





Introduction	3
Fette Compacting at a glance	4

General disclosures

General basis for preparation of the sustainability statement	7
Governance	8
Strategy	15
Management of impacts, risks and opportunities	33

Environment

E1 Climate change	41
E5 Resource use and circular economy	51

Social

S1 Own workforce	58
S2 Workers in the value chain	80
S4 Consumers and end-users	84

Governance

G1 Business conduct	91
---------------------	----

Data Appendix

Index of general disclosures	102
Publishing information	105

Introduction

Sustainability is a core component of the Fette Compacting Group and firmly embedded in our corporate strategy. As part of the LMT Group, we view sustainability as a long-term responsibility – for the economic stability of our company, technological progress, and our ecological and social accountability along the value chain.

This report provides insight into our sustainability activities and achievements for the 2024 financial year. Our goal is to report transparently on our progress, actions, and challenges in the field of sustainability and thereby fulfill our corporate responsibility.

The Corporate Sustainability Reporting Directive (CSRD) serves as the EU's regulatory framework for standardizing sustainability reporting. It ensures that companies identify, assess, and address sustainability-related issues in a targeted manner. For the 2024 financial year, we voluntarily align with selected content from the European Sustainability Reporting Standards (ESRS) to gain initial experience with their application and to provide our stakeholders with transparent, comparable, and reliable information on our environmental, social, and governance (ESG) performance. As part of the LMT Group, the Fette Compacting Group will fall under the mandatory CSRD reporting requirement starting with the 2027 reporting year (for the 2028 report).

The ESRS are composed of twelve standards: two cross-cutting standards and ten topical standards. ESRS 1 sets out the general requirements and the formal rules for reporting. ESRS 2 “General Disclosures” contains essential information about the undertaking, its business model, its sustainability strategy and its governance structures. The topical standards are structured around the three sustainability topics: environment, social and governance (ESG).

A central element of the CSRD is the double materiality assessment (DMA). This assessment is a key management tool for identifying the most important sustainability matters for our undertaking and its stakeholders. The analysis was conducted at the level of the LMT Group and takes into account both the financial effects of sustainability matters on our undertaking and the external impacts of our business activities on society and the environment. In doing so, we identify risks and opportunities that help us to further develop our sustainability strategy in a targeted manner.

An important component of the double materiality assessment (DMA) is the concept of impacts, risks and opportunities (IROs), which enables us to comprehensively assess sustainability matters. In this context, we analyse:

- › Potential impacts of our activities on the environment and society,
- › Risks arising from sustainability matters for our undertaking,
- › Opportunities resulting from sustainable business models and initiatives.

As part of the DMA, we identified eleven material ESG topics. Close collaboration with representatives of relevant corporate functions – such as Finance, Environmental and Energy Management, Occupational Health and Safety, Human Resources, IT, Supply Chain, Legal and Compliance – was essential to systematically analyse material impacts, risks and opportunities and to conduct a sound assessment in accordance with the double materiality principle.

The LMT Group is continuously working to further integrate the requirements of the ESRS into its reporting processes. Our goal is to ensure high data quality, transparency and traceability to meet the requirements for transparent and auditable sustainability reporting.

This report has not been subject to external assurance.

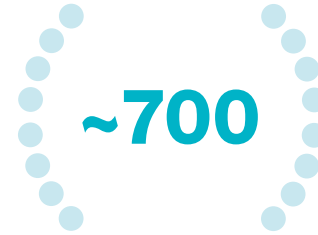
Fette Compacting at a glance



million euros: annual turnover of the LMT Group



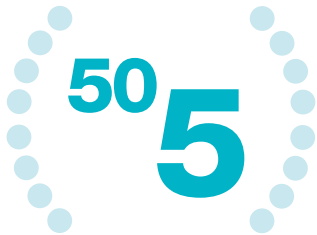
thousand euros: Donations for charitable causes



patents and patent applications



machines installed worldwide



sales network in 50 countries across 5 continents



locations



employees worldwide



apprentices and students worldwide

General disclosures

7 General basis for preparation of the sustainability statement

8 Governance

15 Strategy

33 Management of impacts, risks and opportunities





In our general disclosures, we outline the scope of our reporting and address governance-related topics such as management responsibilities, sustainability oversight, incentive systems, sustainability due diligence, and sustainability risk management. We also explain our strategy, business model, value chain, and stakeholder interests – always in the context of the double materiality assessment (DMA).

This report is available on the Fette Compacting website. If you would like further information on specific topics covered in this report, or if you have any questions or feedback, please contact us at: sustainability@fette-compacting.com.

List of Disclosure Requirements		Page(s)
ESRS 2 General Disclosures		
BP-1	General information on the undertaking's sustainability reporting	7
BP-2	Information in relation to specific circumstances	7
GOV-1	The role of the administrative, management and supervisory bodies	8
GOV-2	Information and sustainability matters addressed by the administrative, management and supervisory bodies	11
GOV-3	Integration of sustainability-related performance in incentive schemes	12
GOV-4	Statement on due diligence	13
GOV-5	Risk management and internal controls over sustainability reporting	14
SBM-1	Strategy, business model and value chain	15
SBM-2	Interests and views of stakeholders	20
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	25
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	33
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	102
MDR-P	Policies adopted to manage material sustainability matters (Policy overview)	35

General basis for preparation of the sustainability statement

ESRS 2/BP-1

General information on the undertaking's sustainability reporting

This sustainability statement has been prepared on a voluntary basis and is based on selected requirements of the European Sustainability Reporting Standards (ESRS). The mandatory reporting obligation under the Corporate Sustainability Reporting Directive (CSRD) will apply to the LMT Group for the first time for the 2027 financial year (report published in 2028). The aim of this statement is to provide early transparency on key ESG matters and to initiate a gradual transition towards CSRD-compliant reporting.

The sustainability-related information refers to Fette Compacting GmbH, headquartered in Schwarzenbek (Germany), and additionally includes selected data from the production entity Fette Compacting (China) Co., Ltd. in Nanjing. Other subsidiaries of Fette Compacting Holding GmbH are not yet integrated into the systematic data collection process at the time of reporting.

The consolidation scope of the Fette Compacting Group for financial reporting purposes includes Fette Compacting GmbH (Schwarzenbek), the parent company, and all fully consolidated subsidiaries and sister companies. This scope differs from the one applied for sustainability reporting.

The disclosures cover the material segments of the value chain of the Fette Compacting Group, including the impacts, risks and opportunities (IROs) identified in the upstream, downstream and own operations.

The extent to which policies, actions, metrics and targets go beyond the undertaking's own operations varies depending on the topic and is explained in the respective topical disclosures.

ESRS 2/BP-2

Information in relation to specific circumstances

Time horizons

The time horizons applied in this report correspond to the standards set out in the ESRS: short term (up to 1 year), medium term (1–5 years), and long term (more than 5 years). No deviating definitions are used.

Corrections

Corrections are made on the basis of a materiality assessment. Any corrections are clearly identified in connection with the corrected data or information.

External assurance

The 2024 sustainability statement has not been subject to external assurance. An external assurance engagement is planned once the legal reporting obligation becomes effective.

Use of estimates

Where estimates are applied, the underlying methods are described, including any measurement uncertainties. Some disclosures are partially based on approximations or external data sources. The applied methodologies follow the GHG Protocol and recognised industry standards. The degree of accuracy varies depending on the data source; continuous improvement measures have been initiated.

Changes and errors

The 2024 sustainability statement represents Fette Compacting's first report aligned with the ESRS. Therefore, previous reports are only partially comparable. Where practices have changed or errors have occurred compared to the previous year, these changes are explained in the respective topical section to which they relate.

Governance

ESRS 2 / GOV-1

The role of the administrative, management and supervisory bodies

Fette Compacting follows a values-based approach to corporate governance that promotes efficiency, responsibility, sustainability and long-term success at all levels. The Management Board of Fette Compacting serves as the highest executive body and defines the company's global strategy. It sets financial and non-financial performance indicators and drives sustainable business development. The highest supervisory body is the Supervisory Board of the LMT Group.

Supervisory Board

The Supervisory Board of the LMT Group is composed of eight non-executive members. It oversees, monitors and advises the Management Board on the management of the company and regularly discusses business performance, planning, strategy and risks with the executive team. The Supervisory Board performs an independent review function.

- › Each member is appointed for a five-year term and may be reappointed.
- › The chairperson is elected by the board members.
- › The external members of the Supervisory Board are generally appointed and elected by the shareholders.
- › The proportion of women remained unchanged at 37.5% during the reporting year.

Committees of the Supervisory Board

- › Supervisory Board committees assist the board in preparing specific matters and formulating recommendations, which are subsequently resolved by the full board.
- › The responsibilities and mandates of the committees are governed by internal charters, which are reviewed regularly and updated as needed.
- › The respective committee chairs regularly report to the full Supervisory Board on the committee's work.
- › Committee members, including the chairs, are appointed by the Supervisory Board from among its members.
- › Oversight of IROs (key areas such as financial reporting, internal control and risk management) is embedded primarily in the Audit Committee.

