

# FLSmidth

## country-by-country tax reporting

### BACKGROUND

- FLSmidth acknowledges the growing interest in the tax affairs of multinational companies, and specifically whether the multinational companies:
  - 1) pay taxes in the countries where it operates
  - 2) take advantages of low tax countries to artificially reduce taxes paid
- Specifically, increased transparency and release of detailed tax information at a country level for multinational companies has been requested
- FLSmidth has always complied with the OECD country-by-country reporting requirements via the tax authorities, however this information is confidential within tax systems
- FLSmidth acknowledges the introduction of the Global Reporting Standard 207 (GRI 207) on tax
- At the 2021 Annual General Meeting, FLSmidth committed to undertake a feasibility investigation on country-by-country tax reporting in line with the GRI 207

### OUTCOME OF ASSESSMENT

- In 2021 FLSmidth assessed the feasibility of reporting tax details on a country-by-country level. The assessment concluded that FLSmidth could release certain country-by-country tax information.
- On 16 February, 2022 FLSmidth released this information in the Tax Report 2021.
- The disclosures in the report indicate that FLSmidth makes significant tax contributions in the countries in which it operates.
- The report fully discloses the information required under GRI 207 – 1, 2 and 3.
- The report partly discloses the information required under GRI 207 - 4. For competitive reasons, and what we assess as relevant information, the report discloses tax for our significant countries which account for around 85% of our Group revenue. “Rest of the World” includes data for 50 countries which all individually account for no more than 2% of Group revenue and cumulatively represents around 15% of total Group revenue. Additionally, data has been disclosed for countries with corporate tax rates below 15%.

The Tax Report can be found on FLSmidth’s website:  
<https://www.flsmidth.com/en-gb/company/investors/reports-and-presentations>