

FLSmidth

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. In case of receiving serious allegations against our business partners that do not involve FLSmidth's employees, especially allegations concerning breaches of human rights, FLSmidth may notify relevant authorities.

The Procedure for Internal Investigations, which is available for designated employees conducting internal investigations in FLSmidth, outlines the process for investigations in greater detail.

2 Definitions

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, harassment, breach of policies and criminal activities.

A whistleblower or a reporter 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 are available on Whistleblower Hotline Insite page and on FLSmidth's public website.

Employees located in one of FLSmidth's offices in the EU can report through local reporting channels. If employees decide to report locally, they can report by requesting a physical meeting with one of the delegated investigators located in relevant FLSmidth's office in the EU. The names of delegated investigators and their e-mail addresses are available on Whistleblower Hotline Insite page.

It is strongly recommended 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 concern regarding any of the following issues:

3.2.1 Compliance

- Bribery and facilitation payments
- Contract issues (e.g. non-compliance, forged documents)
- Gifts and hospitality in breach of FLSmidth's policies, including Travel Procedure
- Leaking of proprietary information and misuse of FLSmidth's IP rights
- Violations of trade sanctions and embargoes
- Violations of human rights
- Violations of competition law
- Violations of FLSmidth's Donations Sub-Policy
- Extortion
- Violation of GDPR and other data breaches
- Breach of confidentiality (e.g. information obtained during internal investigations, breaches of NDAs)
- Retaliation because of reporting irregularities or participating in internal investigation

3.2.2 Finance

- Asset Misappropriation
- Violations of FLSmidth's policies regarding expense reimbursement
- Billing schemes (e.g. procurement fraud, self-approval, shell company, supplier collusion, non-compliance with procurement procedures)
- Tax issues
- Falsifications of financial records and financial statement
- Cyber security (e.g. fraudulent e-mails, phishing)
- Payroll scheme (e.g. falsified attendance, ghost employee)
- Check tampering
- Money laundering
- Terrorist financing

3.2.3 Human Resources

- Conflict of interest
- Harassment
- Discrimination
- Other Human Resource issues, such as unfair dismissals or hiring procedures

3.2.4 Other

- Violation of health and safety procedures
- Environmental issues
- Breaches of any other FLSmidth's policies and procedures
- Breaches of any international or local regulations or laws relevant for FLSmidth's business operations

The available categories are reflected in the categories available for reporting via the Whistleblower Hotline system.

It should be noted that cases of violation of human rights will be investigated in accordance with Human Rights Grievance Mechanism Procedure.

The Whistleblower Hotline should under no circumstances be used for complaints relating to employees' own personal circumstances, such as wages, bonus payments or management issues. Such complaints should be raised with your manager or with People and Sustainability 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 when applicable
- 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
- Detailed description of the events or activities that allegedly took place

Reports may be submitted in English or any other language. If English is not your native language, please submit the report in your native language and do not use machine translation services.

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 their name. It is important to emphasize that only reporters who disclose their identity can be protected from retaliation. It not possible to protect an unknown reporter from retaliation.

The identity of a reporter can be disclosed only with the explicit consent of that person. As an exception, the identity of a reporter can be disclosed only in the context of a formal requirement in connection with investigations by public authorities or judicial proceedings. In this case, the reporter shall be informed before their identity is disclosed, unless such information would jeopardise the related investigations or judicial proceedings.

The Whistleblower Hotline system allows employees to report anonymously if they are not comfortable with reporting openly. The identity of reporters who want to remain anonymous will not be revealed. The Whistleblower Hotline reporting tool is encrypted by a third party so that it

is impossible for FLSmith, the third party or anyone else to reveal any information about an anonymous whistleblower, such as IP address, phone number, identity or location.

3.4.1. Special provisions for reports concerning harassment and discrimination

Reports concerning harassment and / or discrimination always need to contain the identity of the allegedly harassed person, otherwise it would not be possible to investigate.

The reporter needs to state their name if the reporter wants to report a case of harassment toward themselves. However, anonymous reports of harassment against a third person are possible to investigate as long as the identity of the involved persons is reported.

A person accused in an investigation has the right to be informed about the identity of the person allegedly being harassed. This is in order to safeguard the accused person's right of defence. However, the harassed person shall be informed before their identity is disclosed to the accused person.

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 form of retaliation as a result of raising a whistleblowing concern in good faith. Retaliation includes threats of retaliation and attempts of retaliation, in particular in the form of:

- suspension, lay-off, dismissal or equivalent measures
- demotion or withholding of promotion
- transfer of duties, change of location of place of work, reduction in wages, change in working hours
- withholding of training
- a negative performance assessment or employment reference
- imposition or administering of any disciplinary measure, reprimand or other penalty, including a financial penalty
- coercion, intimidation, harassment or ostracism
- discrimination, disadvantageous or unfair treatment
- failure to convert a temporary employment contract into a permanent one, where the worker had legitimate expectations that they would be offered permanent employment
- failure to renew, or early termination of, a temporary employment contract
- harm, including to the person's reputation, particularly in social media, or financial loss, including loss of business and loss of income
- blacklisting on the basis of a sector or industry-wide informal or formal agreement, which may entail that the person will not, in the future, find employment in the sector or industry
- early termination or cancellation of a contract for goods or services
- cancellation of a licence or permit
- psychiatric or medical referrals

You should inform Compliance immediately if you believe that you have suffered any form of retaliation, or you can report it through the Whistleblower Hotline.