Audit Committee

- › The Audit Committee consists of three members of the Supervisory Board.
- › It supports the Supervisory Board in overseeing financial, sustainability-related and statutory audit matters, internal control, and risk management – including business ethics and whistleblowing systems.
- › Its responsibilities include monitoring the independence of the external auditor and the auditor selection process, as well as assessing the adequacy of internal control and governance systems.
- › The committee reports regularly to the Supervisory Board.

Personnel Committee

- › The Personnel Committee consists of three members of the Supervisory Board.
- › It supports the Supervisory Board in preparing personnel-related decisions, in particular with regard to the Management Board.
- › Responsibilities include drafting proposals for service agreements, remuneration arrangements, and strategic HR matters, as well as regularly reviewing remuneration policies, monitoring their implementation, and overseeing incentive programs and specific targets.
- › The committee reports regularly to the Supervisory Board.

Management Board

- › The Management Board of Fette Compacting consists of three executive members registered in the German commercial register.
- › It is responsible for the operational management of Fette Compacting in accordance with the strategic direction defined by the Supervisory Board.
- › The members of the Management Board are appointed by the shareholders' meeting.
- › Certain decisions are subject to the approval of the Supervisory Board or the shareholders' meeting, as specified in the Articles of Association and the Rules of Procedure.
- › The Management Board reports regularly to the Supervisory Board.

Governance

Works Council

- › The Works Council of Fette Compacting GmbH at the Schwarzenbek site is composed of 13 elected members.
- › It represents the interests of the workforce vis-à-vis the Management Board and carries out its duties in accordance with the German Works Constitution Act (BetrVG). These include co-determination, participation, and monitoring of legal regulations, collective agreements and works agreements.
- › The Works Council is structured into various committees, including those for operations, social affairs, education, remuneration and occupational safety.
- › On economic matters, the Works Council is regularly informed by the Economic Committee established pursuant to § 106 (1) sentence 1 BetrVG.

The LMT Group regularly reviews the composition and independence of its governing bodies to ensure that its corporate governance structures comply with regulatory requirements and best practices. The aim is to ensure independent and balanced decision-making that takes into account the interests of both shareholders and employees.

Oversight of IROs (impacts, risks and opportunities) and responsibilities within management

For the sustainable success of the LMT Group and its business divisions LMT Tools and Fette Compacting, it is essential to identify risks and opportunities at an early stage, assess them appropriately, and implement effective mitigation measures. The LMT Group operates a globally implemented and integrated risk management system that is embedded in corporate governance. This system is used to identify, quantify and monitor risks and is supported by the IT-based risk management tool RIMIKSX.

The system is reviewed annually and adapted to the specific global risk landscape. In order to ensure comprehensive coverage of non-financial risks – particularly those related to environmental, social and governance matters – a targeted further development of the existing risk management system is planned.

The responsibility for overseeing IROs (impacts, risks and opportunities) lies with the Supervisory Board, particularly with the Audit Committee. The Management Board holds overall responsibility for the operational implementation of the risk management system. It delegates the subject-specific management of material IROs to designated Risk Owners, who are responsible for identifying and assessing risks within their respective areas.

The Risk Manager is centrally responsible for coordinating the entire risk management process. Annual risk workshops support the continuous evaluation and control of risks.

Governance

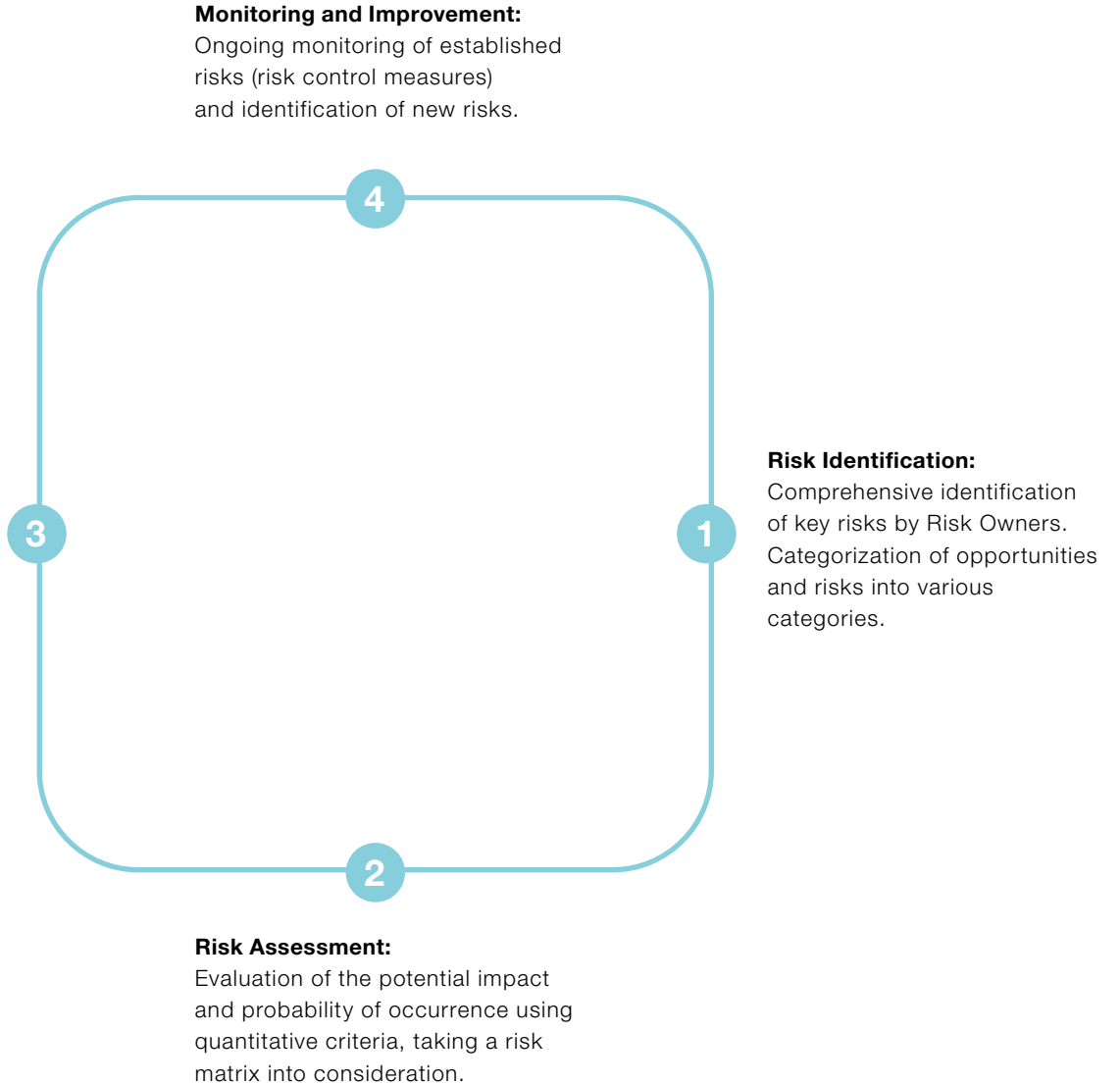
Risk management process

The opportunity and risk management system is established as a group-wide, continuous and active process to identify, assess, manage and monitor risks and opportunities. The process is based on the Plan-Do-Check-Act (PDCA) cycle and forms an integral part of our values-based corporate governance.

The operational business units are required to review their risk exposure annually (changes, additions, or removal of risks). The Risk Owners are responsible for identifying, assessing and managing risks within their respective areas.

The Risk Manager provides an annual report on the overall risk landscape, including the top risks, risk clusters, and the status of key mitigation measures. Ad hoc risks are reported directly as needed. The Management Board reports to the Supervisory Board at least once per year on the most significant risks and their distribution across various thematic areas. In the case of significant risks, additional ad hoc reporting is conducted.

Risk Control:
Development and implementation of concrete measures or revision of ongoing measures to minimize risk.



Governance

Sustainability targets

To date, the Fette Compacting Group has not established any group-wide quantitative sustainability targets. The current focus is on building a solid foundation of data and control mechanisms before defining concrete sustainability targets. In the future, suitable qualitative and quantitative indicators will be used to measure progress, systematically monitor target achievement, and integrate it into strategic steering processes.

The Supervisory Board and the Management Board are closely involved in this process and are evaluating in which areas strategic targets should be set going forward – in order to advance both the business strategy and the company's sustainability performance.

Sustainability-related expertise

The LMT Group ensures that the administrative, management and supervisory bodies possess the necessary expertise to oversee sustainability matters and that this expertise is continuously developed. This is achieved through regular specialised board trainings conducted in cooperation with certified training providers. These trainings are tailored to the company's specific needs and are based on briefings provided by the Chair of the Supervisory Board or the Chair of the Audit Committee.

