior Vesuvius managers worldwide, in terms of their contribution to the Group's overall results and to the execution of the Group's strategy. This group comprises circa 150 members (number may slightly fluctuate from one year to the next based on organisational changes).

Each of the VSP performance measures operates independently. The use of these measures is intended to align Executive Director remuneration with shareholders' interests. Prior to vesting, the Remuneration Committee reviews the underlying financial performance of the Company and non-financial performance of the Company and individuals over the performance period to ensure that the vesting is justified, and to consider whether to exercise its discretion including consideration of any potential windfall gains.

Deferred Share Bonus Plan award

33% of the Annual Incentive earned by Patrick André and Mark Collis in respect of performance in 2023 was deferred into a share award granted in April 2024 under the Company's Deferred Share Bonus Plan. There are no additional performance conditions applicable to these awards. Leaver and change of control provisions in relation to these shares are set out in the Policy on page 114.

	Type of award	Date of grant	Number of shares	Face value (£)	Vesting date
Patrick André	Conditional award	8 April 2024	64,560	£314,155	8 April 2027
Mark Collis		8 April 2024	23,854	£116,076	8 April 2027

1. The number of shares has been calculated using the share price of £4.8661 (average closing share price for the 30 dealing days prior to grant) and excludes any additional shares that may be awarded in relation to dividends accruing during the vesting period.

Statement of Executive Directors' shareholding – audited

The interests of Executive Directors and their closely associated persons in ordinary shares as at 31 December 2024, including any interests in share options and shares provisionally awarded under the VSP, are set out below:

		Outstanding share incentive awards		
		Nil-cost options		Conditional awards
	Beneficial holding in shares[4]	With performance conditions[1]	Without performance conditions[2]	Without performance conditions[3]
Patrick André	435,543	986,220	0	199,946
Mark Collis	47,047	278,739	23,869	23,854

1. These are Performance Shares granted under the VSP.
2. These are the remaining, as yet unvested buy-out share awards, awarded to Mark Collis, which are not subject to any additional performance conditions, as detailed on page 129 of the 2023 Annual Report. These include 595 shares which were granted subject to John Wood Group plc vesting performance, for which the performance period ended at the end of 2023, but which are not due to vest until 9 March 2026.
3. These are awards granted under the Deferred Share Bonus Plan.
4. Mark Collis's beneficial shareholding includes 6,317 shares, awarded as part of his buy-out share awards, and comprising: 1,349 shares plus 21 dividend-equivalent shares, which vested on 20 June 2023, which were exercised on 25 August 2023 at a market value of 432.8 pence per share; 835 shares plus 12 dividend-equivalent shares, which vested and were exercised on 11 March 2024 at a market value of 480.8 pence per share; and 4,044 shares plus 56 dividend-equivalent shares, which vested and were exercised on 8 April 2024 at a market value of 491.5 pence per share.

Additional notes:

5. All outstanding share incentive awards are nil-cost options except awards made under the Deferred Share Bonus Plan which are conditional awards.
6. No awards vested without being exercised during the year, and indeed no nil-cost options at all have vested without being exercised. For further details please see the Appendix: Supplementary share-related information section on pages 128 and 129.
7. None of the other Directors, nor their spouses, nor their minor children, held non-beneficial interests in the ordinary shares of the Company during the year.
8. There were no changes in the interests of Patrick André and Mark Collis in the ordinary shares of the Company in the period from 1 January 2025 to the date of this Report.
9. All awards under the VSP are subject to performance conditions and continued employment until the relevant vesting date. Full details of VSP award allocations are set out on page 129.
10. Full details of Directors' shareholdings and incentive awards are given in the Company's Register of Directors' Interests, which is open to inspection at the Company's registered office during normal business hours.

Shareholding guidelines – audited

The Remuneration Committee encourages Executive Directors to build and hold a shareholding in the Company. Under the 2023 Remuneration Policy, the required holding is 200% of salary for all Executive Directors. Executive Directors are required to retain at least 50% (measured as the value after tax) of any shares received through the operation of share schemes; in addition, permission to sell shares held – whether acquired through the operation of share schemes or otherwise – will not be given, other than in exceptional circumstances, if, following the disposal, the shareholding requirement is not achieved or is not maintained.

Compliance with the shareholding policy is tested at the end of each year for application in the following year. Under the 2023 Remuneration Policy, the valuation of any holding is taken at the higher of: (1) the share price on the date of vesting of any shares derived from a share award, in respect of those shares only; and (2) the average of the closing prices of a Vesuvius ordinary share for the trading days in that December.

As at 31 December 2024, the Executive Directors' shareholdings against the shareholding guidelines contained in the Directors' Remuneration Policy in force on that date (using the Company's share price averaged over the trading days of the period 1 December to 31 December 2024, of 425.10 pence per share) were as follows:

Director	Actual share ownership as a percentage of salary at 31 Dec 2024	Policy share ownership as a percentage of salary	Policy met?
Patrick André	267%	200%	Yes
Mark Collis	46%	200%	In the build-up period

Payments to past Directors and loss of office payments – audited

There were no payments made to any Director for loss of office, nor any payments to past Directors, during the year ended 31 December 2024.

Annual Report on Directors' Remuneration continued

Non-executive Directors

Single total figure table – audited

The table below sets out the total remuneration received by Non-executive Directors in the financial year under review:

	2024			2023		
(£000)	Total fees[1]	Taxable benefits[2]	Total	Total fees[1]	Taxable benefits[2]	Total
Carl-Peter Forster	279	3	281	262	4	266
Carla Bailo	97	6	103	84	4	89
Italia Boninelli[3]	62	3	65	–	–	–
Kath Durrant[4]	48	3	51	86	6	92
Dinggui Gao	86	7	93	83	7	90
Friederike Helfer	74	1	76	67	1	68
Douglas Hurt[5]	39	2	40	96	1	97
Eva Lindqvist[6]	53	2	55	–	–	–
Robert MacLeod	84	4	88	25	1	26
Total Non-executive Director remuneration	822	31	852	703	24	728

1. Effective from 2023, total fees for Non-executive Directors now include any stipend fees paid as a result of intercontinental travel on Vesuvius business.
2. The UK regulations require the inclusion of benefits for Directors where these would be taxable in the UK on the assumption that the Director is tax resident in the UK. The figures in the table therefore include expense reimbursement and associated tax relating to travel, accommodation and subsistence for the Director (and, where appropriate, their spouse) in connection with attendance at Board meetings and other corporate business during the year, which are considered by HMRC to be taxable in the UK.
3. Italia Boninelli joined the Board on 1 June 2024.
4. Kath Durrant stepped down from the Board on 31 July 2024.
5. Douglas Hurt stepped down from the Board on 15 May 2024.
6. Eva Lindqvist joined the Board on 15 May 2024.

Fee structure in 2025

The fee for the Chairman was also reviewed by the Committee during the year and the fees for the Non-executive Directors by the Board. Following an assessment of time commitment, roles and responsibilities it was decided that the fees would increase with effect from 1 January 2025. The Chairman's fee was increased to £270,375; the Non-executive Directors' fees were increased to £68,150. Supplementary fees were also increased, with the supplementary Senior Independent Director fee increasing to £13,000; supplementary fee for the Chairs of the Audit and Remuneration Committees to £17,000; and supplementary fee for the Non-executive Director responsible for workforce engagement to £12,000. The stipend of £4,000, payable to Non-executive Directors in respect of each overseas, intercontinental trip they undertake on Vesuvius business, remains in place, with the stipend continuing to be payable for a maximum of five such trips in any calendar year.

Statement of Non-executive Directors' shareholding – audited

The interests of Non-executive Directors and their closely associated persons in ordinary shares as at 31 December 2024 are set out below:

	Beneficial holding in shares
Carl-Peter Forster	–
Carla Bailo	–
Italia Boninelli[1]	–
Kath Durrant[2]	–
Dinggui Gao	–
Friederike Helfer[3]	–
Douglas Hurt[4]	18,000
Eva Lindqvist[5]	–
Robert MacLeod	14,338

1. Italia Boninelli was appointed as a Non-executive Director effective 1 June 2024.
2. Kath Durrant's shareholding is effective as at the date she stepped down from the Board, 31 July 2024.
3. Friederike Helfer is a Partner of, and has a financial interest in, Cevian Capital which held 57,249,896 ordinary shares (22.26% of Vesuvius' issued share capital) as at 31 December 2024 and 22.71% as at the date of this Report.
4. Douglas Hurt's shareholding is effective as at the date he stepped down from the Board, 15 May 2024.
5. Eva Lindqvist was appointed as a Non-executive Director effective 15 May 2024.

