

FLSmidth Group

Bribery and Facilitation Payments Sub-Policy

1 Introduction and scope

This Sub-Policy aims to set out detailed rules and procedures prohibiting bribery and facilitation payments for FLSmith and for those working for FLSmith.

The Policy applies to FLSmith & Co. A/S and all of its subsidiaries, offices and sites worldwide (henceforth 'FLSmith') and includes all members of the Board of Directors, executives, officers and employees, irrespective of location. It also applies to any company acting on behalf of or in the name of FLSmith, including all employees. Compliance with this policy is a condition of employment in FLSmith and non-compliance may result in sanctions.

Please note that there may be local or regional policies that puts in place stricter rules on top of this group level Sub-Policy.

2 Rules

2.1 Illegality of bribery and facilitation payments

All FLSmith employees must comply with the laws and regulations of the jurisdictions in which they are operating, in addition to the Code of Conduct and other policies. This includes but is not limited to the UK Bribery Act and the Foreign Corrupt Practices Act, as well as international and local laws and regulation.

Bribery is illegal in all countries and entirely contrary to FLSmith's values. In addition, national legislation with extraterritorial reach, such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, as well as certain international conventions, criminalise bribery. Facilitation payments are not explicitly legal in any country on earth, and the practice is outlawed in accordance with the UK Bribery Act and the U.S. Foreign Corrupt Practices Act. Paying a bribe or a facilitation payment represents a serious risk to FLSmith as well as a potential personal liability risk.

2.2 Bribery

Bribery means giving, receiving or demanding any payment, including money, gift, reward, advantage or benefit of any kind, in order to obtain, retain or direct business or to secure any other improper advantage.

It is fundamental to FLSmith that employees may not offer, receive or demand bribes, whether to or from public officials or private persons.

Accordingly, FLSmith may never make payments, directly or indirectly (e.g. through intermediaries, such as partners, agents, consultants, family members or others), in money, property, services or any other form, to induce the recipient to take or omit any action in order to gain any commercial, contractual, regulatory or personal advantage which the individual employee or the FLSmith Group is not otherwise entitled to.

2.3 Kickbacks

Kickbacks are an illicit payment made to a business partner in return for facilitating a transaction or appointment. Kickbacks often take the form of a percentage of a contract value, but can also consist of a nominal monetary value, gift, reward or other type of benefit.

FLSmith does not make or accept kickbacks of any kind, and does not accept that any of our employees give or receive kickbacks of any kind.

2.4 Facilitation payments

Facilitation payments are small payments, gifts or other benefits made to officials to secure or expedite the performance of a routine or necessary action which FLSmith is entitled to have performed. In short, facilitation payments are made 'to get official(s) to do what they are supposed to do'. Examples include immigration checks, minor official approvals, or customs clearance of goods.

Facilitation payments are not explicitly legal in any country, and the practice is outlawed in accordance with the UK Bribery Act and the Foreign Corrupt Practices Act. Accordingly, FLSmith does not give or accept facilitation payments, nor may any of our employees give or receive facilitation payments.

The safety of our employees is of primary concern in all our operations. FLSmith recognises that an employee in a potentially unsafe situation may have to pay a facilitation payment for safety reasons. Employees who have no other way out of an unsafe situation may pay a facilitation payment, provided that the general procedure outlined in section 3.2 below has been followed and that the payment is properly reported to Group Compliance immediately after the incident.

Transparency and fully legitimate payments to speed up processes, for example visa application fast track application procedures, are not facilitation payments and are therefore allowed.

3 Procedure

The procedure which FLSmith employees must follow consists of two elements – one for bribes and kickbacks (3.1), and one for facilitation payments (3.2).

3.1 Bribery and kickbacks

FLSmith employees are never allowed to give or accept bribes and kickbacks regardless of the circumstances. Employees who suspect a bribe or kickback has been paid should report the incident to Group Compliance or via the Whistleblower Hotline.

FLSmith employees who are offered a bribe; are asked to make one or suspect that this may happen in the future should report the situation to Group Compliance or to the Whistleblower Hotline.

3.2 Facilitation payments

Employees who are met with demands for facilitation payments should follow a three-step process for dealing with the situation:

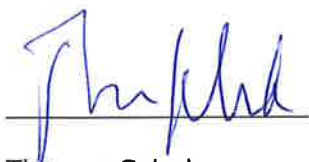
1. *Clearly refuse the payment of a facilitation payment, referring to the company's policies and the general illegality of bribery and facilitation payments.*
The employee may move to step 2 if the demand persists:
2. *Escalate the situation, for example by asking to speak to a superior or a relevant manager, by openly drawing attention to the demand made in a public space, and by clearly expressing an attitude of unwillingness to respond to the demand.*
The employee may move to step 3 if the demand is upheld at this stage and results in an unsafe or dangerous situation, or if the employee is withheld against their will:
3. *Pay the facilitation payment and record the payment appropriately*
Any facilitation payment made or received must be reported to Group Compliance and accurately registered in the expense accounts with relevant details by the business unit or project paying it.

4 Implementation

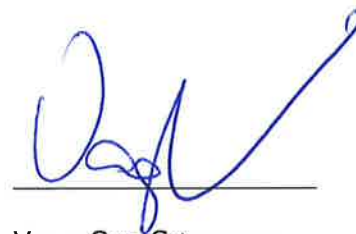
This Sub-Policy is supported by a wide range of measures and activities implemented throughout the FLSmidth Group. This includes regular bribery risk assessments; regular revisions of policies and procedures; top level support and reporting to the Board of Directors and top management team; training of all employees, directors and members of the Board of Directors; communication activities; procedures for third party due diligence; whistleblower hotline and procedures for internal investigations; ongoing monitoring; internal controls; and country-specific guidelines when applicable. The measures and activities are described in greater detail and on an ongoing basis in the publicly available sustainability reports.

5 Governance

This Policy is approved by the Board of Directors and Group CEO. The Policy is maintained, implemented and updated by Group Compliance.



Thomas Schulz,
Group CEO



Vagn Ove Sørensen,
Chairman of the Board of Directors