In addition, external sustainability experts and consultants are engaged to support informed decision-making and to integrate best practices in the areas of environment, social responsibility and governance (ESG) into corporate management. These measures ensure that sustainability knowledge is not viewed in isolation, but is systematically embedded into the long-term corporate strategy and the risk management system.

The knowledge acquired enables sound evaluation and management of ESG risks within the existing risk management system (RMS). The systematic integration of sustainability aspects into the risk assessment process allows financial and operational impacts to be identified at an early stage and regulatory requirements to be implemented efficiently.

The expertise of the governing bodies contributes to aligning the company's strategic objectives with ESG requirements – with the dual aim of minimising risks and leveraging sustainable business opportunities. In this way, the LMT Group ensures that sustainability expertise is not only considered in risk management, but is firmly embedded as an integral part of long-term strategy and day-to-day decision-making.

ESRS 2/GOV-2

Information and sustainability matters addressed by the administrative, management and supervisory bodies

The administrative, management and supervisory bodies of the LMT Group are gradually being integrated into sustainability reporting and the management of material ESG impacts, risks and opportunities (IROs).

Going forward, the Supervisory Board – in particular the Audit Committee – is expected to be regularly informed about relevant sustainability matters. This includes communication within the context of the annual reporting process, the identification of material IROs based on the double materiality assessment (DMA), and the resulting reporting obligations. The identification of IROs takes place within the framework of the group-wide risk management system, which is being progressively extended to incorporate sustainability requirements.

In addition to the annual reporting, the company is evaluating whether interim reporting formats would be appropriate to track and assess ESG developments and measures on an ongoing basis.

The detailed design of internal reporting lines and responsibilities for ESG matters is being developed as part of the ongoing enhancement of governance and risk structures.

Governance

An initial conceptual proposal includes the following internal reporting and control processes:

- › Q1 – Annual reporting: Review and approval of the sustainability report by the Supervisory Board, including the IROs identified as material in the previous year.
- › Q2 – IRO overview: Submission of the impacts, risks and opportunities identified through the DMA and the risk management system to the Management Board for internal evaluation.
- › Q3 – IRO deep dive: Detailed analysis of the material IROs with regard to existing control mechanisms, internal processes and reporting obligations.
- › Q4 – Measures and policy review: Review of the ESG measures implemented and evaluation

Consideration of ESG matters in strategy and decision-making

The LMT Group is currently in a preparatory phase for systematically integrating sustainability matters into its strategic planning, investment decisions and overall decision-making processes. Based on the existing risk management system, initial conceptual steps are being taken to embed ESG-related impacts, risks and opportunities (IROs) into corporate management on a long-term basis.

As part of the ongoing enhancement of the risk management system, the company is assessing how IROs can be systematically incorporated into strategic planning processes, governance

structures and investment decisions. The aim is to establish a shared understanding of how to evaluate ESG factors in a business context – both in terms of risks and opportunities.

Focus topics during the reporting period

In the 2024 reporting year, the LMT Group conducted a structured double materiality assessment (DMA) for the first time to evaluate key sustainability matters. The resulting impacts, risks and opportunities (IROs) were identified and consolidated by the Sustainability and Risk Management functions.

In preparation for the future reporting obligations under the CSRD, the Supervisory Board and the Management Board reviewed the outcomes of the DMA for the first time at group level. The focus was not yet on the direct management of individual IROs, but rather on a strategic evaluation of how ESG matters can be integrated into existing governance, risk and decision-making processes in the future.

As these structures are still being developed and regulatory requirements continue to evolve (e.g. through the Omnibus Directive), the involvement of the governing bodies is currently at a preparatory and conceptual stage. A gradual establishment of structured engagement at board level is planned and will be further developed in the lead-up to the LMT Group's first mandatory CSRD reporting cycle in 2028.

An overview of the material IROs reviewed by the governing bodies during this preparatory process will be published alongside the relevant topical disclosures.

ESRS 2/GOV-3

Integration of sustainability-related performance in incentive schemes

The Fette Compacting Group currently does not have any explicit incentive mechanisms linked to sustainability targets. The existing remuneration system is based on the principle of performance-based and market-competitive compensation. ESG-related criteria are not yet part of the system.

In light of the increasing relevance of sustainability-related performance indicators, the company is evaluating how ESG targets could meaningfully be integrated into the existing incentive structures. These considerations are still at an early stage and take into account both internal corporate objectives and evolving regulatory requirements.

Governance

Responsibility for the design and potential adaptation of remuneration systems is assigned to different governance levels:

- › The shareholders' meeting is responsible for determining the remuneration of Supervisory Board members.
- › The Supervisory Board is responsible for determining the remuneration of the Management Board.
- › The Management Board is responsible for the remuneration structure for employees.

At present, the performance of governing body members is not assessed on the basis of specific sustainability indicators, and no variable compensation is tied to ESG targets. Any future adjustments would be introduced gradually and developed in alignment with the overarching corporate strategy.

ESRS 2/GOV-4

Due diligence in the area of sustainability

Core elements of the due diligence process	Corresponding paragraphs in the sustainability statement		
a) Integration of due diligence into governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	ESRS 2 SBM-3/E1 ESRS 2 SBM-3/E5-6 ESRS 2 SBM-3/S1	ESRS 2 SBM-3/S2 ESRS 2 SBM-3/S4
b) Engagement with affected stakeholders in all relevant steps of the due diligence process	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 SBM-2/S1 ESRS 2 SBM-2/S2	ESRS 2 SBM-2/S4 ESRS 2 IRO-1 ESRS 2 MDR-P ESRS 2 MDR-P/E1-2 ESRS 2 MDR-P/E5-1	ESRS 2 MDR-P/S1-1 ESRS 2 MDR-P/S2-1 ESRS 2 MDR-P/S4-1
c) Identification and assessment of actual and potential negative impacts	ESRS 2 IRO-1 ESRS 2 IRO-1/E1 ESRS 2 IRO-1/E5	ESRS 2 IRO-1/G1 ESRS 2 SBM-3 ESRS 2 SBM-3-E1	ESRS 2 SBM-3-S1 ESRS 2 SBM-3-S2 ESRS 2 SBM-3-S4
d) Actions taken to address those actual and potential negative impacts	ESRS 2 MDR-A/E1-3 ESRS 2 MDR-A/E5-2 ESRS 2 MDR-A/S1-4	ESRS 2 MDR-A/S2-4 ESRS 2 MDR-A/S4-4 E1-1	G1-1 G1-2 G1-3
e) Tracking the effectiveness of these actions and communicating accordingly	ESRS 2 MDR-M/E1-5 ESRS 2 MDR-M/E1-6 ESRS 2 MDR-M/E1-9 ESRS 2 MDR-M/E5-4 ESRS 2 MDR-M/E5-5 ESRS 2 MDR-M/E5-6 ESRS 2 MDR-M/S1-6 ESRS 2 MDR-M/S1-7 ESRS 2 MDR-M/S1-8 ESRS 2 MDR-M/S1-9	ESRS 2 MDR-M/S1-10 ESRS 2 MDR-M/S1-11 ESRS 2 MDR-M/S1-12 ESRS 2 MDR-M/S1-13 ESRS 2 MDR-M/S1-14 ESRS 2 MDR-M/S1-15 ESRS 2 MDR-M/S1-16 ESRS 2 MDR-M/S1-17 ESRS 2 MDR-M/G1-4 ESRS 2 MDR-M/G1-6	ESRS 2 MDR-T/E1-4 ESRS 2 MDR-T/E5-3 ESRS 2 MDR-T/S1-4 ESRS 2 MDR-T/S1-5 ESRS 2 MDR-T/S2-4 ESRS 2 MDR-T/S2-5 ESRS 2 MDR-T/S4-4 ESRS 2 MDR-T/S4-5

Governance

Note:

The sections listed reflect the current and planned integration of the core elements of corporate due diligence into this sustainability statement. As the LMT Group – and thus Fette Compacting – is currently in a preparatory phase to meet future reporting obligations under the CSRD, some processes and systems are still under development. Full alignment with regulatory requirements is expected to be achieved by the time the mandatory reporting obligation takes effect in 2028.

ESRS 2/GOV-5

Risk management and internal controls over sustainability reporting

In preparation for the requirements of the Corporate Sustainability Reporting Directive (CSRD), the LMT Group has already developed key elements of an internal control system for sustainability reporting. In the future, data collection and processing will be system-supported via the ESG software Envoria, which enables role-based access controls, approval workflows, and automated plausibility checks.