Additional notes:

6. None of the other Directors, nor their spouses, nor their minor children, held non-beneficial interests in the ordinary shares of the Company during the year.
7. There were no changes in the interests of the Non-executive Directors in the ordinary shares of the Company in the period from 1 January 2025 to the date of this Report.
8. Full details of Directors' shareholdings are given in the Company's Register of Directors' Interests, which is open to inspection at the Company's registered office during normal business hours.

Other regulatory disclosure requirements

Annual changes in Executive Directors' pay versus employee pay

Executive Directors' pay comparison

The London headquartered salaried employee workforce is presented as a voluntary disclosure of the representative comparator group for the Vesuvius Group Parent Company as there is only one non-Director employee in the Parent Company.

Year-on-year change in pay for Directors compared to the London headquartered employee average

	2024			2023			2022			2021			2020		
	Salary[2]	**Bonus[3]**	**Benefits[5]**	Salary[2]	Bonus[3]	Benefits[5]	Salary[2]	Bonus[3]	Benefits[5]	Salary[2,4]	Bonus[3]	Benefits[5,6]	Salary[2,4]	Bonus[3]	Benefits[5]
London headquartered employee average[1]	**8%**	**(40%)**	**90%**	13%	14%	33%	(8%)	(12%)	3%	19%	236%	120%	0%	165%	18%
Executive Directors															
Patrick André	**5%**	**(49%)**	**12%**	12%	29%	(22%)	4%	(16%)	11%	11%	469%	(6%)	(7%)	183%	(25%)
Mark Collis	**5%**	**(31%)**	**22%**	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a
Non-executive Directors[15]	**Fees[2]**		**Benefits[5]**	Fees[2]		Benefits[5]	Fees[2]		Benefits[5]	Fees[2]		Benefits[5,6]	Fees[2]		Benefits[5]
Carl-Peter Forster[7]	**6%**	**–**	**(35%)**	0%	–	97%	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a
Carla Bailo[8]	**4%**	**–**	**36%**	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a
Italia Boninelli[9]	**n/a**	**–**	**n/a**	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a
Kath Durrant[10]	**(4%)**	**–**	**(46%)**	15%	–	(14%)	25%	–	117%	19%	–	100%	n/a	–	n/a
Dinggui Gao[11]	**4%**	**–**	**1%**	38%	–	121%	20%	–	100%	n/a	–	n/a	n/a	–	n/a
Friederike Helfer	**11%**	**–**	**16%**	12%	–	(36%)	20%	–	(31%)	11%	–	969%	(10%)	–	(60%)
Douglas Hurt[12]	**1%**	**–**	**22%**	13%	–	(52%)	21%	–	275%	11%	–	24%	(10%)	–	–
Eva Lindqvist[13]	**n/a**	**–**	**n/a**	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a
Robert MacLeod[14]	**35%**	**–**	**364%**	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a	n/a	–	n/a

1. This is the average percentage change, excluding the Executive Directors. Salaries, bonus and benefits relate to the relevant financial reporting year.
2. Calculated using annualised salaries/fees. Note that, as of 2023, Non-executive Director fees reflect the inclusion of travel stipends payable for up to five intercontinental trips on Vesuvius business per year.
3. Calculated using data from the single figure table in the Annual Report. Note that for Mark Collis, the 2023 figure used for calculation is exclusive of any buy-out incentives paid in 2023.
4. During 2020, all Executive and Non-executive Directors took a voluntary 20% pay reduction for six months. Other senior employees in London headquarters also took a pay reduction between 10% and 20%, depending on their level of seniority. Therefore, the total percentage increase for Patrick André in 2021 was higher than his agreed salary increases, as this increase is compared with actual, partly-reduced salary paid during 2020 rather than full, contractual base salary.
5. Calculated using data from the audited Directors' Emoluments. Benefits relate to taxable travel benefits, and Company pensions in the case of the Executive Directors. It is calculated as the percentage increase or decrease on the actual figures year-on-year and not annualised or pro-rated for any new starters.
6. Calculations of 2021 benefits changes have been restated as compared with the 2021 Annual Report, to ensure correct alignment with single figure remuneration tables.
7. Carl-Peter Forster joined the Board on 1 November 2022 and took over as Chairman on 1 December 2022.
8. Carla Bailo joined the Board on 1 February 2023.
9. Italia Boninelli joined the Board on 1 June 2024 and took over as Remuneration Committee Chair on 31 July 2024.
10. Kath Durrant joined on 1 December 2020 and then became the Remuneration Committee Chair following the 2021 AGM, and it is this change that accounts for the proportionally higher increase in her salary in 2021. She then stepped down from the Board on 31 July 2024, which accounts for the net reduction in year-on-year change in 2024.
11. Dinggui Gao joined the Board on 1 April 2021.
12. Douglas Hurt stepped down from the Board on 15 May 2024.
13. Eva Lindqvist joined the Board on 15 May 2024.
14. Robert MacLeod joined the Board on 1 September 2023 and took over as Audit Committee Chair on 15 May 2024, and it is that change which accounts for the proportionally higher increase in his fees and benefits in 2024.
15. The Non-executive Directors' fees were reviewed and increased in 2015, 2019, 2022, 2023 and 2024.

Annual Report on Directors' Remuneration continued

CEO pay ratio

The UK employee workforce is the representative comparator group to the Chief Executive, Patrick André, who is based in the UK (albeit with a global role and responsibilities). Levels of pay vary widely across the Group depending on geography and local market conditions.

Year	Method	25th percentile	50th percentile (median)	75th percentile
2019	Option A ratio	35:1	28:1	17:1
2020	Option A ratio	32:1	24:1	13:1
2021	Option A ratio	53:1	41:1	21:1
2022	Option A ratio	60:1	46:1	24:1
2023	Option A ratio	57:1	43:1	22:1
2024	Option A ratio	50:1	34:1	14:1
2024	Total pay and benefits (£)	47,816	71,209	167,440
2024	Salary (£)	41,103	65,000	134,159

The table above shows the Chief Executive pay ratios versus our UK employees for 2019, 2020, 2021, 2022, 2023 and 2024. The pay ratios compare amounts disclosed in the single total figure table for the Group Chief Executive to the annual full-time equivalent remuneration of our UK employees for 2019, 2020, 2021, 2022, 2023 and 2024. The Remuneration Committee is comfortable that the ratios reported reflect the remuneration principles applied and represent a valid basis for comparison of remuneration.

A significant proportion of the Chief Executive's remuneration is based on performance-related pay, which affects said remuneration disproportionately when compared with others. This is reflected in the variation in pay ratio shown over the past six years.

The data has been calculated in accordance with 'Option A' in the Companies (Miscellaneous Reporting) Regulations 2018, because it allows the Company to show the total annualised full-time equivalent remuneration (salary, incentives, allowances, fees, taxable benefits) and percentiles across the financial year as at 31 December 2019, 2020, 2021, 2022, 2023 and 2024.

Amounts have been annualised for those who joined part way through the year or who are on part-time arrangements and exclude those who left the organisation during the reporting period.

The approach to calculating the pay ratios is consistent with the prior year and there have not been any changes to the compensation models in the reporting period.

The Committee is comfortable that the principles applied and the quantum of compensation are appropriate across the Group's employee base. These are regularly benchmarked to ensure market competitiveness. There is a consistent approach of measuring against both business and personal performance for all those who participate in incentive programmes. The Group continues to monitor the effectiveness of all compensation practices to identify future opportunities to ensure they remain fair, consistent and in line with best practice.

