

Human Resources

Our mission is to help our employees develop and deploy their talents so that Vesuvius is well equipped to meet its strategic objectives

In 2013, the HR organisation has realigned itself and its initiatives to support the strategic objectives of the business. Dedicated roles have been created in the areas of Talent Management and Reward Management, together with a further role created to focus on the deployment of our Standard Operations Model.

We have established this Operations HR Business Partner role to ensure that in our drive to excellence, operations receive the Human Resources support they need. The role gives active support on training and development, compensation and other technical HR issues to our manufacturing facilities and personnel in order to support the deployment of the Vesuvius Standard Operations Model.

In delivering this global consistency, we rely on a strategic framework that ensures alignment of HR programmes across divisions. This framework is named HTR, and focuses on:

- Hiring and Resourcing
- Training and Developing
- Retaining and Motivating.



Vesuvius is a community of experts. We gain a significant part of our competitive advantage from the skills and expertise of our technical staff. Many of our employees, particularly those in technical roles, have been with the Company for much of their careers, and as such have obtained and retained hugely valuable knowledge within their fields of expertise. As noted in our Principal Risks (see page 19), we consider the ability to attract and retain the right level of talent as a key risk to be addressed by the business.

We have met this challenge in a number of ways. In particular we have focused on knowledge transfer through the operation of a number of Group-wide training programmes. These are designed to be relevant to all individuals within Vesuvius, depending on the stage in their career path with the Company and their functional responsibilities.

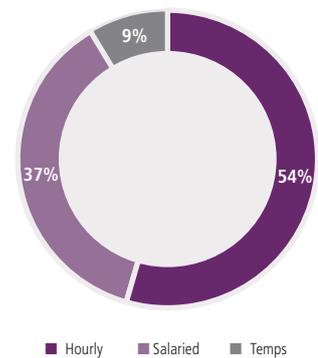
We have taken particular effort to ensure that appropriately targeted technical training is available to all members of the Vesuvius community. Under the HeaTt banner - the Vesuvius Technical University - we support the development of our technical service offering.

Through our Wings programme we aim to continuously develop the capabilities of our middle managers by exposing them to a wide range of management disciplines and coaching.

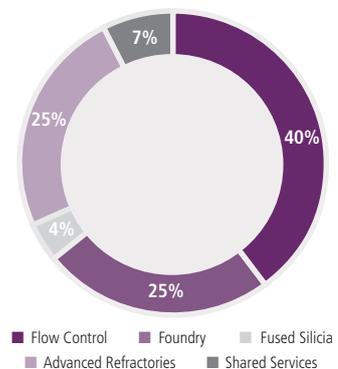
Line managers are expected to release staff for training, and when involved in courses, the precedence of the course over day-to-day responsibilities is strictly enforced.

Critically, our HR programmes support the deployment of our Group strategy. In order to maintain its technological leadership, the Foundry division has chosen the city of Enschede in the Netherlands to install its worldwide R&D centre. The city is located near the borders with Germany, centre of the foundry industry in Europe, and has a renowned university. The location is easily accessible for researchers on short and long-term assignments and will also operate as a centre for training employees on our products and processes.

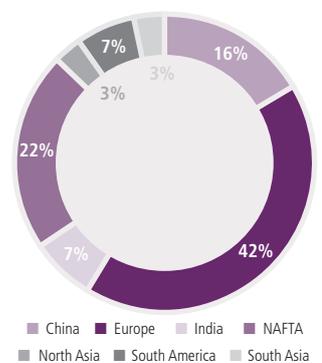
Split - Salaried/Hourly



Headcount per product line



Headcount per region



Human Resources continued

The smooth deployment of our strategy is also supported by the positive relationship developed with the employee representatives in the European region. Agreement on the terms of the working of the European Works Council was reached on 7 June 2012. On 24 May 2013, the first session of the European Works Council took place in Belgium with management and personnel delegates from Belgium, Germany, France, Spain, the Netherlands, Poland, Sweden and Romania.