A group-wide user matrix with defined roles and authorisation models has already been established. However, full technical implementation and system rollout have deliberately not yet been completed. The reason is the pending finalisation of the ESRS requirements through the Omnibus Regulation, which is expected to reduce and restructure the set of data points to be reported. To avoid unnecessary effort in the operational departments, the final system configuration will only be implemented once the binding reporting framework for the LMT Group is available and fully supported by the system.

Strategy

ESRS 2/SBM-1

Our business model and how we create value

We create value by continuously expanding our position as a leading provider of tablet manufacturing technologies and by strategically evolving from a traditional machinery manufacturer into an integrated solutions provider for oral solid dosage (OSD) production. Our goal is to support customers across the entire pharmaceutical value chain – from early-stage formulation development to scale-up, technology transfer, GMP-compliant production, and the ongoing optimisation of production processes.

Through technological innovation, digital applications and regulatory expertise, we enable shorter development times, higher efficiency and more resource-efficient tablet production.

With more than 6,000 machines installed worldwide, Fette Compacting is the global market leader in integrated solutions for industrial tablet production. In addition to machinery and equipment, our portfolio includes tablet tooling, format parts, and process equipment, as well as service, training and consulting solutions and digital applications designed to optimise tablet technology. The company has specialised in high-performance machines for the pharmaceutical, food and chemical industries for over 75 years.

The core of our business model is the consistent transformation into an integrated solution provider. Under the strategic direction “Together – from lab to production”, we position ourselves as a holistic process partner that supports its customers throughout the entire product lifecycle. Our focus lies on regulatory compliance, process safety and product quality – from formulation to continuous production optimisation.

The increasing complexity of pharmaceutical requirements – such as continuous manufacturing, containment or highly potent active ingredients – calls for close, early-stage collaboration between manufacturers and equipment suppliers. Fette Compacting positions itself as a development partner that works closely with customers to implement efficient, compliant and future-proof solutions.

Our strategic transformation is reflected in a significantly expanded service offering: In addition to innovative tablet presses, Fette Compacting provides a broad range of services – from formulation and process development to regulatory support and production assistance. This is complemented by digital applications such as the QED knowledge database, virtual process emulators, and assistance systems for real-time process monitoring.

With the new Customer Development Center (“CDC’25”) at our headquarters in Schwarzenbek, we are creating a central forum for practical collaboration and in-depth customer engagement. To structurally embed our strategic realignment, the position of Chief Customer Officer (CCO) was introduced at the beginning of 2025. This role strengthens the executive level and reinforces our commitment to customer focus and long-term partnerships.

Fette Compacting is part of the LMT Group, an internationally active, family-owned group of companies. Within the group, Fette Compacting operates as an independent business division. The LMT Group is managed as a holding company under LMT GmbH & Co. KG. Across more than 20 locations worldwide, approximately 1,800 people work for the companies of the LMT Group. In the 2024 financial year, the group generated revenues of EUR 380 million.

The LMT Group companies share a location in Schwarzenbek near Hamburg. Each entity operates independently from a legal, financial and organisational perspective, while sharing resources and pursuing joint goals at group level in terms of social, societal and environmental responsibility. As a result, certain disclosures in this report refer to activities of the LMT Group.

Strategy

In addition to Fette Compacting GmbH, the Fette Compacting Group includes twelve operating subsidiaries active in the company's most relevant markets. Fette Compacting is represented in over 50 countries and markets its products and services through a global network of subsidiaries and sales partners.

In addition to its headquarters in Schwarzenbek, the company operates a second technology and production site in Nanjing (China) and an additional development site in Mechelen (Belgium). As the world's only tablet press manufacturer, Fette Compacting operates a global network of fully equipped, digitally connected competence centers in Germany, Brazil, China, India and the United States.

Region	Country	Entity	Employees (HC) 2024
Europe	Germany	Fette Compacting GmbH	698
	France	Fette Compacting France SAS	10
	Spain	Fette Compacting Ibérica S.L.	17
	Belgium	Fette Compacting Belgium BVBA	12
	United Kingdom	EuroPharma Machinery Ltd.	12
	North Africa	Fette Compacting North West Africa	4
Asia	China	Fette Compacting (China) Co., Ltd.	152
	India	Fette Compacting Machinery (India) Pvt. Ltd.	41
	Singapore	Fette Compacting Asia Pacific Pte. Ltd.	14
	United Arab Emirates	Fette Compacting Middle East FZE	5
America	United States	Fette Compacting America, Inc.	30
	Mexico	Fette Compacting México S.A. de C.V.	17
	Brazil	Fette Compacting América Latina Ltda.	21
			Σ 1,033

The Fette Compacting Group employs a total of 1.033 people worldwide (excluding apprentices and students), the vast majority of whom work domestically at Fette Compacting GmbH. The company's headquarters is located in Schwarzenbek, near Hamburg.

Strategy

Key inputs and dependencies

Natural resources

For the development and production of our machinery and equipment, we rely on high-quality materials such as steel, aluminium and electronic components. Supply is ensured through framework agreements, careful supplier selection and increasingly regional sourcing strategies.

Human and financial capital

More than 1,000 qualified employees worldwide contribute daily to development, production and customer service – guided by our values, commitment to quality and strategic direction. Our business model is based on long-term capital resources, which we invest purposefully in new technologies, digital tools and the global expansion of our solutions portfolio.

Stakeholder relationships and partnerships

We maintain close and trusted relationships with customers, suppliers, authorities, research institutions and technology partners. Sustainability, regulatory compliance and proximity to customers are central to these partnerships.

Key outputs and value created

Customers

Through innovation and sustainable solutions, we support our customers not only in the production of tablets, but also by offering comprehensive, future-oriented solutions across the entire pharmaceutical value chain.

Employees

We provide a safe, fair and motivating work environment – with a focus on professional development, health and international collaboration. A values-based leadership culture, targeted development opportunities and strong job security promote long-term retention and low employee turnover.

Society

The machines and equipment produced by Fette Compacting make a meaningful contribution to health and quality of life for people around the world. At the same time, we help uphold labour, social and environmental standards through responsible corporate governance and fair supply chains.

Company

Our transformation from a machinery manufacturer to an integrated solutions provider strengthens our competitiveness and market position. Our business model – driven by technological innovation, digital services and international presence – contributes to the company's economic stability and resilience.

Our business model in the context of sustainability

Sustainability is a core element of our corporate strategy and is inextricably linked to the long-term development of Fette Compacting. We are convinced that long-term business success can only be achieved through a corporate strategy that gives equal weight to environmental, social and economic factors. The mutual reinforcement of economic objectives and sustainability has become increasingly evident in today's world. Without commitment to a sustainable future, long-term success is not possible.

Our goal is to create long-term value for our stakeholders while minimising the negative impacts of our business activities on people and the environment. In doing so, we aim to continuously strengthen our positive contribution to the sustainable transformation – particularly through our products and services.

By firmly embedding sustainability topics into our strategy, we are able to identify and manage interactions with other company-wide objectives at an early stage. This ensures that sustainability is integrated into all business processes and continuously developed in a structured manner.

Strategy

Key sustainability challenges

Fette Compacting faces a number of significant challenges that will shape our business activities in the years to come. These include the increasing physical impacts of climate change, stricter regulatory requirements, rising expectations for sustainable and transparent supply chains, and global competition for skilled professionals.

At the same time, we are aware of the environmental and social impacts associated with our business model and value chain. The development and production of our machinery and equipment require the use of energy-intensive materials such as steel and aluminium. In addition, we must meet human rights due diligence obligations and ensure fair working conditions along international supply chains.

These developments are accompanied by growing expectations for product responsibility, transparency, and social engagement – especially in highly regulated markets such as the pharmaceutical and food industries.

Resource and energy efficiency (ESRS E1 and E5)

The manufacture and modernisation of high-performance tablet presses require the targeted use of materials such as steel, aluminium and electronic components. The challenge lies in continuously reducing energy and resource consumption – both in our own operations and at customer sites – while increasingly integrating circularity principles.

Climate action and environmental responsibility (ESRS E1 and E5)

As a manufacturing company, Fette Compacting bears a particular responsibility to minimise environmental impacts along the value chain. Key areas include energy efficiency, emission reduction and material efficiency – especially in light of tightening regulatory requirements.

Talent attraction and working conditions (ESRS S1, S2 and S4)

Retaining skilled employees, providing a safe and healthy working environment, and promoting qualification and collaboration across sites are core challenges in an increasingly competitive labour market.

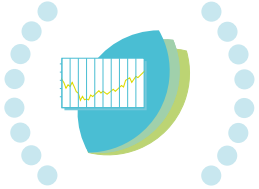
Regulatory compliance and supply chain due diligence (ESRS G1 and S2)

Fette Compacting must comply with international compliance standards, regulatory reporting obligations and human rights due diligence requirements. At the same time, we must ensure fair and transparent supply chains and manage related risks systematically.