Annual spend on employee pay[1] versus shareholder distributions[2]

The charts below show the annual spend on all employees (including Executive Directors) compared with distributions made and proposed to be made to shareholders for 2023 and 2024:

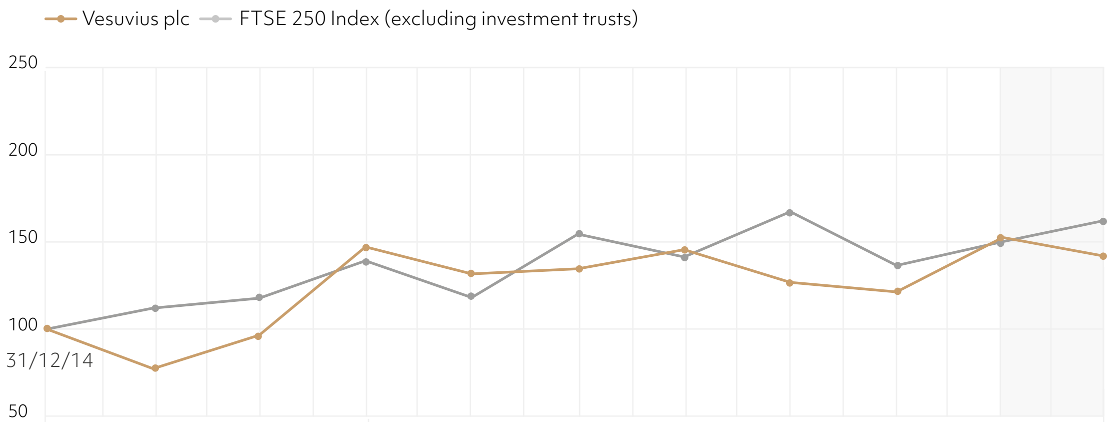
	2024 (£m)	2023 (£m)	Change
Employee pay[1]	**474.3**	475.1	(0.2%)
Dividends[2] (based on final proposed dividend) and share buybacks	**123.4**	63.8	93.4%

1. Employee pay includes wages and salaries, social security, share-based payments and pension costs, and other post-retirement benefits. See Note 7 to the Group Financial Statements.
2. Shareholder distributions/dividends includes interim and final dividends paid in respect of each financial year. In addition, figures quoted for both 2023 and 2024 also reflect share buybacks. See Note 24 of the Group Financial Statements of the 2024 Annual Report.

TSR performance and Chief Executive pay

The TSR performance graph compares Vesuvius' TSR performance with that of the same investment in the FTSE 250 Index (excluding investment trusts). This index has been chosen as the comparator index to reflect the size, international scope and diversity of the Company. TSR is the measure of the returns that a company has provided for its shareholders, reflecting share price movements and assuming reinvestment of dividends.

Vesuvius' total shareholder return compared against total shareholder return of the FTSE 250 Index (excluding investment trusts) over the past ten years



Chief Executive pay – financial year ended	François Wanecq[1]			Patrick André[2]						
	31/12/15	31/12/16	31/12/17	31/12/18	31/12/19	31/12/20	31/12/21	31/12/22	31/12/23	**31/12/24**
Total remuneration (single figure (£000))	£752	£1,173	**£1,675[1]** **£465[2]**	£2,022	£1,220	£936	£1,706	£2,225	£2,473	**£2,409**
Annual variable pay (% of maximum)	0%	50%	**81%[1]** **85%[2]**	83%	11%	20%	94%	76%	75%	**37%**
Long-term variable pay (% of maximum)	0%	0%	**43.7%[1]** **n/a[2]**	100%	63%	0%	0%	48%	50%	**65%**

1. Amounts shown in respect of François Wanecq for 2017 reflect payments in respect of his service as Chief Executive from 1 January 2017 to 31 August 2017 and the full value of his VSP award in relation to the performance period 2015–2017.
2. Amounts shown in respect of Patrick André for 2017 reflect payments in respect of his service as Chief Executive from 1 September 2017 to 31 December 2017.

Shareholder voting on remuneration resolutions

The 2023 Directors' Remuneration Report (excluding the Directors' Remuneration Policy) was approved by shareholders at the AGM held on 15 May 2024, and the 2023 Directors' Remuneration Policy was approved by Shareholders at the AGM held on 18 May 2023, with the following votes:

	Votes for	Votes against	Votes withheld
Approval of the Directors' Remuneration Policy 2023 AGM	234,279,589 (96.7%)	7,890,060 (3.3%)	8,514
Approval of the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) 2024 AGM	229,044,704 (97.1%)	6,947,440 (2.9%)	112,947

The Directors' Remuneration Report has been approved by the Board and is signed on its behalf by:

Italia Boninelli
Chair of the Remuneration Committee
5 March 2025

Directors' Remuneration Report

Appendix: Supplementary share-related information

Share usage

Under the rules of the VSP, the Company has the discretion to satisfy awards either by the transfer of Treasury shares or other existing shares, or by the allotment of newly issued shares. Awards made under the Deferred Share Bonus Plan to satisfy shares awarded to Directors in respect of their Annual Incentive, and awards made to management of the Company over shares pursuant to the Medium-Term Incentive Plan, must be satisfied out of Vesuvius shares held for this purpose by the Company's Employee Benefit Trust (EBT).

The decision on how to satisfy awards is taken by the Remuneration Committee, which considers the most prudent and appropriate sourcing arrangement for the Company.

At 31 December 2024, the Company held 7,271,174 ordinary shares in Treasury and the EBT held 3,852,684 ordinary shares. No additional shares were purchased between 31 December 2024 and the date of this report.

The EBT can be gifted Treasury shares by the Company, can purchase shares in the open market or can subscribe for newly issued shares, as required, to meet obligations to satisfy options and awards that vest.

The VSP complies with the current Investment Association guidelines on headroom which provide that overall dilution under all plans over a rolling ten-year period should not exceed 10% of the Company's issued share capital, with a further limitation over a rolling ten-year period of 5% for discretionary share schemes. These limits remain available in full as headroom for the issue of new shares or the transfer of Treasury shares for the Company. No Treasury shares were transferred, or newly issued shares allotted under the VSP during the year under review.

Deferred Share Bonus Plan allocations – audited

33% of the Annual Incentives earned by Patrick André and Mark Collis in respect of their periods of service as Directors of Vesuvius plc were deferred into shares under the Company's Deferred Share Bonus Plan. The following table sets out details of outstanding awards:

Grant and type of award	Total share allocations as at 1 Jan 2024	Additional shares allocated during the year	Allocations lapsed during the year	Shares vested during the year	**Total share allocations as at 31 Dec 2024**	Market price of the shares on the day before award (p)	Earliest vesting/ release date
Patrick André							
18 March 2021[1] Deferred Bonus Shares	9,430	–	–	(9,430)	**0**	538	18 Mar 2024
17 March 2022[2] Deferred Bonus Shares	75,207	–	–	–	**75,207**	385	17 Mar 2025
06 April 2023[3] Deferred Bonus Shares	60,179	–	–	–	**60,179**	386	06 Apr 2026
08 April 2024[4] Deferred Bonus Shares	–	64,560	–	–	**64,560**	492	08 Apr 2027
Total	144,816	64,560	–	(9,430)	**199,946**		
Mark Collis							
08 April 2024[4] Deferred Bonus Shares	–	23,854	–	–	**23,854**	492	08 Apr 2027
Total	–	23,854	–	–	**23,854**		

1. In 2021, Patrick André was awarded an Annual Incentive bonus in respect of his service as a Director of Vesuvius plc in 2020 of £153,419. 33% of the bonus was awarded in deferred shares (a conditional award). The allocation of shares was made on 18 March 2021 and was calculated based upon the average closing mid-market price of Vesuvius' shares on the five dealing days before the award was made, being £5.3690. The total value of this award based on this share price was £50,628 There were no additional performance conditions applicable to this award, which therefore vested in full for Patrick André on the third anniversary of the award date.
2. In 2022, Patrick André was awarded an Annual Incentive bonus in respect of his service as a Director of Vesuvius plc in 2021 of £873,604. 33% of the bonus was awarded in deferred shares (a conditional award). The allocation of shares was made on 17 March 2022 and was calculated based upon the average closing mid-market price of Vesuvius' shares on the five dealing days before the award was made, being £3.872. The total value of this award based on this share price was £291,202. There are no additional performance conditions applicable to this award, which will therefore vest in full for Patrick André on the third anniversary of the award date.
3. In 2023, Patrick André was awarded an Annual Incentive bonus in respect of his service as a Director of Vesuvius plc in 2022 of £731,091. 33% of this bonus was awarded in deferred shares (a conditional award). The allocation of shares was made on 6 April 2023 and was calculated based upon the average closing mid-market price of Vesuvius' shares on the 30 dealing days before the award was made, being £4.0495. The total value of this award based on this share price was £243,695. There are no additional performance conditions applicable to this award, which will therefore vest in full for Patrick André on the third anniversary of the award date.
4. In 2024, Patrick André and Mark Collis were awarded Annual Incentive bonuses in respect of their service as Directors of Vesuvius plc in 2023 of £942,480 and £348,233 respectively. 33% of each bonus was awarded in deferred shares (conditional awards). The allocations of shares were made on 8 April 2024 and were calculated based upon the average closing mid-market price of Vesuvius' shares on the 30 dealing days before the award was made, being £4.8661. The total value of these awards based on this share price was £314,155 and £116,076 respectively. There are no additional performance conditions applicable to these awards, which will therefore vest in full on the third anniversary of the award date.

