

**FLSmidth Group**

# **Human Rights Grievance Mechanism Procedure**

## **1 Introduction and scope**

The Human Rights Grievance filing Procedure outlines the basics of the human rights grievance filing, verification and resolution processes.

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.

## **2 Rules**

FLSmith aligns its practices to the United Nations Guiding Principles for Business and Human Rights. These principles confirm the need of a human rights grievance mechanism which is compatible with positive human rights enjoyment. This means that the mechanism should help the company understand potential human rights violations related to its business and verify them in a way that does not undermine the rights of any individuals involved, including their ability to seek remedy through formal justice systems. The grievance mechanism aims to offer remedy to those directly impacted by FLSmith's business activities where these might have constituted or contributed to the violation of an international human right.

## **3 Procedures**

### **3.1 Filing a complaint**

Complaints can be filed online through the FLSmith Whistleblower Hotline system. This mechanism is accessible to both internal and external stakeholders. If the complainant wishes to file a grievance by phone, phone numbers to do so are also available on that same page. Operators are available in several different languages and calls are not traceable.

Rights violations may take many forms, and may overlap with other legal breaches. However, for a complaint to be verified as described in the following steps, select 'human rights' as the Issue Type within the online whistleblower hotline system. This is to indicate clearly that you wish to file a human rights grievance or complaint, not a whistleblower report. While the portal receives both types of report, a human rights grievance is verified and resolved according to a different set of principles than a whistleblower report, as described in this Procedure.

If a complaint is not catalogued in this way in the reporting phase (by selecting 'Human Rights' as the complaint issue type), but is clearly a human rights grievance on the facts of the case, the verification process will still proceed according to the steps set out in this Procedure.

### **3.2 The grievance is received by Compliance**

The grievance or complaint will initially be reviewed by Group Compliance to identify related possible human rights violations and whether a nexus with FLSmith business exists. To be processed further, a complaint will need to contain both a potential violation of internationally recognised human or labour rights and relate to impacts caused by or contributed to through FLSmith's activities, or directly linked to our operations, products or services by our business relationships.

### **3.3 Confirmation of receipt**

The complainant will be informed either that the complaint will now be verified on the basis of the information already provided, or that unless further information is submitted, the complaint will fail. If information about next steps of the investigation is available at this stage, this will be shared with the complainant to the extent possible.

### **3.4 Grievance verification**

The grievance is then investigated. Depending on the complaint, the grievance may be verified through a combination of document review, internal interviews and external interviews.

The aim of the verification process is to determine what has occurred, factually, and whether any rights may have been violated. It is a scoping exercise to determine the extent of possible impacts, that there is indeed a nexus with FLSmith's business and to identify relevant stakeholders, internally as well as externally.

### **3.5 Grievance resolution**

The stakeholders involved in grievance verification may also contribute to dialogue with the complainant. In many cases, where possible, dialogue may be part of the verification process itself, as inclusion of the rights-holder is central to a rights-compliant grievance resolution process.

Based on this information, the Group Compliance will analyse whether any rights may have been violated as well as the severity, duration and irremediability of any such impacts. The analysis will seek to conclude whether it may be more appropriate to refer the matter to an external body or whether it can be appropriately handled within the scope of the mechanism.

The case may either be concluded following the verification stage, or dialogue may be initiated with the complainant to determine a mutually acceptable solution. In some cases, it may be sufficient to terminate a certain activity but in more severe cases whether rights have been undermined, FLSmith may have a responsibility to remediate past violations.

## **4 Governance**

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