How we respond to these challenges

We address the identified sustainability challenges through a clearly defined strategy based on four fields of action:

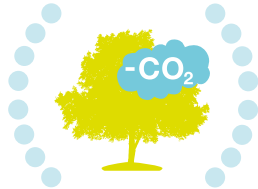
Strategy



Economy

With innovative products and services, we are working to continuously make tablet production more sustainable.

Energy-efficient innovations in new developments contribute to the conservation of resources just as much as the continuous modernization of existing systems. With our service and consulting offers, we also help to reduce energy consumption and keep material losses as low as possible. We also focus on sustainability across all processes and the entire supply chain in our own production.



Ecology

We are reducing our ecological footprint by focusing on energy, climate protection, materials, waste and water.

As a manufacturing company, we have a special responsibility to act ecologically. By paying strict attention to the careful use of natural resources, we make an effective contribution to environmental and climate protection at all our sites.



People and Society

Corporate success is achieved when all those who contribute to it experience equal respect, appreciation and excellent working conditions.

Highly qualified, motivated employees and managers are the foundation of our success. For this reason – and as part of our social responsibility – we do a lot to create attractive, safe and fair conditions for people to work for Fette Compacting. Our cooperation is one of the most important reasons why we can be pleased about our very low fluctuation rate.



Responsible Corporate Governance

Our values, national and international laws determine the integrity of our actions, as do generally recognized ethical principles.

We ensure our values-based corporate governance through an overarching, binding guideline for all employees. This Code of Conduct covers 100 percent of our locations. It is safeguarded throughout the company by an established compliance management system.



Strategy

ESRS 2/SBM-2

Engagement with stakeholders

Sustainability management at Fette Compacting includes regular engagement with various stakeholder groups that are involved in the development of our company. Our success depends on understanding the needs of our stakeholders and integrating them into our daily operations. Through dialogue with our stakeholder groups, we identify strategically relevant topics, trends and developments in society and within our business sectors. Based on these insights, we derive expectations for Fette Compacting and incorporate them into our decisions.

Fette Compacting regularly reviews its strategic direction and adjusts business processes to meet the evolving expectations of relevant stakeholders. In particular, regulatory developments, changing customer requirements and societal expectations have led to the deeper integration of sustainability aspects into our corporate strategy. Insights gained from stakeholder dialogue are also incorporated into the double materiality assessment (DMA) and form a central foundation for the company’s strategic development.

Key stakeholders of the company

The key stakeholders of Fette Compacting include employees, customers and business partners, shareholders, suppliers, regulatory authorities, and other societal groups along the value chain.

These groups were identified and categorised through a structured stakeholder analysis. While employees, customers, suppliers and business partners have direct business relationships with the company and are directly affected by corporate decisions, shareholders exert significant influence on the sustainability strategy due to their financial and strategic interests. Local communities are indirectly affected, for example through the environmental impacts or social engagement of the company. Workers in the value chain are subject to the labour and social standards defined by Fette Compacting for its supply chain. The works council and trade unions play a key role in safeguarding employee rights and co-determination. Applicants, the public and the media use sustainability information to assess employer attractiveness and ESG performance. Governments, policymakers and regulatory authorities define the legal framework and monitor compliance.

Our key stakeholders

The following table provides an illustrative overview of how Fette Compacting engages with its most relevant stakeholder groups.



Strategy

Stakeholdergroup	Why we involve them	How we involve them	Value of integration
Employees (own workforce) S1, SBM-2	<ul style="list-style-type: none"> › To promote a safe, healthy and motivating work environment › To strengthen engagement, productivity and long-term retention › To harness internal knowledge and ideas for innovation › To support cultural development and the ability to change › To identify challenges at an early stage (shortage of skilled workers, overload) 	<ul style="list-style-type: none"> › Regular feedback processes and employee surveys › Involvement of the works council and co-determination committees › Workshops, intranet communication and management dialogs › Health and safety management incl. prevention & inclusion (BEM) › Further development and career development programs 	<ul style="list-style-type: none"> › Increasing employee satisfaction, loyalty and motivation › Promoting a resilient, innovative corporate culture › Strengthening employer attractiveness and employee retention › Contribution to health, safety and social stability in the company
Applicants	<ul style="list-style-type: none"> › To attract specialists who identify with the company values › To strengthen the employer brand and position the company as a sustainable employer › To understand and incorporate the expectations of future employees › To promote an attractive, diversity-oriented application environment 	<ul style="list-style-type: none"> › Communication of sustainability content in recruiting › Use of feedback in the application process › employer branding on digital platforms › Integration of ESG aspects in HR marketing and talent acquisition 	<ul style="list-style-type: none"> › Improved perception as an attractive, responsible employer › Higher quality and accuracy of fit of new hires › Contribution to securing skilled workers in the long term › Support for a diverse, inclusive corporate culture
Customers and end users	<ul style="list-style-type: none"> › To further develop products and services in line with demand › To promote quality, safety and regulatory compliance › To address sustainability and innovation requirements at an early stage › To strengthen long-term customer relationships and market acceptance 	<ul style="list-style-type: none"> › Structured customer feedback processes and surveys › co-development initiatives for new technologies › Operation of a certified quality management system › Integration of ESG criteria in product development › digital tools for process optimization and transparency 	<ul style="list-style-type: none"> › Increasing customer satisfaction and brand loyalty › development of future-proof and regulatory-compliant products › Competitive differentiation through innovation and sustainability › Improving operational safety and efficiency for customers
Shareholders	<ul style="list-style-type: none"> › To meet ESG expectations and long-term interests of shareholders › To increase trust and transparency › To ensure sustainable value creation in the long term › To promote an active dialog on strategic issues 	<ul style="list-style-type: none"> › Regular financial and sustainability reporting › Strategic dialog formats on ESG topics › Reporting on risks, opportunities and performance › Participation in Supervisory Board and Audit Committee meetings 	<ul style="list-style-type: none"> › Transparency on corporate and sustainable performance › Compliance with regulatory disclosure requirements (e.g. CSRD) › Supporting a stable, growth-oriented corporate strategy
Business partner	<ul style="list-style-type: none"> › For the joint development of sustainable and innovative solutions › To systematically anchor ESG criteria in partnerships › To promote long-term, resilient business relationships › To increase impact through industry-wide cooperation 	<ul style="list-style-type: none"> › Integration of ESG criteria in contracts and cooperation › Joint innovation projects and specialist dialogs › Compliance standards and transparency agreements › Regular strategic coordination 	<ul style="list-style-type: none"> › Promotion of common sustainability and innovation goals › Building strategic partnerships with added value › ESG risk reduction through harmonized standards › Creation of stable, sustainable value chains
Workforce in the value chain S2, SBM-2	<ul style="list-style-type: none"> › To ensure decent working conditions in the supply chain › To comply with international social and environmental standards › To identify risks such as human rights violations and defaults at an early stage › To promote fair and resilient business relationships 	<ul style="list-style-type: none"> › Anchoring a supplier code of conduct and ESG criteria in purchasing processes and contracts › Conducting audits and assessments along the supply chain › Training on labor rights and sustainable procurement › Establishment of complaints mechanisms (e.g. "Speak Up") › Promotion of regional supplier networks ("Local for Local") 	<ul style="list-style-type: none"> › Improvement of working conditions and human rights along the supply chain › Greater transparency and trust through ESG monitoring › reduction of reputational and supply default risks › Strengthening sustainable partnerships and local economic cycles



Strategy

Stakeholdergroup	Why we involve them	How we involve them	Value of integration
Governments, policy makers and regulators	<ul style="list-style-type: none"> › To ensure regulatory Compliance and legal implementation › To participate in political and industry-specific developments › To promote transparency and trust towards authorities › To actively shape sustainable framework conditions 	<ul style="list-style-type: none"> › Participation in industry dialogs › Compliance reporting and transparency offensive › Engagement via industry associations and networks 	<ul style="list-style-type: none"> › Ensuring Compliance with regulatory requirements › Early detection of political developments › Building a trusting relationship with public authorities › Positioning as a responsible company in the industry context
Communities concerned S3, SBM-2	<ul style="list-style-type: none"> › To promote social acceptance and local trust › To reduce the social and environmental impact of business activities › To support local educational, environmental and social projects › To promote sustainable development in the regions 	<ul style="list-style-type: none"> › Dialogue formats with local stakeholders › Support for regional educational and social projects › Environmental and biodiversity projects at locations › Partnerships with local institutions and suppliers › Measures to reduce emissions and conserve resources 	<ul style="list-style-type: none"> › Building social acceptance and local trust › Promoting education, social cohesion and environmental protection › Positive local impact through social engagement › Strengthening sustainable development in the regions
Public and media	<ul style="list-style-type: none"> › To strengthen trust in the brand and ESG performance › To promote transparency and credible Communication › To actively shape public perception and reputation › To Support the dialog with civil society groups 	<ul style="list-style-type: none"> › Publication of sustainability and annual reports › Media relations via press releases and interviews › Participation in public events and dialogues › Presence in digital information channels 	<ul style="list-style-type: none"> › Positive perception in society and the Media › Protection and Strengthening of corporate reputation › Greater credibility through transparent ESG Communication
Trade unions	<ul style="list-style-type: none"> › To promote fair working conditions and social justice › To actively shape co-determination and social partnership › To prevent conflicts and strengthen dialog within the company › For the joint further development of labor and social standards 	<ul style="list-style-type: none"> › Participation via company co-determination structures › Dialogue on working conditions and social standards › Joint development of company agreements › Regular exchange on future topics and transformation 	<ul style="list-style-type: none"> › Improvement of labor relations and conflict avoidance › Strengthening co-determination and trust in the company › Joint further development of labor standards › Supporting fair, socially balanced business operations