Additional note:

5. Mark Collis did not receive an Annual Incentive bonus in 2023, therefore no bonus was awarded in deferred shares during that year.
6. The mid-market closing price of Vesuvius' shares during 2024 ranged between 357.5 pence and 504.0 pence per share, and on 31 December 2024, the last dealing day of the year, was 423.0 pence per share.

Vesuvius Share Plan award allocations – audited

The following table sets out outstanding awards that were allocated to Patrick André and Mark Collis under the VSP. All Performance Share awards detailed below were granted in the form of nil-cost options. For Mark Collis, this table excludes the buy-out share awards granted during 2023, which are detailed on page 129 of the 2023 Annual Report:

Grant and type of award	Total share allocations as at 1 Jan 2024	Additional shares allocated during the year	Allocations lapsed during the year	Shares vested and exercised during the year including dividends	**Total share allocations as at 31 Dec 2024**	Market price of the shares on the day before award (p)	Performance period	Earliest vesting date	End of holding period[1]
Patrick André									
18 March 2021[2] Performance Shares	230,210	–	(115,658)	(129,845)*	**0****	538	1 Jan 21– 31 Dec 23	18 Mar 2024	18 Mar 2026
17 March 2022[3] Performance Shares	319,900	–	–	–	**319,900**	385	1 Jan 22– 31 Dec 24	17 Mar 2025	17 Mar 2027
06 April 2023[4] Performance Shares	355,599	–	–	–	**355,599**	386	1 Jan 23– 31 Dec 25	6 Apr 2026	6 Apr 2028
08 April 2024[5] Performance Shares	–	310,721	–	–	**310,721**	492	1 Jan 24– 31 Dec 26	8 Apr 2027	8 Apr 2029
Total	905,709	310,721	(115,658)	(129,845)*	**986,220**				

* Total shares exercised included 15,293 dividend-equivalent shares. Shares were exercised at the point of vesting, at a market value of 483.5 pence per share.

** Shareholding as at 31 Dec 2024 is zero, noting that the sum total of shares lapsed and vested/exercised during 2024 exceeds the outstanding allocation as at 1st Jan 2024 due to the inclusion of dividend equivalent shares in the number of shares vested/exercised.

Grant and type of award	Total share allocations as at 1 Jan 2024	Additional shares allocated during the year	Allocations lapsed during the year	Shares vested and exercised during the year including dividends	**Total share allocations as at 31 Dec 2024**	Market price of the shares on the day before award (p)	Performance period	Earliest vesting date	End of holding period[1]
Mark Collis									
06 April 2023[4] Performance Shares	142,799	–	–	–	**142,799**	386	1 Jan 23– 31 Dec 25	6 Apr 2026	6 Apr 2028
08 April 2024[5] Performance Shares	–	135,940	–	–	**135,940**	492	1 Jan 24– 31 Dec 26	8 Apr 2027	8 Apr 2029
Total	142,799	135,940	–	–	**278,739**				

1. Performance Shares granted from 2019 onwards are subject to a further two-year holding period.
2. In 2021, Patrick André was entitled to receive an allocation of Performance Shares worth 200% of his base salary. This allocation was calculated based upon the average closing mid-market price of Vesuvius' shares on the five dealing days before the award was made, being £5.3690. The total value of the award based on this share price was £1,235,997.
3. In 2022, Patrick André was entitled to receive an allocation of Performance Shares worth 200% of his base salary. In light of the volatile share price, the Committee applied its discretion so that the number of shares in this allocation was capped at a level based upon the average closing mid-market price of Vesuvius' shares on the five dealing days before the February 2022 Remuneration Committee meeting of £4.02. As a result, Patrick André received an award of 319,900 shares which, at grant, was equivalent in value to 193% of his base salary (£1,239,653*).

* Grant values are based on the average closing mid-market price of Vesuvius' shares on the five dealing days prior to grant (£3.872).

4. In 2023, Patrick André and Mark Collis were entitled to receive allocations of Performance Shares worth 200% and 138% of their base salaries respectively**. The award was made on 6 April 2023 and was calculated based upon the average closing mid-market price of Vesuvius' shares on the 30 dealing days before the award was made, being £4.0495. As a result, Patrick André received an award of 355,599 shares which, at grant, was equivalent in value to 200% of his base salary (£1,439,998) and Mark Collis received an award of 142,799 shares which, at grant, was equivalent in value to 138% of his base salary (£578,265).

** Mark Collis's entitlement in 2023, of 138%, is reflective of a pro-rated calculation of the Chief Financial Officer's normal 150% entitlement, reflecting his date of joining the Company (1 April 2024), and therefore reflecting omission of the first three months of the three-year performance period related to the award.

5. In 2024, Patrick André and Mark Collis were entitled to receive allocations of Performance Shares worth 200% and 150% of their base salaries respectively. The award was made on 8 April 2024 and was calculated based upon the average closing mid-market price of Vesuvius' shares on the 30 dealing days before the award was made, being £4.8661. As a result, Patrick André received an award of 310,721 shares which, at grant, was equivalent in value to 200% of his base salary (£1,511,999) and Mark Collis received an award of 135,940 shares which, at grant, was equivalent in value to 150% of his base salary (£661,498).

Additional notes:

6. If the respective performance conditions for Patrick André's and Mark Collis's awards are not met, then the awards will lapse. If the threshold level of either of the two performance conditions applicable to awards granted prior to 2022 is met, then 12.50% of the awards will vest. For awards granted in 2022 and 2023, threshold level performance on TSR would entail 12.5% vesting, while threshold performance on other conditions entails 0% vesting.
7. The Remuneration Committee also has the discretion to award cash or shares equivalent in value to the dividend that would have been paid during the vesting period on the number of shares that vest.
8. The mid-market closing price of Vesuvius' shares during 2024 ranged between 357.5 pence and 504.0 pence per share, and on 31 December 2024, the last dealing day of the year, was 423.0 pence per share.

Directors' Report

The Directors submit their Annual Report together with the audited consolidated financial statements of the Group and of the Company, Vesuvius plc, registered in England and Wales No. 8217766, for the year ended 31 December 2024.

The Companies Act 2006 requires the Company to provide a Directors' Report for Vesuvius plc for the year ended 31 December 2024.

Information incorporated by reference

The information that fulfils this requirement and which is incorporated by reference into, and forms part of, this report is included in the following sections of the Annual Report:

- The Section 172(1) Statement
- The Non-Financial and Sustainability Information Statement
- The Governance section, including the Corporate Governance Statement
- Financial instruments: the information on financial risk management objectives and policies contained in Note 25 to the Group Financial Statements

This Directors' Report and the Strategic Report contained on pages 1 to 73 together represent the management report for the purpose of compliance with DTR 4.1.8 R of the Financial Conduct Authority's Disclosure and Transparency Rules.

Going concern	Information on the business environment in which the Group operates, including the factors that are likely to impact the future prospects of the Group, is included in the Strategic Report. The principal risks and uncertainties that the Group faces throughout its global operations are shown on pages 72 and 73. The financial position of the Group, its cash flows, liquidity position and debt facilities are also described in the Strategic Report. In addition, the Group's Viability Statement is set out within the Strategic Report on page 71. Note 25 to the Group Financial Statements sets out the Group's objectives, policies and processes for managing its capital; financial risks; financial instruments and hedging activities; and its exposures to credit, market (both currency and interest rate related) and liquidity risk. Further details of the Group's cash balances and borrowings are included in Notes 12, 13 and 25 to the Group Financial Statements. The Directors have prepared profit and loss, balance sheet and cash flow forecasts for the Group for a period in excess of 12 months from the date of approval of the 2024 financial statements. On the basis of the exercise described above, the Directors have prepared a going concern statement which can be found on page 71.
Events since the balance sheet date	Following the agreement reached in November 2024, on 28 February 2025 we completed the acquisition of a 61.65% shareholding in PiroMET, a Turkish refractory company, for €26.2m. The acquisition will strengthen our Advanced Refractories business in the fast-growing region of EEMEA and will also allow us to leverage PiroMET's expertise in robotics and gunning worldwide. On 21 February 2025 the Group signed a new committed syndicated bank facility for an amount of £475m and a maturity date of August 2029. The previous committed syndicated bank facility signed in 2021 for an amount of £385m was cancelled with effect from the same date. This is considered to be a non-adjusting event.
Future developments	A full description of the activities of the Group, including performance, significant events affecting the Group in the year and indicative information in respect of the likely future developments in the Group's business, can be found in the Strategic Report.
Financial instruments	Information on Vesuvius' financial risk management objectives and policies can be found in Note 25 to the Group Financial Statements.
Research and development	The Group's investment in research and development (R&D) during the year under review amounted to £37m (representing approximately 2% (2023: 2% on a constant currency basis) of Group revenue). Further details of the Group's R&D activities can be found in the Operating reviews and Sustainability section of the Strategic Report.