Pictured: First meeting of the European Works Council

Back row, from left to right : Laurent Dubois, Martin Halsall, Luis Fernandez, Helmut Gohde

Middle row: Anna Klenfeldt, Gerhard Sauber, Ignace Liznjirabake, Ryan van der Aa, François Wanecq, Stefan Miron Titi, Sean Keane

Front row: Patrick Hüskes, Krzysztof Zajda, Frank Müller, Tadeusz Łakota, Francisco Lorenzo

To contribute to building the foundation of our value-added solutions, Vesuvius has designed a series of marketing courses, as a continuation to foundations laid down by senior management (Boost!) and middle management (Wings, Pulse) development programmes. These are delivered as training modules available in the corporate training programme. Over the course of 2013, 46 employees have attended one of the two corporate courses "EVC Forward Together" or "Advanced Marketing". Another 50 were exposed to key industrial marketing principles during our one week middle management training, Wings.

In order to meet our business objectives, we have to have the right structure to allow for the best people to be at the right place at the right time.

The optimal development and deployment of our people is at the core of our People Review programme. Annually, global, regional and country organisations establish their succession plans, identify their high potentials and agree on individual development plans, supported by a global performance management system.

Vesuvius has around 40 expatriates from 13 different nationalities across 11 countries. Most of the expatriate population is located in Asia focusing on developing our local operations.

Our Columbus Project - now in its third year - aims to ensure the continuous inflow of new talent into our internationally mobile workforce. In 2013, five young graduates, two from India and three from Brazil, have swapped countries for a year as part of pursuing a career at Vesuvius.

The Columbus Project



"The Columbus Project is definitely a really challenging and life changing experience. It is not easy being away from family and friends for nine months in a country that has such a different culture and tradition. All of these experiences helped me learning to see things from different perspectives and made me more adaptable to new situations. The feeling now, when we are less than one month from coming back to Brazil, is that we are not the same."

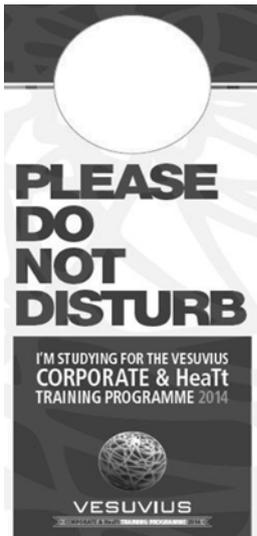
After three months in her home country, Brazil, Aline Baros, Chemical Engineer from the Federal University of Minas Gerais, spent nine months at Vesuvius in Pune and Calcutta, India.



In addition, the management of our Human Resources is underpinned by the worldwide Towers Watson grading system and a structured and consistent compensation & benefits management framework, that intends to attract, retain and motivate our employees.

HeaTt Training

We want to equip our people with the right skills, both technical and behavioural, and preserve our talents from waning over time. In addition to local training initiatives, the Vesuvius Corporate Training programme offers a wide range of disciplines and is adjusted every year to ensure that it still reflects the needs of the business.



HeaTt, the Vesuvius Technical University, supports the development of our technical service offering, the fifth pillar of our strategy. HeaTt stands for 'Hub for Employee Advanced Technical Training' and is structured along five levels, from 'entry' to 'expert'. The modules are designed and delivered by our internal trainers. While the first introductory level gives an overall view of the Vesuvius business, its end-markets, products and their applications, the more advanced modules are specialised by Business Unit.

HeaTt Training

In 2013, more than 300 employees took part in more than 20 heaTt training events across the globe. This platform, together with the continuous reinforcement of marketing principles amongst our sales and technical people and a constant focus on innovation, ensures that Vesuvius is well positioned to keep on developing its offering of technical services to complement its products offering.



Finally, Vesuvius and its employees support several small scale projects in local communities. As an example, winners of an LTV award have each elected a charity to which Vesuvius made a donation. In the Czech Republic, together with other local companies, Vesuvius has financed the purchase of several cars by a local charity in order to transport disabled children and adults in the area. More examples of our contribution to such projects are provided on our website (www.vesuvius.com).

Gender Diversity

Details of the gender diversity of the Group are set out below (excluding JVs).

	Male	Female	Total	% Female	% Male
PLC Board	5	2	7	29%	71%
GEC members	10	0	10	0%	100%
Senior management	101	4	105	4%	96%
Middle management	274	27	301	9%	91%
All other permanent employees ¹	9,143	957	10,100	9%	91%
Total employees	9,533	990	10,523	10%	90%

NOTE

1. Gender details are not kept for hourly permanent employees