Strategy

Initiatives and memberships

To foster a shared understanding of sustainability, Fette Compacting participates in a variety of initiatives and associations. Through standardised measures and processes, we aim to contribute to effective sustainability management. Our engagement reflects our conviction that sustainability can only be advanced in cooperation with internal and selected external stakeholders. The following overview presents a selection of our memberships and partnerships:

VDMA

Fette Compacting has been a long-standing member of the VDMA (German Engineering Federation), which represents the economic, technical and scientific interests of the mechanical and plant engineering industry in Germany, Europe and worldwide.



Blue Competence

We are a partner of the Blue Competence sustainability initiative, an initiative of the VDMA to promote sustainability in mechanical and plant engineering and to raise awareness of sustainable solutions within the industry. As a partner, we are committed to upholding the twelve sustainability principles of the sector.



DICO

Fette Compacting GmbH joined the German Institute for Compliance (DICO) in December 2022. DICO is a network of compliance professionals that develops recognised standards and best practices as practical tools for compliance departments.



DGQ e.V.

Since 2017, Fette Compacting GmbH has been actively engaged in one of Germany’s largest quality management networks – the DGQ (German Society for Quality). Through network events and expert circles, companies contribute to shaping the future of quality management.



BME (German Association for Supply Chain Management, Procurement and Logistics)

Since 2019, Fette Compacting has been a member of BME, the leading professional association and network for supply chain, procurement and logistics professionals in Germany and Europe.



Strategy

EcoVadis

Through our membership with EcoVadis – a platform for sustainability ratings – we provide maximum transparency for our customers and commit to continuously improving ethical, social and environmental practices across our supply chain. This is confirmed by our regular participation in the EcoVadis sustainability rating.



CyberVadis

With the cybersecurity assessment by CyberVadis, we gain a comprehensive view of our IT security. The assessment highlights which risks are most relevant to our company and what their potential impacts could be. Based on these findings, we continuously enhance our IT security.



Research partnership with the University of Hamburg

Fette Compacting promotes collaboration between academia and industry. In cooperation with the University of Hamburg, we address new research questions – supporting both practice-oriented education for future professionals and the transfer of academic insights into our own development processes.



German Design Council (Rat für Formgebung)

The German Design Council has been a leading global institution for communication and knowledge transfer in the fields of design, branding and innovation since 1953. Fette Compacting is one of more than 330 corporate members.



Carbon Disclosure Project (CDP)

Our membership in the Carbon Disclosure Project (CDP) enables us to transparently document our environmental performance, identify risks and opportunities related to climate change, and develop targeted measures to reduce greenhouse gas emissions.



Science Based Targets Initiative (SBTi)

By joining the Science Based Targets initiative (SBTi), we have committed to setting science-based climate targets that align with the Paris Agreement – thereby reducing our CO₂ emissions and contributing to effective climate action.





Strategy

ESRS 2/SBM-3

Double Materiality Assessment of the LMT Group

In the first quarter of 2024, the LMT Group conducted a comprehensive Double Materiality Assessment (DMA). The assessment was based on the requirements of the European Sustainability Reporting Standards (ESRS 1) and the implementation guidance provided by EFRAG.

As part of the materiality assessment, the project team of the LMT Group worked with representatives from relevant departments – including Environment and Occupational Health & Safety, Human Resources, Legal and Compliance – to evaluate which sustainability topics are material to the LMT Group and its operating business units, both from the company’s own perspective and from that of various stakeholders.

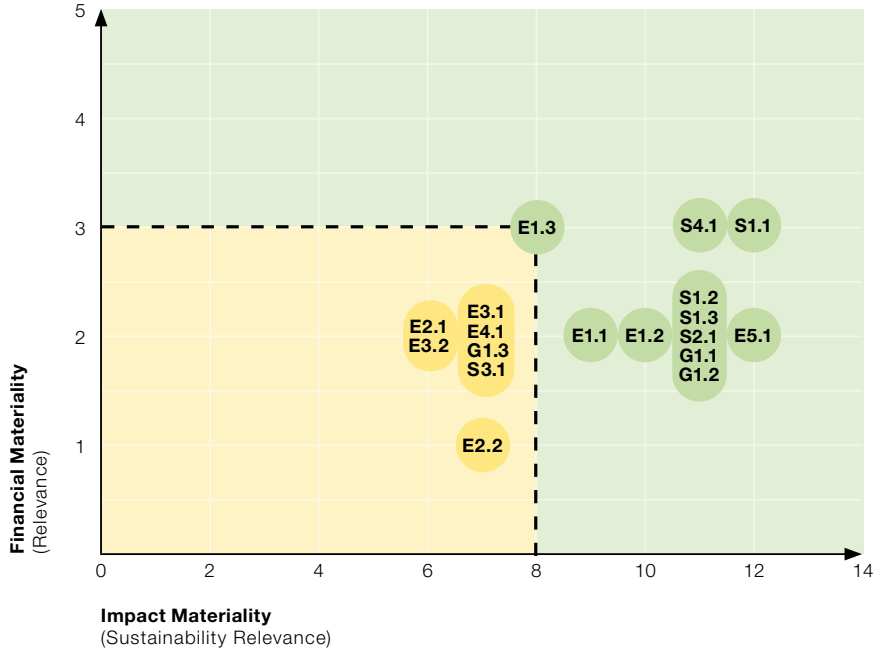
In our DMA, we assessed and evaluated the actual and potential impacts of our activities on the environment and society, as well as the financial risks we face in relation to sustainability and the opportunities we can leverage.

The results of the DMA are visualised in a materiality matrix and form the basis for the LMT Group’s sustainability reporting. Fette Compacting will highlight the most relevant topics identified during the materiality assessment in its annual sustainability report.

Six thematic ESRS standards – comprising 11 out of 18 sub-topics – have been identified as material for the LMT Group: Climate change (E1), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Consumers and end-users (S4), and Governance (G1).

Strategy

Materiality matrix



not material

- E2.1** Air, water and soil pollution
- E2.2** Substances of concern/very high concern
- E3.1** Water
- E3.2** Marine resources
- E4.1** Biodiversity and ecosystems
- S3.1** Local communities
- G1.3** Political influence, lobbying and anti-competitive behavior

material

- E1.1** Energy
- E1.2** Climate change mitigation (emissions)
- E1.3** Climate change adaptation
- E5.1** Resource use & circular economy
- S1.1** Working conditions
- S1.2** Equality/Non-discrimination
- S1.3** Other work-related rights
- S2.1** Workers in the value chain
- S4.1** Consumers / (End) users
- G1.1** Business conduct policies and corporate culture
- G1.2** Prevention and detection of corruption or bribery

Material impacts, risks and opportunities (IROs) of the LMT Group

Overview of our material IROs

The following tables present the impacts, risks and opportunities (IROs) that were identified as material in the Double Materiality Assessment (DMA) of the LMT Group.

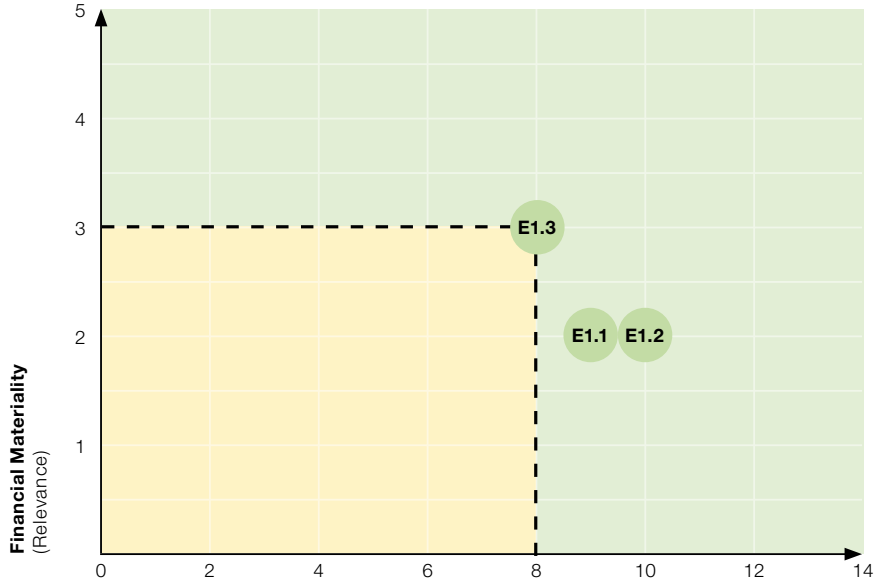
For each relevant ESRS thematic standard (e.g. E1 “Climate change”), the related sub-topics are indicated.

