

**FLSmidth Group**

# **Code of Conduct**

## 1 Introduction and scope

The Code of Conduct is a set of rules and principles for how we want to act and behave as a global company. This includes but is not limited to topics such as bribery, facilitation payments, fraud, gifts, entertainment and hospitality, conflict of interest, donations, government relations and relations with third parties, for example agents.

The Policy applies to FLSmidth & Co. A/S and all its subsidiaries, offices and sites worldwide (henceforth 'FLSmidth') 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 FLSmidth, including all employees. Compliance with this policy is a condition of employment in FLSmidth and non-compliance may result in sanctions.

FLSmidth has put in place a number of Sub-Policies and Procedures to the Code of Conduct, which further detail and interpret the rules and procedures for specific topics. Please note that there may be local or regional policies that puts in place stricter rules on top of this group level Policy.

## 2 Rules

### 2.1 Compliance with laws

All FLSmidth employees must comply with the laws and regulations of the legal systems in which they are operating, in addition to the Code of Conduct and other policies. This includes the UK Bribery Act and the Foreign Corrupt Practices Act, as well as international and local laws and regulation on competition law, anti-corruption regulation and export control and trade restrictions.

### 2.2 Bribery

FLSmidth does not engage in, support or condone bribery in any form. FLSmidth employees, or any persons or companies working on our behalf, may not offer or demand bribes in any form.

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. Bribery is illegal in all countries. This rule applies regardless of whether the other party is from the government or private sector.

### 2.3 Facilitation payments

Facilitation payments are small payments or gifts paid to perform or speed up a routine process that you are already entitled to, e.g. getting goods through customs or applying for a work permit. FLSmidth does not permit facilitation payments, whether a result of a direct demand or as an implicit expectation. Any local custom or practice to the contrary must therefore be disregarded as this is not an excuse.

The only exception to this rule is when life, limb or liberty is at threat. In these cases, the relevant employee must report the facilitation payment to Group Compliance.

## **2.4 Fraud**

FLSmith employees must not engage in any kind of fraud against FLSmith or any other entity or individual. The definition of fraud varies from country to country, but generally, it means deliberately deceiving a person or company to unjustly obtain an unauthorised benefit, such as money, property or services. Examples include theft, embezzlement, procurement fraud, collusion with suppliers, fraudulent expense and travel claims, misuse of FLSmith property, wrongful financial records, and cyber fraud.

Fraud is dishonest and entirely contrary to FLSmith's values and culture. Potential criminal cases will be handed over to the police. FLSmith is committed to complying with anti-money laundering legislation, including reporting obligations.

## **2.5 Gifts, entertainment and hospitality**

Providing or accepting gifts, entertainment and hospitality is legitimate in business relations, if it is legal, reasonable and proportionate. FLSmith prohibits the offer or receipt of gifts, entertainment and hospitality whenever it can influence or appear to influence the recipient to make biased decisions.

FLSmith has put in place monetary limits for gifts, entertainment and hospitality. Some levels require prior approval and there is a general ban against gifts, entertainment and hospitality above a certain level, or against certain forms of entertainment, such as strip shows. In addition, monetary gifts or vouchers are never allowed, regardless of the amount.

## **2.6 Conflict of interest**

FLSmith employees must conduct business activities in the best interests of the company and avoid personal interests to conflict with his or her obligation as an employee. It is important that even the appearance of a conflict of interest be avoided.

Specifically, business with relatives is strongly discouraged. This is only allowed in exceptional situations and require prior approval from the relevant Group Executive Management member. In addition, reporting lines or any other supervision are not allowed between close relatives. The employment of close relatives requires management approval and disclosure.

## **2.7 Donations**

Donations are something of value given to charitable organisations without charge. FLSmith only allows donations where it is of mutual interest to FLSmith and the receiver. In addition, there needs to be a meaningful link with FLSmith's business, for example in the form of development of the cement and mining industries or geographical proximity to sites. Always seek advice with Group Communication before entering into a donation agreement. FLSmith never allows donations to politicians or political parties.

The recipient of a donation must undergo a due diligence screening by Group Compliance, and must be approved by a member of Group Executive Management.

## 2.8 Government relations

Government relations include all contacts with governments, their agencies and representatives, in national and local jurisdictions around the world. FLSmith's policy is to remain neutral in situations where opinions on culture, religion or political issues differ.

FLSmith does not allow contributions to politicians or political parties, and the employment of government employee to perform services for FLSmith is prohibited. In addition, FLSmith employees must cooperate with any legitimate request for information from government sources.

## 2.9 Relations with third parties

FLSmith works with a wide range of third parties, including customers, suppliers, joint venture partners, contractors and intermediaries, representing a wide range of compliance strengths and challenges. As a company, we are increasingly being held accountable to legal and ethical standards of the third parties we work with.

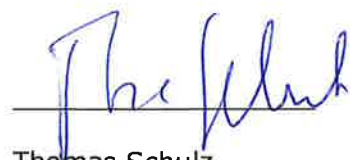
FLSmith employees must perform all customer and supplier contracts in a fair and ethical manner. We negotiate in good faith, and present clear and accurate information without exaggerating, omitting, or lying about our own products, services or capabilities. FLSmith regularly asks key third parties, including intermediaries, to confirm compliance with our company policies and undergo a formal due diligence screening and approval process.

## 3 Implementation

This Policy is supported by a wide range of measures and activities implemented throughout the FLSmith Group. This includes regular 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; and internal controls. The measures and activities are described in greater detail and on an ongoing basis in the publicly available sustainability reports.

## 4 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 Director