Political and charitable donations	In accordance with Vesuvius policy, the Group did not make any political donations or incur any political expenditure in relation to any UK or non-UK political parties during 2024 (2023: nil). The Company made no charitable donations in the UK in 2024 (2023: £2,500).
Task Force on Climate-related Financial Disclosures (TCFD)	The Group has reported its climate-related information in accordance with the TCFD framework. The majority of this information is included in the Non-Financial and Sustainability Information Statement in the Strategic Report. A schedule of disclosure is included on page 38.
Energy consumption and efficiency/greenhouse gas emissions	Information on our reporting of greenhouse gas emissions, and the methodology used to record these, is set out on page 53 of the Strategic Report. Details of the Group's energy usage for 2024, and the efficiency initiatives currently being undertaken, can be found in the Non-Financial and Sustainability Information Statement in the Strategic Report on pages 37–54.
Branches	A number of the Group's subsidiary undertakings maintain branches; further details of these can be found in Note 17.1 to the Group Financial Statements.
Dividends	An interim dividend of 7.1 pence (2023: 6.8 pence) per Vesuvius ordinary share was paid on 13 September 2024 to shareholders on the register at the close of business on 9 August 2024. The Board is recommending a final dividend in respect of 2024 of 16.4 pence (2023: 16.2 pence) per ordinary share which, if approved, will be paid on 6 June 2025 to shareholders on the register at 25 April 2025. The Trustee of the Group's employee benefit trust has waived the right to receive any dividends.
Accountability and audit	A responsibility statement of the Directors and a statement by the Auditors about their reporting responsibilities can be found on pages 138, and 139–146, respectively. The Directors fulfil the responsibilities set out in their statement within the context of an overall control environment of central strategic direction and delegated operating responsibility. As at the date of this report, as far as each Director of the Company is aware, there is no relevant audit information of which the Company's Auditors are unaware and each Director hereby confirms that 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 Company's Auditors are aware of that information.
Auditors' reappointment	PricewaterhouseCoopers LLP (PwC) were reappointed as External Auditors for Vesuvius plc for the year ended 31 December 2024, at the 2024 AGM. PwC have been Vesuvius' External Auditors since 2017 and have expressed their willingness to continue in office as Auditors of the Company for the year ending 31 December 2025. Consequently, resolutions for the reappointment of PwC as External Auditors of the Company and to authorise the Directors to determine their remuneration are to be proposed at the 2025 AGM.
Directors	The current Directors of the Company are Patrick André, Carla Bailo, Italia Boninelli, Mark Collis, Carl-Peter Forster, Dinggui Gao, Friederike Helfer, Eva Lindqvist and Robert MacLeod. Douglas Hurt retired from the Board at the close of the AGM on 15 May 2024, when Eva Lindqvist joined the Board. Italia Boninelli joined the Board on 1 June 2024 and Kath Durrant stepped down from the Board on 31 July 2024. All the current Directors will offer themselves for election or re-election at the 2025 AGM. Biographical information for the Directors is given on pages 76 and 77. Further information on the remuneration of, and contractual arrangements for, the Executive and Non-executive Directors is given on pages 103–129 in the Directors' Remuneration Report. The Non-executive Directors do not have service agreements.
Directors' indemnities	The Directors have been granted qualifying third-party indemnity provisions by the Company and the Directors of the Group's UK Pension Plan's Trustee Board (none of whom is a Director of Vesuvius plc) have been granted qualifying pension scheme indemnity provisions by Vesuvius Pension Plans Trustees Limited. The indemnities for Directors of Vesuvius plc have been in force since the date of their appointments. The Pension Trustee indemnities were in force throughout the last financial year and remain in force.

Directors' Report continued

Annual General Meeting	The Annual General Meeting of the Company will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on Friday 16 May 2025 at 11.00 am.
Amendments of Articles of Association	The Company may make amendments to the Articles by way of special resolution in accordance with the Companies Act. The Articles were last amended at the 2021 AGM, to reflect changes in the law and developments in market practice and technology.
Share capital	As at the date of this report, the Company had an issued share capital of 259,418,940 ordinary shares of 10 pence each; 7,271,174 of these ordinary shares are held in Treasury. Therefore, the total number of Vesuvius plc shares with voting rights is 252,147,766. Further information relating to the Company's issued share capital can be found in Note 9 to the Company Financial Statements. The Company's Articles specify that, subject to the authorisation of an appropriate resolution passed at a General Meeting of the Company, Directors can allot relevant securities under Section 551 of the Companies Act up to the aggregate nominal amount specified by the relevant resolution. In addition, the Articles state that the Directors can seek the authority of shareholders in a General Meeting to allot equity securities for cash, without first being required to offer such shares to existing ordinary shareholders in proportion to their existing holdings under Section 561 of the Companies Act, in connection with a rights issue and in other circumstances up to the aggregate nominal amount specified by the relevant resolution. At the AGM on 15 May 2024, the Directors were authorised to issue relevant securities up to an aggregate nominal amount of £8,936,461, and, in connection with a rights issue, to issue relevant securities up to a further aggregate nominal amount of £8,936,461. In addition, the Directors were empowered to allot equity securities, or sell Treasury shares, for cash in connection with a rights issue or other pre-emptive offer without first being required to offer such shares to existing shareholders in proportion to their existing holdings. The Directors were also empowered to allot equity securities, and/or sell Treasury shares, for cash in any case other than in connection with a rights issue or other pre-emptive offer up to an aggregate nominal value of £2,680,938, or a follow-on offer, without first being required to offer such shares to existing shareholders in proportion to their existing holdings, and for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment, to allot equity securities, or sell Treasury shares, for cash on a non-pre-emptive basis up to an additional nominal amount of £2,680,938. Each of the authorities given in these resolutions expires on 30 June 2025 or the date of the AGM to be held in 2025, whichever is the earlier. The resolutions were all tabled in accordance with the revised terms of the Pre-Emption Group's Statement of Principles. The Directors propose to table similar resolutions at the 2025 AGM. In the year ahead, other than potentially in respect of Vesuvius' ability to satisfy rights granted to employees under its various share-based incentive arrangements, the Directors have no present intention of issuing any share capital of Vesuvius plc.