Short descriptions of the material IROs are included in the tables, along with an indication of whether the IRO relates to our own operations (OO) or to the value chain (VC). In the case of impacts, we also show whether they are positive (+), negative (-), actual (A) or potential (P).

Further details on each IRO, including how we manage them, are provided in the thematic sections under “Environment”, “Social” and “Governance”.

Strategy

E1 Climate change Materiality matrix



Impact Materiality
(Sustainability Relevance)

I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

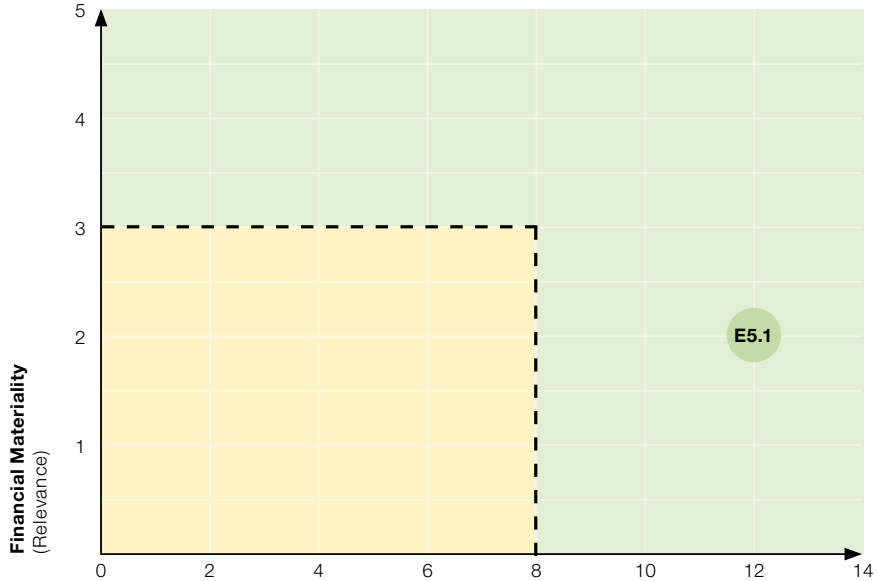
LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Energy						
Energy efficiency in own operating processes	I	+	A	short-term	OO	Material
Energy efficiency in the customer environment	I	+	A	short-term	OO	Material
Fossil dependency and volatility	I	-	A	short-term	OO/VC	Material
Mitigation of climate change (emissions)						
Reducing emissions through energy efficiency	I	+	A	short-term	OO	Material
Climate strategy as an emissions reduction pathway	I	+	P	mid-term	OO	Material
Decarbonization through innovation and digitalization	I	+	P	long-term	OO/VC	Material
Health risks from emissions	I	-	A	short-term	OO	Material
Limited controllability in the supply chain	I	-	A	short-term	VC	Material
Physical risks for processes and locations	I	-	P	long-term	OO	Material
Adaptation to climate change						
Systematic environmental measures through environmental management	I	+	A	short-term	OO	Material
Climate risk management strengthens health protection	I	+	P	short-term	OO	Material
Operating costs burdened by energy prices and levies	R	-	P	short-term	OO	Material
Investment pressure due to infrastructure requirements	R	-	P	mid-term	OO	Material
Location risks due to extreme weather events	R	-	P	long-term	OO	Material

Strategy

E5 Resource utilization and circular economy

Materiality matrix



Impact Materiality
(Sustainability Relevance)

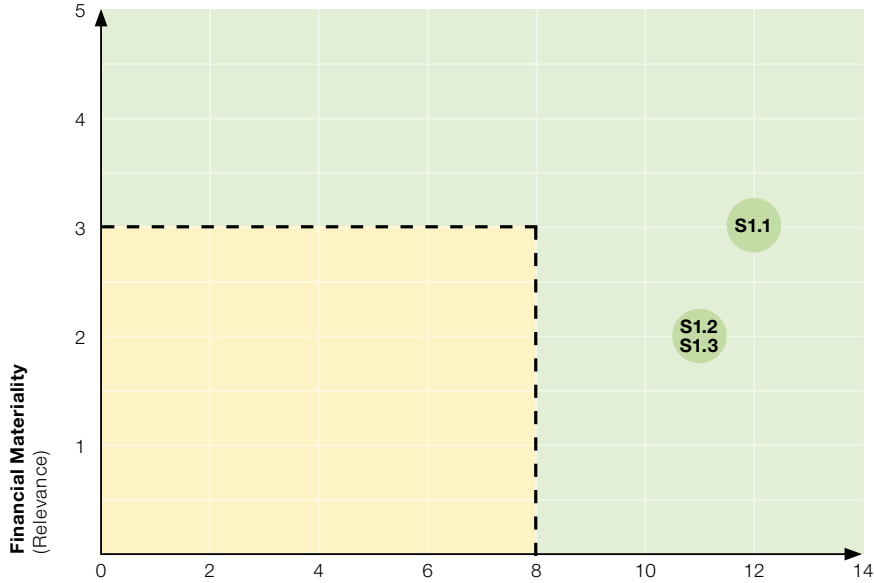
I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Resource utilization and circular economy						
Efficient resource management	I	+	A	short-term	OO	Material
Competitive advantages through resource-saving processes	I	+	P	short-term	OO	Material
Environmental and customer benefits through sustainable packaging	I	+	P	short-term	OO/VC	Material
Conserving resources through durable products and modernization	I	+	A	mid-term	OO	Material
Digital solutions to save resources and optimize processes	I	+	A	mid-term	OO	Material
Regulatory environmental transparency through digital product information	I	+	P	long-term	OO	Material
Conservation of natural resources through recycling structures	I	+	A	mid-term	OO	Material
Environmental impact due to intensive use of raw materials and energy	I	-	A	short-term	OO/VC	Material
Resource losses due to inadequate recycling and recovery systems	I	-	P	mid-term	OO	Material
Sustainability risks due to inadequate supply chain management	I	-	P	mid-term	OO/VC	Material
Reputational impact through environmental transparency in the product life cycle	I	-	P	short-term	OO/VC	Material

Strategy

S1 Workforce of the company Materiality matrix



Impact Materiality
(Sustainability Relevance)

I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

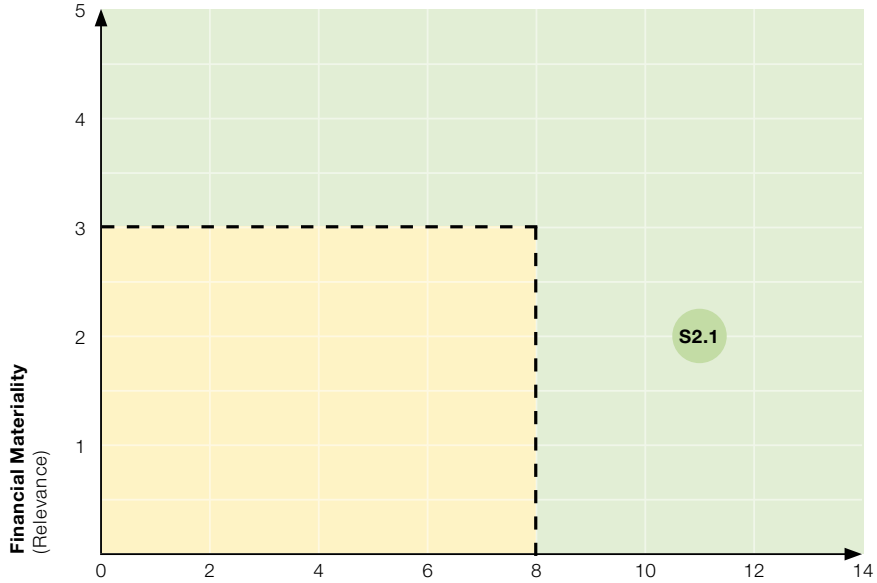
LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Working conditions						
Employer attractiveness through modern working conditions	I	+	A	short-term	OO	Material
Productivity through satisfied employees	I	+	A	mid-term	OO	Material
Culture of trust through open communication	I	+	P	mid-term	OO	Material
Cultural change through shared values	I	+	P	long-term	OO/VC	Material
Equality / non-discrimination						
Employer attractiveness through diversity	I	+	A	short-term	OO	Material
Equality as a trust factor	I	+	P	short- / mid- / long-term	OO	Material
Performance through inclusion	I	+	P	long-term	OO	Material
Diversity as development potential	I	-	A	short-term	OO	Material
Other work-related rights						
Protection of human rights in the world of work	I	+	A	short-term	OO	Material
Confidence protection for employees through whistleblower systems	I	+	A	short-term	OO	Material
Employer attractiveness through transparent HR communication	I	+	P	mid-term	OO	Material
Competitiveness through sustainable care	I	+	P	long-term	OO	Material

