

FLS

Harassment and Discrimination Prevention Sub-Policy

1 Introduction and scope

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

FLS is committed to creating and maintaining safe, healthy and productive working environment for all employees in all locations. The Harassment and Discrimination Prevention Sub-Policy sets out the rules and approach to implementation and governance in place in order to achieve this.

FLS takes a zero-tolerance approach to all instances of harassment and discrimination directed at co-workers or other business partners.

The scope of this Sub-Policy includes all premises and property of the company and extends to off-site interactions between company employees as well as between company employees and employees of business partners. The Sub-Policy is also applicable outside of working hours. The scope of this policy also includes the recruitment, hiring and dismissals process for future and former employees and business partners, including on-site contractors.

2 Definitions

2.1 Definitions

Harassment is unwanted conduct with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment. The unwanted conduct can take different forms, from verbal or written comments, gestures, or behaviour.

Sexual harassment is any form of unwanted verbal, non-verbal or physical conduct of a sexual nature, with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment.

Bullying, threats and intimidation include situations and acts of intimidation, humiliation, physical threats, bullying, assault, inappropriate comments or horseplay (rough, boisterous play or physical altercations).

Discrimination means that individuals or groups of individuals which are in comparable situations are treated less favourably because of a particular characteristic such as their sex, gender, race, colour, ethnicity, social origin, religion or belief, disability, age, sexual orientation, political or any other opinion, membership of a national minority, property, birth or union membership.

Discrimination also includes direct and indirect discrimination, harassment based on protected grounds, instructions to discriminate and denial of reasonable accommodation.

2.2 Rules

Harassment and discrimination are not allowed or condoned regardless of the position, level of seniority or geographic, cultural, or work context of the harasser.

Harassment can negatively affect the behaviour, mood and performance of a person. In accordance with FLS's core values, employees are encouraged to act if they witness that a colleague might have been affected by someone's unwanted conduct. Further, employees are encouraged to report cases of harassment or discrimination that they become aware of.

FLS has zero tolerance for any retaliation based on the reporting of an allegation of harassment. Every case of alleged retaliation should be immediately reported to Compliance directly or through the whistleblower hotline.

2.3 Procedure for reporting a case of harassment or discrimination

Acts of harassment and discrimination can be reported through several different channels.

2.3.1 Reporting to People and Sustainability

An act of harassment or discrimination can be discussed with or reported to People and Sustainability. People and Sustainability can help facilitate a dialogue in cases where the harassment situation mainly concerns misunderstandings and might be concluded via a dialogue. The situation can also be reported to People and Sustainability as a report, in which case the employee who received the report will immediately inform Compliance, which will coordinate the investigation with People and Sustainability.

2.3.2 Reporting to Compliance

An act of harassment or discrimination can be reported directly to Compliance. The report can be sent by e-mail to Compliance general e-mail address compliance@FLS.com or it can be sent personally to the Compliance Manager, Compliance Investigation Specialist or Human Rights Specialist.

It is also possible to request an in-person or an online meeting with Compliance.

2.3.3 Reporting via the Whistleblower Hotline

An act of harassment or discrimination can be reported directly via the Whistleblower Hotline. All reports sent through the Whistleblower Hotline are sent directly to Compliance.

It is important to emphasize that every report of harassment or discrimination needs to contain identity of a harassed or discriminated person. It is usually not possible to investigate reports where the identity of an allegedly harassed or discriminated person, or the person allegedly harassing someone else is not known.

2.3.4 Investigations

FLS commits to handling investigations procedures in a transparent, confidential, professional and unbiased manner where reports of alleged harassment are submitted.

All investigations must be compliant with the local legislation.

Experiences of harassment may be culturally specific and may require knowledge of local work culture and contexts to investigate and remediate. Therefore, it is recommended that investigative team includes at least one member familiar with the local culture.

Investigations of allegations of harassment will be conducted in accordance with the Whistleblower and Internal Investigation Sub-Policy and the Procedure for Internal Investigations.

We will cooperate in good faith in cases where an alleged victim of harassment wishes to use external channels, such as a labour ombudsman or tribunal. This is also the case where the victim of harassment wishes to pursue criminal charges.

2.3.5 Remedial Actions and communication

The reporter and the accused should be informed about the outcome of the investigation regardless of what the outcome is.

The person harassing someone else should be sanctioned if the allegations are found to be substantiated. Depending on the circumstances of each individual case, sanctions include: informal warning, formal warning, demotion, withdrawal of access rights, re-training, dismissal, report to police or relevant government authority.

The relevant business unit is responsible for executing and documenting sanctions, supported by People and Sustainability. Compliance is responsible for registering execution of sanctions in the case database.

Compliance may recommend re-training or relevant workshops provided by People and Sustainability to involved employees if it was not possible to verify the allegations.

Compliance may recommend disciplinary actions against the reporter in cases where it is proven that the reporter acted in bad faith and purposefully wrongly accused another employee.

3 Implementation

Implementation of this Sub-Policy will be rooted in local business units, through the People and Sustainability function, supported by the network of Region Compliance Representatives.

FLS provides Harassment Prevention Workshops to all employees as part of our efforts to prevent harassment and discrimination.

Compliance conducts a harassment survey every second year in order to monitor effectiveness of Harassment Prevention Workshops and employees' awareness of this Sub-Policy.

4 Governance

This Sub-Policy is approved by the Group CEO. The policy is maintained, implemented, and updated by Compliance. Note that there may be local or regional policies that puts in place stricter rules on top of this group level policy.