Authority for purchase of own shares	Subject to the provisions of company law and any other applicable regulations, the Company may purchase its own shares. At the AGM on 15 May 2024, Vesuvius shareholders gave authority to the Company to make market purchases of up to 26,809,383 Vesuvius ordinary shares of 10 pence, representing 10% of the Company's issued ordinary share capital as at the latest practicable day prior to the publication of the Notice of AGM. On 4 December 2023, the Company announced, consistent with its capital allocation policy to return surplus cash to shareholders, the commencement of a share buyback programme of up to £50 million. This programme completed on 22 August 2024. A total of 10,821,465 ordinary shares were purchased for a consideration of £49,941,234 and at an average price of £4.615 per share. Between 1 January 2024 and 22 August 2024, 10,145,758 ordinary shares were purchased under the initial share buyback programme at a cost of £46.8 million excluding transaction costs. The purchased shares represented a nominal value of £1,014,576 and 3.8% of the Company's issued share capital on 31 December 2024. On 19 November 2024, the Company announced the commencement of a further share buyback programme of up to £50 million to end no later than 23 July 2025, and targeted to be completed by late May 2025, subject to regulatory limits and market conditions. From 19 November 2024 to the end of the financial year on 31 December 2024, the Company had purchased 3,670,188 ordinary shares, representing a nominal value of £367,019 and 1.4% of the Company's issued share capital on 31 December 2024. 3,172,332 of these ordinary shares were cancelled by 31 December 2024, the 497,856 remaining ordinary shares were cancelled on 2 and 7 January 2025. The cost of the shares purchased between 19 November and 31 December 2024 was £15.5 million excluding transaction costs. Between 1 January 2024 and 31 December 2024, a total of 13,815,946 ordinary shares were therefore purchased by the Company under its share buyback programmes, at a cost of £62.4 million excluding transaction costs. The purchased shares represented a nominal value of £1,381,595 and 5.2% of the Company's issued share capital on 31 December 2024. Between 1 January 2025 and the date of this report, a further 5,037,041 shares, representing a nominal value of £503,704 and 1.9% of the Company's issued share capital on 1 January 2025, have been purchased at a cost of £20.6 million excluding transaction costs. The average price of shares purchased in 2025 to date is £4.08 per share. The sole purpose of the share buyback programmes is to reduce Vesuvius' share capital and the ordinary shares purchased pursuant to the programmes are being cancelled. The Board considered the views of the Company's shareholders and the impact that the purchase would have on other investors, concluding that it would send a positive public signal that the Company was performing well and would benefit all of the Group's stakeholders. A buyback was chosen over, for example, a tender offer or special dividend, reflecting the preference of shareholders and advice from brokers, as a structure that equally benefits all shareholders over a sustained period. Over the course of the programmes, the buyback is expected to be modestly EPS accretive and as such will enhance TSR in the event that our trading valuation multiple is maintained. The impact of the buyback is recognised in the Company's budget and is reflected in the Group's incentive targets. In 2013, the Company acquired 7,271,174 ordinary shares, representing a nominal value of £727,117 and 2.6% of the entire called up share capital of the Company prior to the purchase. These shares were purchased pursuant to the Board's commitment to return the majority of the net proceeds of the disposal of the Precious Metals Processing Division to shareholders. These shares are currently held as Treasury shares and are not eligible to participate in dividends and do not carry any voting rights. The Company has not subsequently disposed of any of the repurchased shares designated as Treasury shares. The Company does not have a lien over any of its shares. Further details of Treasury shares and the share buyback programmes are set out in Note 9 to the Company Financial Statements. The Directors' purchase of own shares authority expires on 30 June 2025 or the date of the AGM to be held in 2025, whichever is the earlier. The Directors will seek renewal of this authority at the 2025 AGM.

Directors' Report continued

Share plans

Vesuvius operates a number of share-based incentive plans. Under these plans, the Group can satisfy entitlements by the acquisition of existing shares, the transfer of Treasury shares or by the issue of new shares. Existing shares are held in an employee benefit trust (EBT). The Trustee of the EBT purchases shares in the open market as required to enable the Group to meet liabilities for the issue of shares to satisfy awards that vest. The Trustee does not register votes in respect of these shares at the Company's Annual General Meetings and has waived the right to receive any dividends.

At 31 December 2023, the EBT held 1,956,030 ordinary shares of 10 pence each in the Company. During 2024, the EBT sold/transferred 1,594,809 ordinary shares to satisfy the vesting of awards under the Company's share-based incentive plans. It also purchased 3,491,463 ordinary shares in Vesuvius with a nominal value of £349,146 at a total cost, including transaction costs, of approximately £17.1m, to hold to satisfy the future vesting of awards under the Company's share incentive plans. As at 31 December 2024, the EBT held 3,852,684 ordinary shares. The total purchases during the year represented 1.3% of the Company's called up share capital. As at the date of this report the EBT held 3,852,684 ordinary shares.

Restrictions on transfer of shares and voting

The Company's Articles do not contain any specific restrictions on the size of a holding or on the transfer of shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

No person has any special rights with regard to the control of the Company's share capital and all issued shares are fully paid. This is a summary only and the relevant provisions of the Articles should be consulted if further information is required.

Change of control provisions

The terms of the Group's committed bank facility and US Private Placement Loan Notes contain provisions entitling the counterparties to exercise termination or other rights in the event of a change of control on takeover of the Company. A number of the arrangements to which the Company and its subsidiaries are party, such as other debt arrangements and share incentive plans, may also alter or terminate on a change of control in the event of a takeover. In the context of the Group as a whole, these other arrangements are not considered to be significant.

Interests in the Company's shares

The Company has been advised in accordance with DTR 5 of the Disclosure and Transparency Rules of the following notifiable interests of 3%, or more, of its issued ordinary shares:

	As at date of notification	As at 31 Dec 2024[1]	**As at 4 Mar 2025[2]**
Cevian Capital	22.01%	22.26%	**22.71%**
GLG Partners LP	6.26%	6.61%	**6.74%**
Martin Currie	4.83%	5.10%	**5.20%**
BlackRock Inc	5.5%	5.58%	**–**
Aberforth Partners	4.93%	5.19%	**5.30%**

1. The notifiable interests have been restated to reflect the change in issued share capital as at 31 December 2024 resulting from the Share Buyback Programme.
2. The notifiable interests have been restated to reflect the change in issued share capital as at 4 March 2025 resulting from the Share Buyback Programme.

The interests of Directors and their connected persons in the ordinary shares of the Company as disclosed in accordance with the Listing Rules of the Financial Conduct Authority are as set out on pages 123 and 124 of the Directors' Remuneration Report and details of the Directors' Deferred Share Bonus Plan and Vesuvius Share Plan awards are set out on pages 128 and 129.

Suppliers, customers and others	Information summarising how the Directors have regard to the need to foster the Company's business relationships with suppliers, customers and others is included in the Group's Section 172(1) Statement on pages 63–66. This also details how that regard impacted the principal decisions taken by the Directors during the year. Our approach to business places a significant number of Vesuvius Steel employees at customer sites on a permanent basis. In the Foundry Division, our success is built on our deep understanding of customer processes and technical requirements, and our ability to assist them in delivering the greatest efficiency from their operations. During the year, our supplier audit programme covered the operations of 269 suppliers. This approach allows Vesuvius to gain a deep understanding of our suppliers' operations to ensure sustainability and quality of supply. Vesuvius agrees payment terms with its suppliers and seeks to pay in accordance with those terms.
Equal opportunities employment	Vesuvius is an equal opportunities employer, and decisions on recruitment, development, training and promotion, and other employment-related issues are made solely on the grounds of individual ability, achievement, expertise and conduct. These principles are operated on a non-discriminatory basis, without regard to race, colour, nationality, culture, ethnic origin, religion, belief, gender, sexual orientation, age, disability or any other reason not related to job performance or prohibited by applicable law. In cases where employees are injured or disabled during employment with the Group, support, including appropriate training, is provided to those employees and workplace adjustments are made as appropriate in respect of their duties and working environment, supporting recovery and continued employment.
Employee engagement	Information on the mechanisms through which Vesuvius engages with its workforce, including its UK workforce, is included in the Section 172(1) Statement on pages 63–66 and in the Sustainability section on pages 55–58 .

Directors' Report continued

Pensions	In each country in which the Group operates, the pension arrangements in place are considered to be consistent with good employment practice in that particular area. Independent advisers are used to ensure that the plans are operated in accordance with local legislation and the rules of each plan. Group policy prohibits direct investment of pension fund assets in the shares of Vesuvius plc. The majority of the ongoing pension plans are defined contribution plans, where our only obligation is to make contributions, with no further commitments on the level of post-retirement benefits. During 2024, cash contributions of £11.8m (2023: £12.1m) were made into the defined contribution plans and charged to trading profit. The Group's principal defined benefit pension plans are in the UK and the US, the benefits of which are based upon the final pensionable salaries of plan members. The assets of these plans are held separately from the Group in trustee-administered funds. The Trustees are required to act in the best interests of the plans' beneficiaries. The Group also has defined benefit pension plans in other territories but, except for those in Germany, these are not individually material in relation to the Group. Vesuvius continues to seek ways to de-risk its existing pension plans through a combination of asset matching, buy-in opportunities and, where prudent, voluntary cash contributions. The total gross defined benefit obligations at 31 December 2024 were £374.1m funded (2023: £416.3m funded) and £58.7m unfunded (2023: £62.8m unfunded). After asset funding there was a net deficit of £37.4m (2023: £46.3m) representing a decrease of £8.9m. The Group's UK defined benefits plan (the 'UK Plan') and the main US defined benefits plans are closed to new entrants and have ceased providing future benefits accrual, with all eligible employees instead being provided with benefits through defined contribution arrangements. For the Group's closed UK Plan, a Trustee Board exists comprising employees, former employees and an independent trustee. The Board currently comprises six trustee Directors, of whom two are member-nominated. The administration of the UK Plan is outsourced. The Company is mindful of its obligations under the Pensions Act 2004 and of the need to comply with the guidance issued by the Pensions Regulator. Regular dialogue is maintained between the Company and the Trustee Board of the UK Plan to ensure that both the Company and Trustee Board are apprised of the same financial and other information about the Group and the UK Plan. This is pertinent to each being able to contribute to the effective functioning of the UK Plan. In November 2021, the Trustee of the Vesuvius Pension Plan signed a pension insurance buy-in agreement with Pension Insurance Corporation plc (PIC). This buy-in secured an insurance asset from PIC that matches the remaining pension liabilities of the UK Plan, with the result that the Company no longer bears any investment, longevity, interest rate or inflation risks in respect of the UK Plan. All benefits in the UK Plan (with the exception of a small amount of benefits expected to arise in future as a result of guaranteed minimum pensions (GMP) equalisation) are now insured with PIC. The Group has several defined benefit pension plans in the US, providing retirement benefits based on final salary or a fixed benefit. The Group's principal US defined benefit pension plans are closed to new members and to future benefit accrual for existing members. The Group has several defined benefit pension arrangements in Germany which are unfunded, as is common practice in that country. In 2016, the main German defined benefit plan was closed for new entrants and existing members were offered a buy-out of their benefits under this plan. Those who accepted this buy-out then joined the new defined contribution plan.

