

FLSmidth Group

Whistleblower and Internal Investigations Sub-Policy

1 Introduction and scope

This Sub-Policy outlines detailed rules and procedures concerning whistleblowers and internal investigations.

The Policy applies to FLSmidth & Co. A/S and all of 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.

The Investigation Manual, which is available for designated employees conducting internal investigations in FLSmidth, outlines the process for investigations in greater detail.

2 Introduction

Whistleblowing is the disclosure of information which relates to suspected wrongdoings or dangers at work. The information can concern FLSmidth employees or business partners, such as agents, suppliers and customers. Examples of allegations raised include bribery, kickbacks, fraud, breach of policies and criminal activities.

A whistleblower is a person who raises a genuine concern in good faith relating to any of the above.

In this Sub-Policy, we outline the rules regarding whistleblowing as well as the procedures involved in internal investigations.

3 Whistleblowing

3.1 Reporting

FLSmidth employees are strongly encouraged to report to the Whistleblower Hotline if they have any genuine concerns related to suspected wrongdoing or danger affecting any of our activities.

The Whistleblower Hotline is available for all employees of FLSmidth as well as any other third party, individual or organisation that may wish to report a genuine concern. A description and a link is available on Insite and on FLSmidth's public website.

We strongly recommend using the Whistleblower Hotline for reporting, rather than reporting via email or letter. Reporting through the Whistleblower Hotline enables us to better protect the whistleblower and provides better conditions for completing a full investigation in time.

3.2 Relevant issues

The Whistleblower Hotline is the correct means of reporting in case you have a genuine concern regarding any of the following issues:

- Bribery, kickbacks and facilitation payments
- Inappropriate giving and receiving of gifts
- Inappropriate hospitality
- Fraud, theft and embezzlement

- Falsification of financial records
- Conflict of interest
- Harassment and discrimination
- Fraudulent or inappropriate donations
- Inappropriate government relations
- Breaches of competition and anti-trust rules
- Tax evasion
- Violations of trade sanctions or embargoes
- Unauthorised disclosure of confidential information, including FLSmidth's proprietary intellectual property
- Espionage or sabotage
- Money laundering
- Serious danger to health & safety and the environment

Please note that in some European Union countries you may not be able to report some of the topics via the Whistleblower Hotline system. The available categories are reflected in the categories available for reporting via the Whistleblower Hotline system.

The Whistleblower Hotline should under no circumstances be used for complaints relating to your own personal circumstances, such as wages, bonus payments, management issues or the way you have been treated at work. Such complaints should be raised with your manager or with Human Resources partners. The Whistleblower Hotline is not an emergency hotline. Use local government emergency hotline or similar instead in case of urgent emergency situations.

3.3 Detailed and concrete reports

Reports submitted through the Whistleblower Hotline should include as much information and documentation as available. A generic allegation without any concrete details will likely be impossible or very difficult to investigate. On the other hand, detailed and concrete descriptions of the allegations are likely to result in a better and more conclusive investigation

Furthermore, detailed and concrete information will enable us to conclude an investigation quicker, which is usually desirable for anyone with a stake in the allegations, including the accused person, the whistleblower, other interested parties, the relevant manager(s), and the investigators.

Relevant details to consider includes:

- Full names of relevant persons, business partners and organisations, in English and local language
- Specific dates, times and locations relevant for the allegations
- Specific business relationships with suppliers or other third parties that are allegedly involved in or relevant for the case
- Specific transactions that you are concerned about, including dates, amounts, specifications to the extent available

Reports may be submitted in English or any other language. It is usually better to report in your native language if your English skills are not perfect.

3.4 Confidentiality and anonymity

The Whistleblower Hotline enables employees and others to report openly or anonymously.

FLSmidth encourages employees and others to report concerns openly through the Whistleblower Hotline. The identity of reporters is kept confidential even if the person chooses to state his or her name. Proper investigation is more difficult or impossible if we cannot obtain further information openly. It is also more difficult to establish whether any allegations are credible, and we may not be able to properly understand the report.