3.6 External reporting

The aim of this policy is to provide a structure for reporting and investigating wrongdoings in the workplace. In most cases, whistleblowing concerns are adequately addressed internally without the need to report the incident to anyone externally. However, FLSmidth does 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. FLSmidth strongly encourages 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, it is encouraged to report such concerns internally first.

3.6.1 External reporting for EU countries

FLSmidth is obliged to provide information regarding the procedures for reporting externally to competent authorities according to the European Directive on the protection of persons who report breaches of Union law. You can find a list of national authorities that are competent for external reporting on Whistleblower Hotline Insite page.

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, if the allegation is found to be clearly groundless and thus not requiring a more in-depth investigation, or if the allegation is not admissible under this Sub-Policy.

The various steps of an internal investigation are as follows:

4.1 Case intake

4.1.1 Case intake through the Whistleblower Hotline

Reports submitted through the Whistleblower Hotline are sent to just three persons in FLSmidth: the Chief Legal and Strategy Officer, the Compliance Manager and the Compliance Investigation Specialist. There are three exceptions to this rule.

First, allegations that target employees in Compliance will be sent to Head of Legal in NAMER Region and to Chief People and Sustainability Officer.

Second, allegations against the Chief Legal and Strategy Officer are sent to the Group CEO, who may choose to ask external counsel or a high-ranking manager from a function outside of Legal to lead the investigation.

Third, allegations against members of the Board of Directors are sent to the Chief Legal and Strategy Officer, the Compliance Manager and the Compliance Investigation Specialist, who will forward the report to an external counsel.

In case of any report submitted outside the Whistleblower Hotline, for example by email or letter, 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 Compliance Manager, the Chief Legal and Strategy Officer, the Compliance Investigation Specialist, and designated investigators, if any, will have access to the case.

The reporter shall receive an acknowledgment of receipt of the report within seven days of that receipt.

4.1.2 Case intake through a personal meeting

Reporters have the right to request a physical meeting with Compliance by sending an e-mail to the Compliance Manager, the Compliance Investigation Specialist, or to Compliance general e-mail address (compliance@flsmidth.com). The meeting can be physical or online. Reporters also have the right to request a physical meeting with a Region Compliance Representative located in their region. The list of all Region Compliance Representatives is available on Compliance Insite page.

Compliance and Region Compliance Representatives will document the meeting with the reporter by either making a recording of the conversation in a durable and retrievable form; or through accurate minutes of the meeting prepared by the staff members responsible for handling the report. The reporter shall be offered the opportunity to check, rectify and agree the transcript of the conversation by signing it.

Meetings requested by reporters have to be organized as soon as possible within a reasonable timeframe.

4.2 Assignment of case

The Compliance Manager and / or the Compliance Investigation Specialist shall conduct 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. The reporter will be informed about the reasons for dropping a case.

Severe cases concerning legal or compliance-related violations are handled by Compliance directly, while less severe cases may be assigned to the Region Compliance Representative of the relevant region. Cases concerning fraud and other finance-related violations are sent to a designated Manager in Finance who may in turn delegate the investigation to the relevant local CFO. Cases concerning HR-related matters are sent to the trained People and Sustainability teams. Cases concerning health, safety or quality matters are sent to the relevant health & safety organisation, while cases concerning sustainability issues are sent to 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 Managing Director (or other most senior leader) sitting locally or relevant GEM member. Exceptions to this rule may be granted by the Compliance Manager or the Chief Legal and Strategy Officer.

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. All employees who are contacted during an investigation are obliged by confidentiality. That means that information obtained while participating in an investigation should not be shared by any means, for example by forwarding e-mails, writing messages, or orally. Any breach of that obligation may result in disciplinary action.

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 obliged 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
- Interviews can be conducted in-person, over the phone, by Teams or similar, or via video conferencing
- You may choose to bring a legal counsel, solicitor or staff association representative to the interview should you wish so
- The interviewer(s) will take notes
- You will be informed in advance or at the beginning of interview in case there is need to record the interview
- 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 Compliance Manager or the Chief Legal and Strategy Officer. Cases found to be unsubstantiated or groundless are dismissed. The person under allegation is informed that a case has been investigated and closed.

The reporter will receive feedback within a reasonable timeframe, not exceeding three months from the acknowledgement of receipt. Whistleblowers who wish to complain about the conduct of an investigation can contact the Chief Legal and Strategy Officer 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-actions will be the responsibility of functions such as People and Sustainability, Legal, Operations, or business lines to implement. In addition, a sanction resulting from an investigation will be communicated as relevant and needed 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 Procedure for Internal Investigations 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 Compliance.