Listing Rule 6.6.1 R Disclosures

The following disclosures are made in compliance with the Financial Conduct Authority's Listing Rule 6.6.1R:

Disclosure requirement under LR 6.6.1 R		Reference/Location
(1)	Interest capitalised by the Group during the year	None
(2)	Publication of unaudited financial information	Not applicable
(3)	Details of any long-term incentive schemes	Pages 117 and 118
(4)	Director waiver of emoluments	Not applicable
(5)	Director waiver of future emoluments	Not applicable
(6)	Allotment for cash of equity securities made during the year	Not applicable
(7)	Allotment for cash of equity securities made by a major unlisted subsidiary during the year	Not applicable
(8)	Details of participation of parent undertaking in any placing made during the year	Not applicable
(9)	Details of relevant material contracts in which a Director or controlling shareholder was interested during the year	Not applicable
(10)	Contracts for the provision of services by a controlling shareholder during the year	Not applicable
(11)	Details of any arrangement under which a shareholder has waived or agreed to waive any dividends	Vesuvius plc holds 7,271,174 of its 10 pence ordinary shares as Treasury shares. No dividends are payable on these shares. The Trustee of the Company's EBT has agreed to waive, on an ongoing basis, any dividends payable on shares it holds in trust for use under the Company's Employee Share Plans, details of which can be found on pages 128, 129 and 134
(12)	Details of where a shareholder has agreed to waive future dividends	See above
(13)	Statements relating to controlling shareholders and ensuring company independence	Not applicable

The Directors' Report has been approved by the Board and is signed, by order of the Board, by the Secretary of the Company.

Henry Knowles
Company Secretary
5 March 2025

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

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 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 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 accounting estimates that are reasonable and prudent and
- 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 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 also 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 and the Directors' Remuneration Report 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.

Directors' confirmations

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed below, confirm that, to the best of their knowledge:

- 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 and financial position of the Company; and
- The Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Strategic Report includes 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 the Group faces

The names and functions of the Directors of Vesuvius plc as at the date of signing these financial statements are as follows:

Carl-Peter Forster	Chairman
Patrick André	Chief Executive
Mark Collis	Chief Financial Officer
Eva Lindqvist	Non-executive Director and Senior Independent Director
Carla Bailo	Non-executive Director
Italia Boninelli	Non-executive Director and Chair of the Remuneration Committee
Dinggui Gao	Non-executive Director
Friederike Helfer	Non-executive Director
Robert MacLeod	Non-executive Director and Chair of the Audit Committee

On behalf of the Board

Mark Collis
Chief Financial Officer
5 March 2025

Independent auditors' report to the members of Vesuvius plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Vesuvius 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 2024 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, which comprise: the Group Balance Sheet and Company Balance Sheet as at 31 December 2024; the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, the Group Statement of Changes in Equity and Company Statement 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 5.2 of the Group financial statements, we have provided no non-audit services to the company in the period under audit.

Independent auditors' report to the members of Vesuvius plc continued

Our audit approach

Overview

Audit scope

- Our audit included full scope audits of 17 components and specific audit procedures on certain balances and transactions for 12 additional components.
- Taken together, the components at which either full scope audit work or specified audit procedures were performed enabled us to get coverage on 73% of revenue, and 88% of profit before tax.

Key audit matters

- Impairment of goodwill (Group)
- Impairment of investment in subsidiaries (Company)

Materiality

- Overall group materiality: £9.1 million (2023: £8.5 million) based on 5.0% of 3 year average (2023: 5.0% of 3 year average) profit before tax adjusted for non-recurring separately reported items (2023: profit before tax).
- Overall company materiality: £9.1 million (2023: £8.5 million) based on 1.0% of total assets, capped at the level of overall Group materiality.
- Performance materiality: £6.8 million (2023: £6.4 million) (group) and £6.8 million (2023: £6.4 million) (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.

Provisions for exposures (legacy matter lawsuits), which was a key audit matter last year, is no longer included because of the limited developments on the matter, the consistent judgement applied and the reduced estimation uncertainty. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter

Impairment of goodwill (Group)
At 31 December 2024, the carrying value of goodwill is £616.2 million (2023: £630.9 million). Goodwill arising from acquisitions has an indefinite expected useful life and so is not amortised but rather is tested for impairment at least annually at the cash-generating unit ("CGU") level. Management has determined its CGUs to align with the operating segments, which are Steel Advanced Refractories, Steel Flow Control and Foundry. Steel Sensors and Probes goodwill was previously impaired and is fully written down.
Management prepares a Value in Use (VIU) model (discounted cashflow) to test for impairment of the carrying value of the above CGUs. This is based on a Board approved 2025 budget supplemented by a 3 year forecast for 2026 through to 2028, on which a terminal value is calculated based on long term growth rates. The VIU model requires estimation of projected future cash flows and involves making key assumptions of revenue and trading profit growth rates, an appropriate discount rate and long term growth rates for each of the CGUs. In making such future assumptions there is an inherent level of estimation uncertainty to consider.
Management also considered a valuation from its market capitalisation and other market data to determine a Fair Value Less Costs of Disposal ('FVLCD') for the Group.
We focused on the valuation of the goodwill due to its material carrying value, and with regard to the estimation uncertainties arising from the factors set out above.
Refer to Intangible Assets (Note 15), Impairment of Tangible and Intangible Assets (Note 16), Critical Accounting Judgements and Estimates (Note 3) and Significant issues and material judgements in the Audit Committee report.
	Our audit procedures included:
	– We obtained management's VIU models and FVLCD analysis. We ensured the calculations were mathematically accurate and that the valuation methodology conformed with the requirements of IAS 36 'Impairment of Assets'.
	– For key assumptions made by management in respect of forecast revenue and trading profit growth:
	  – We obtained management's supporting evidence such as the approved budget and 3 year forecasts. We agreed the forecast cashflows and underlying assumptions to these and assessed historical evidence of CGU growth rates. We also challenged the extent to which climate change considerations had been reflected in management's forecast cash flows;
	  – We obtained evidence through our own independent research. This included evidence of forecast production and demand levels for the CGU's end customer markets, climate change driven trends and recovery and growth in cyclical end-markets; and
	  – We considered market valuation evidence such as current and target share price, as well as other market data such as valuation multiples on recent deals for similar groups.
	– We utilised internal valuations experts to support our audit procedures over the discount rate and long-term growth rate assumptions used in the VIU model and sensitised the impacts of changes in the discount rate within our view of a reasonable range.
	– We sensitised key assumptions including, free cash flow average annual growth rate, discount rate and long-term growth rate and established the impact of reasonably possible changes to these assumptions. We ensured these sensitivities were appropriately disclosed in accordance with IAS 36, 'Impairment of assets'.
	We also instructed our component audit teams to evaluate the appropriateness of management impairment indicator assessments performed within the components and to also assess any material impacts of climate change. Our component teams, under our supervision, did not identify any additional impairments required or inconsistent findings to our Group level assessment.
	Our findings were discussed with the Audit Committee.