The Whistleblower Hotline system allows employees to report anonymously if they are not comfortable with reporting openly. The identity of reporters who wish to remain anonymous will not and cannot be revealed. The Whistleblower Hotline reporting tool is encrypted by a third party so that it is impossible for FLSmidth, the third party or anyone else to reveal any information about an anonymous whistleblower, such as IP address, phone number, identity or location.

3.5 Protection and support for whistleblowers

It is understandable that whistleblowers are sometimes worried about possible repercussions or retaliation. We aim to encourage openness and will support staff and others who raise genuine whistleblowing concerns in good faith under this policy, even if they turn out to be mistaken.

No employee or third party must threaten or retaliate against whistleblowers in any way. Such behaviour will not be tolerated and any employee involved in such conduct will be subject to disciplinary action.

Employees and others must not suffer any detrimental treatment as a result of raising a whistleblowing concern in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a whistleblowing concern. If you believe that you have suffered any such detrimental treatment, you should inform Group General Counsel immediately.

3.6 External disclosures

The aim of this policy is to provide a structure for reporting and investigating wrongdoing in the workplace. In most cases, whistleblowing concerns are adequately addressed internally without the need to report the incident to anyone externally. However, we do recognise that in some circumstances it may be appropriate to report your whistleblowing concerns to an external body such as a regulator, but it will very rarely, if ever, be appropriate to alert the media. We strongly encourage employees to seek advice before reporting a whistleblowing concern to anyone externally.

Whistleblowing concerns usually relate to the conduct of our employees, but they may sometimes relate to the actions of a third party, such as a customer, supplier, sales agent, distributor, service provider, accountant, lawyer, etc. The law may allow you to raise a whistleblowing concern in good faith with a third party, where you reasonably believe it relates mainly to their actions or something that is legally their responsibility. However, we encourage you to report such concerns internally first.

4 Internal investigations

All reports of whistleblowing concerns will be carefully reviewed and investigated unless there are clear reasons not to do so. Appropriate corrective action will be taken if warranted by the investigation. A report may be dismissed if it concerns an allegation which has already been investigated and found to be unsubstantiated, or if the allegation is found to be clearly groundless and thus not requiring a more in-depth investigation.

Below, we outline the various steps of an internal investigation in FLSmidth.

4.1 Case intake

Reports submitted through the Whistleblower Hotline are sent to just two persons in FLSmidth: The Group Compliance Manager and the General Counsel. There are just two exceptions to this rule: Allegations that target the Group Compliance Manager or the Group General Counsel are sent to the Group CEO, who may choose to ask external counsel or a high-ranking manager from a function outside of Group Legal to lead the investigation. Allegations against members of the Board of Directors are sent to an external counsel.

In case of any report submitted outside the Whistleblower Hotline, for example by email or letter, Group Compliance will:

- inform the reporter to communicate only with the lead investigator
- inform the other receivers of the email to not forward or distribute the email or letter

Any case reported will be stored in a designated and encrypted case management system, and only the Group Compliance Manager, the General Counsel, the lead investigator, and designated investigators, if any, will have access to the case.

4.2 Assignment of case

The Group Compliance Manager conducts an initial screening upon receiving a report. This includes an assessment of whether the report is admissible under the Whistleblower Sub-Policy, the potential severity of the allegation, and an assessment of the need to inform the person(s) being accused. A report may be dismissed at this stage if it concerns an allegation which has already been investigated and found to be unsubstantiated, or if the allegations are found to be clearly groundless and thus not requiring a more in-depth investigation.

Severe cases concerning legal or compliance-related violations are handled by Group Compliance directly, while less severe cases may be assigned to the Regional Compliance Representative of the relevant region. Cases concerning fraud and other finance-related violations are sent to a designated Manager in Group Reporting & Compliance who may in turn delegate the investigation to the relevant local CFO. Cases concerning HR-related matters are sent to the Head of Human Resources or the Regional Human Resources Manager for the relevant region. Cases concerning Health & Safety are sent to Group Health & Safety, while cases concerning sustainability issues are sent to Group Sustainability. Other types of cases may be forwarded to other Group functions.