Impairment of investment in subsidiaries (Company) The Company holds investments in subsidiaries with a total carrying amount of £1,778.0 million at 31 December 2024 (2023: £1,778.0 million). IAS 36 'Impairment of assets' requires management to consider whether there are any indicators of impairment in respect of the valuation of non-financial assets. Due to the quantum of the carrying amount, levels of estimation uncertainty that exist similar to assumptions used in testing for impairment of goodwill (Group) and the market capitalisation of the Group this was an area of focus for the audit of the Company. Consistent with the prior year management performed an impairment test utilising cash flow forecasts used for testing for impairment of the Group's goodwill together with additional considerations of cash flows relevant to the subsidiaries that the Company owns. The judgements and estimates required to determine the cash flow forecasts are aligned with those set out in 'Impairment of goodwill (Group)' above, and adjusted for intercompany cashflows. Refer to Investments (Note 7) and Critical Accounting Judgements and Estimates (Note 3) in the Company financial statements, and Significant issues and material judgements in the Audit Committee report.	Our audit procedures included: – Assessing the results of the VIU model and FVLCD analysis used for the impairment test for goodwill, together with adjustments made to reflect cash inflows to subsidiaries due from the Company. – Testing of the Group VIU model, including procedures performed over management's model and evidence obtained in respect of key assumptions made is set out in Key audit matter 'Impairment of goodwill (Group)'. We also compared the carrying value of the investment in subsidiaries and the Group Value in Use to the market capitalisation and market valuation expectations. Our findings were discussed with the Audit Committee.

Independent auditors' report to the members of Vesuvius 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 Vesuvius Group (Vesuvius plc (Company) together with its subsidiaries) has operations in 40 countries, including 68 sales offices and has 54 production sites. The Group consolidates financial information through reporting from its components which include divisions and functions at these sites.

Our audit scope was determined by considering the significance of the component by size or risk as per ISA (UK) 600 (Revised). Components determined to be significant by size or risk were identified as having events or conditions that give rise to significant or elevated risks of material misstatement of the group financial. We also evaluated contribution to profit before tax and to other individual financial statement line items, with specific consideration to obtaining sufficient coverage over areas of heightened risk and locations.

We identified one component (2023: one) as significant due to size or risk in 2024. The audit scope comprised a further 16 components for which we determined that full scope audits would need to be performed and 12 components for which specific audit procedures on certain balances and transactions were performed by either component teams or the Group team. This collectively provided audit coverage of 73% of the Group's revenue and 88% of the Group's profit before tax. This, together with the additional procedures performed at the Group level, including testing the consolidation process, gave us the evidence we needed for our opinion on the financial statements as a whole.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group audit team, or by component auditors (involving experts and specialists where required) in both PwC network firms and other audit firms. Where the work was performed by component auditors, we determined the level of direction, review and supervision we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. This was achieved through:

- Attendance at audit clearance meetings by senior Group team members;
- Interactions with local component management;
- Our direction and supervision of the audit approach and review of audit findings;
- Review of selected audit workpapers of certain components reporting to us;
- Engagement of experts and specialists where required and review of their output, and
- Site visits for selected components

The Group audit team also performed the audit of the Company and other procedures over those components of the Group not subject to full scope audits.

The impact of climate risk on our audit

The 'Sustainability' section of the Strategic report sets out the Group's climate change risk assessment, the climate related targets set and evaluation of the potential financial impacts. In planning and executing our audit we considered management's risk assessment and analysis of impacts to the financial statements. We made enquiries of management to understand the process adopted by management to assess the extent of the potential impact of climate related risk and targets established by management on the Group's financial statements and support the disclosures made within the 'Non-Financial and Sustainability Information Statement' section of the Strategic Report and Note 2.6 of the Group financial statements. Management has made commitments to achieve net zero for the Group's Scope 1 and Scope 2 carbon footprint at the latest by 2050 as disclosed in the 'Sustainability' section of the Strategic report of the Annual Report. Management considers the impact of climate risk gives rise to a potential material financial statement impact in the medium to long term (between 2035 and 2050).

We understood the key impacts to the Group could include growth of aluminium casting processes for light vehicle castings, transition from internal combustion engines to electric vehicles, transition from blast furnaces converted to direct reduced iron production or electric arc furnaces (EAF), ability to diversify business activities and access to new markets. This would most likely impact the financial statement line items and estimates associated with future cashflows because the impact of climate change for the Vesuvius Group is expected to become more notable in the medium to long term. We considered the following areas to potentially be materially impacted by climate risk and consequently we focused our audit work in these areas: carrying value and the estimation of useful lives of property, plant and equipment, and goodwill and intangibles, with impairment of goodwill (Group) determined to be a key audit matter for the year ended 31 December 2024.

Additionally, we considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) related reporting within the 'Sustainability' section of the Strategic report, with the financial statements and our knowledge obtained from our audit. This included considering whether the assumptions made by management in the TCFD scenario analysis are consistent with the assumptions used elsewhere in the financial statements.

We have not noted any issues as part of this work which contradict the disclosures in the Annual Report or materially impact the financial statements, or our key audit matters for the year ended 31 December 2024.

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	£9.1 million (2023: £8.5 million).	£9.1 million (2023: £8.5 million).
How we determined it	5.0% of 3 year average (2023: 5.0% of 3 year average) of profit before tax adjusted for non-recurring separately reported items (2023: profit before tax).	1.0% of total assets, capped at the level of overall Group materiality (2023: 1.0% of total assets, capped at the level of overall Group materiality).
Rationale for benchmark applied	We believe that profit before tax adjusted for non-recurring separately reported items provides us with an appropriate basis for determining our overall Group audit materiality given it is a key measure for users of the financial statements. We have applied 5.0% to a 3 year average of profit before tax adjusted for non-recurring separately reported items, to take into consideration the fluctuation in results over the past 3 years.	We believe that total assets is an appropriate basis for determining materiality for the Company, given this entity is an investment holding Company and this is an accepted audit benchmark. The materiality was capped to the level of Group overall materiality. The Company is not an in-scope component for our Group audit.

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 £0.5 million to £8.2 million. 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% (2023: 75%) of overall materiality, amounting to £6.8 million (2023: £6.4 million) for the group financial statements and £6.8 million (2023: £6.4 million) 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 £0.45m (group audit) (2023: £0.45m) and £0.45m (company audit) (2023: £0.4m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of Vesuvius plc continued

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:

- Evaluating management's base case and severe but plausible downside case for liquidity and debt covenant compliance and available financial resources and obtaining supporting evidence for key assumptions. This included agreeing the underlying cash flow projections to the Board approved forecast, assessing how these forecasts were compiled and assessing the historical accuracy of the forecasts. We also evaluated current performance and available financing facilities and related liquidity headroom.
- Checking management's covenant calculations and compliance to ensure that the covenant thresholds and definitions were consistent with the financing agreements.
- Testing the accuracy and integrity of cash flow models used to assess available liquidity during the going concern period disclosed.
- Considering management's refinancing arrangements in the going concern period and ensuring this was factored into the outcome;
- Determining alternative sensitivity scenarios to ascertain the impact of changes in assumptions. These included scaling back forecasts and increasing working capital as a percentage of forecast revenue; and
- Reviewing disclosures in the financial statements and relevant 'other information' in the Annual Report, and assessing consistency with the financial statements and our knowledge based on our audit.

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.

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 2024 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 in respect of the Financial Statements, 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 Vesuvius 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 international trade restrictions, health and safety, environmental, anti-bribery, relevant employment laws and data protection legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006, tax legislation and Listing Rules of the Financial Conduct Authority (FCA). 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 inappropriate journal entries in particular including unusual account combination in respect of revenue and management bias in 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:

- Inquiries of Group and local management, those charged with governance, internal audit and the Group's legal counsel (internal and, where relevant, external), including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating items raised through the Group's whistle-blowing arrangements and the results of management's investigation of such matters;
- Inspecting management reports and Board minutes in relation to health and safety and other compliance matters;
- Reading and assessing key correspondence with regulatory authorities;
- Testing assumptions and judgements made by management in their critical accounting estimates, in particular relating to impairment of goodwill (Group) and impairment of investment in subsidiaries (Company) (see related key audit matters section of this report); and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including in respect of journals posted to revenue.

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; or
- a corporate governance statement has not been prepared by the company.

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 10 May 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is 8 years, covering the years ended 31 December 2017 to 31 December 2024.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 March 2025