It is essential that an investigation can be conducted without interference and with as few people as possible involved. As a rule, the investigator(s) should not inform their manager about the investigation before basic facts have been established. This includes their direct manager, the Head of the relevant function as well as the Country Head of the office where

they are located. Exceptions to this rule may be granted by the Group Compliance Manager or the Group General Counsel.

The investigator is allowed to involve key employees for specific investigation purposes, such as accessing or analysing data, but should keep the number of people involved at an absolute minimum and provide as little information about the investigation and concrete allegations as necessary.

Investigations against employees in Group Compliance and Group Legal may not be assigned to the manager of the relevant employee(s). The lead investigator of cases where the target of the allegations is the Group Compliance Manager or the Group General Counsel must be a high-ranking manager outside of Group Legal.

4.3 Investigation activities

The lead investigator should commence investigation activities as soon as possible once a case has been assigned. Investigation activities include identifying and securing relevant documentation, posing questions to the reporter, reviewing documentation, including occasionally emails, and conducting interviews.

The investigator is entitled to interview any person who appear to have knowledge or information that is potentially relevant to the matters that are or may be the subjects of the investigation. Interviewees may include employees, former employees, business partners (i.e. suppliers, customers or third parties such as agents or distributors), or others.

Please note the following if you are asked to attend an interview in connection with an investigation:

- You are strongly encouraged to attend the interview at the time, date and location as requested
- Answer questions openly and honestly, and let the interviewers know if you do not know the answer to a certain question
- We usually conduct interviews in-person if we can, but occasionally we have to conduct interviews over the phone, by skype or by video conferencing
- You may choose to bring a solicitor or staff association representative to the interview should you wish so, although there is rarely any reason to, at least in the case of fact-finding interviews
- The interviewer(s) will take notes but we usually do not record interviews
- You must keep the interview confidential, i.e. you should not discuss the fact that the interview took place or the content of the questions and answers with anyone

FLSmidth believes that interviews should be conducted in an atmosphere of openness and confidentiality with the sole objective to obtain information relevant to the investigation.

4.4 Conclusion and sanctions

The investigators conduct an evaluation of the case, including documentation and evidence obtained, once investigation activities have been concluded. The evaluation includes an assessment of whether laws or FLSmidth policies have been breached and the available documentation and evidence supporting this.

Any sanction applied on the basis of an investigation requires the consent of the relevant part of the organisation as well as the Group Compliance Manager or the General Counsel. Cases found to be unsubstantiated or groundless are dismissed. The person under allegation is informed that a case has been investigated and closed.

Please note that we will provide a short answer to the whistleblower explaining whether the case has been investigated. We are usually not able to provide more detailed information about the outcome of the investigation to the whistleblower. Whistleblowers who wish to complain about the conduct of an investigation can contact the Group General Counsel who will provide contact details for the Compliance Chair of the Board of Directors to handle the complaint.

4.5 Follow-up actions

The investigation of a case may require follow-up actions. Most follow-up actions will be the responsibility of country offices or business units to implement. For example, an applied sanction on the basis of an investigation may be communicated locally or throughout the company.

In addition, mitigating actions aimed at avoiding similar situations in the future may be put in place, and relevant case files will be deleted or retained in accordance with the applicable data protection rules.

5 Implementation

This Policy is supported by several measures and activities implemented throughout the FLSmidth Group. This includes a third party-hosted and encrypted Whistleblower Hotline service, available online and via telephone, a detailed Investigation Manual available to designated investigators, regular training of designated investigators, and a case management system for storing case files safely and confidentially. The measures and activities are described in greater detail and on an ongoing basis in the publicly available sustainability reports.

6 Governance

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