Strategy

S2 Workforce in the value chain

Materiality matrix



Impact Materiality
(Sustainability Relevance)

I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

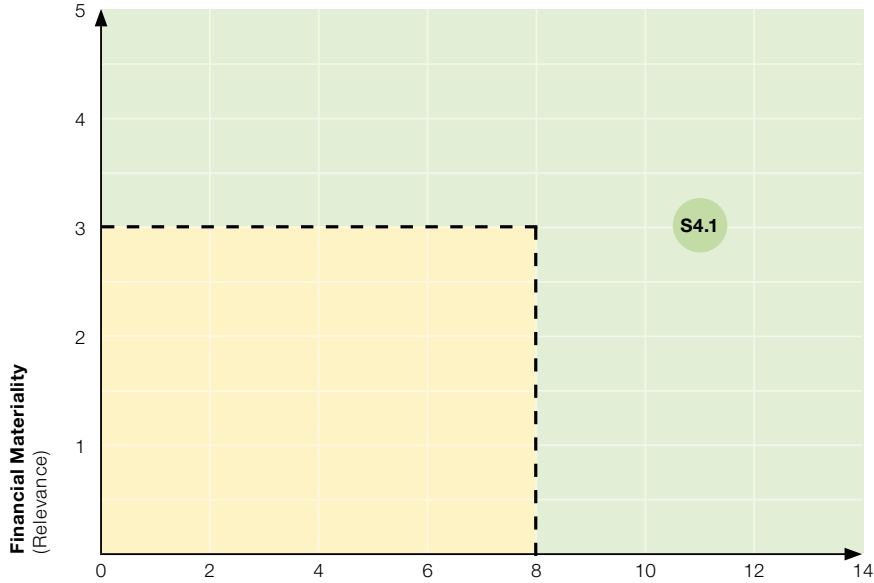
LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Employees in the value chain						
Labor rights and safe working conditions along the value chain	I	+	A	short-term	OO/VC	Material
Health protection and product safety along the value chain	I	+	P	mid-term	OO	Material
Raising awareness of human rights risks in the value chain	I	+	P	short- & long-term	OO/VC	Material

Strategy

S4 Consumers and end users

Materiality matrix



Impact Materiality
(Sustainability Relevance)

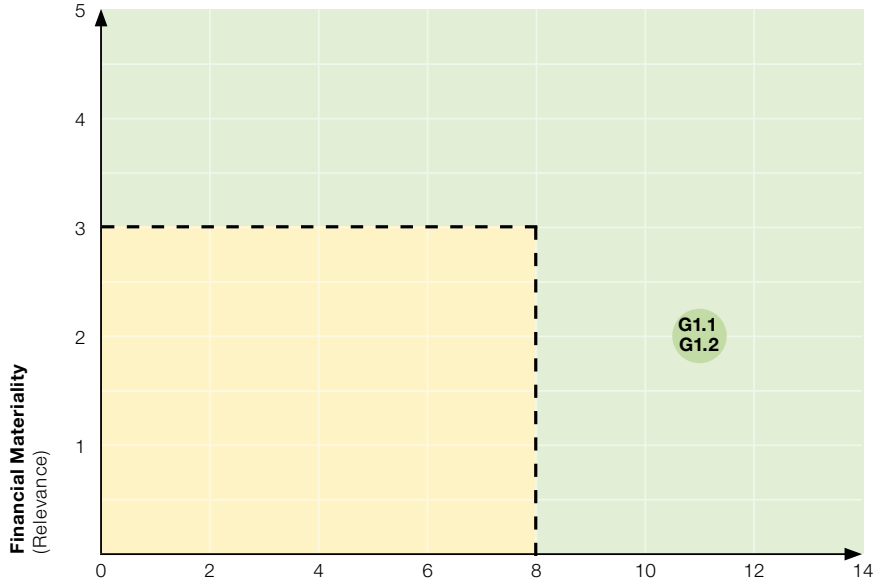
I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Consumers and end users						
Trust through data protection, information security and integrity	I	+	A	short-term	OO	Material
Product quality and service as the basis for customer satisfaction	I	+	A	short-term	OO	Material
Customer feedback and responsiveness as a trust factor	I	+	P	mid-term	OO	Material
Long-term customer loyalty through partnership-based relationships	I	+	P	long-term	OO	Material

Strategy

G1 Corporate management Materiality matrix



Impact Materiality
(Sustainability Relevance)

I	Impact	A	Actual
R	Risk	P	Potential
O	Opportunity		
+	Positive	OO	Own operations
-	Negative	VC	Value chain

LMT Group IRO Analysis

IRO Title	IRO	+/-	A/P	Time horizon	OO/VC	Materiality
Code of conduct and corporate culture						
Integrity through compliance and anti-corruption measures	I	+	A	short-term	OO	Material
Credibility through transparent business practices	I	+	P	short- / mid-term	OO	Material
Trust and loyalty through stakeholder relationships of integrity	I	+	P	long-term	OO	Material
Prevention and detection of corruption and bribery						
Prevention of corruption through systematic control mechanisms	I	+	A	short-term	OO	Material
Behavioral safety through clear standards	I	+	P	short- / mid-term	OO	Material
Competitiveness through business integrity	I	+	P	long-term	OO	Material

Management of impacts, risks and opportunities

ESRS 2/IRO-1

Description of the process to identify and assess material impacts, risks and opportunities (IROs)

In 2024, the LMT Group conducted a comprehensive materiality assessment to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The objective of the assessment was to systematically evaluate all material actual or potential impacts of the company on the environment and society (impact materiality, inside-out perspective), as well as financial risks and opportunities related to sustainability (financial materiality, outside-in perspective). The results of the assessment determine which ESG topics are considered material and must be disclosed in the company's sustainability report.

Step 1: Stakeholder analysis

The process began with the development of a stakeholder matrix based on a power-interest model, classifying stakeholder groups according to their level of influence and affectedness. A distinction was made between affected stakeholders (e.g. employees, suppliers, customers) and users of sustainability information (e.g. the public). Engagement was conducted indirectly via internal subject-matter experts with regular stakeholder contact. Direct consultation was not carried out in 2024 but is planned for future cycles.

Step 2: Identification of impacts, risks and opportunities (IROs)

The analysis covered all phases of the value chain – from upstream suppliers to own operations and downstream impacts. Particular geographic focus was placed on production sites in China, India, the USA and the company headquarters in Germany. Thematically, the analysis focused on ESG-relevant aspects of the two business units Fette Compacting and LMT Tools, including energy consumption, emissions, supply chain responsibility, and labour and human rights.

Step 3: Assessment of IROs

The assessment of impact materiality was carried out using ESRS criteria:

- › Scale (severity of impact)
- › Scope (reach or number of people/resources affected)
- › Remedy (ability to remedy the impact)
- › Likelihood (probability of occurrence, applicable only for potential negative impacts)

In the area of human rights, severity was prioritised over likelihood. Positive impacts were assessed separately based on their magnitude and likelihood.

The financial materiality assessment followed a two-step approach: first, the probability of occurrence (considering existing mitigation measures) was assessed, followed by an estimate of the financial magnitude. Thresholds were aligned with the group-wide risk management system, which classifies individual risks into five categories – from “Very Low” (< € 1.5 million) to “Very High” (≥ € 50 million). Short-term (up to 1 year), medium-term (1–5 years) and long-term (> 5 years) time horizons were considered.

Application of the double materiality principle

An ESG topic was considered material if it involved either a significant impact (impact materiality) or a material financial risk or opportunity (financial materiality) – or both. Both direct and indirect interdependencies were taken into account, such as the influence of environmental impacts on regulatory costs or reputational risks arising from social misconduct.

Governance, validation and approval

All identified IROs were assessed using a standardised evaluation framework and prioritised by a cross-functional project team with the support of external advisors. The results were validated with the relevant departments and approved by the LMT Group Management Board. The materiality results will be integrated into strategic planning, operational management, action planning, and KPI definition going forward.



Management of impacts, risks and opportunities

Consolidation scope and scoping model

The consolidation scope for non-financial reporting includes all relevant domestic and international subsidiaries as well as the headquarters in Schwarzenbek. The selection of entities for inclusion was based on a risk- and impact-based scoring model. This model applies ESG criteria to identify the entities that make a material contribution to the Group's sustainability objectives.

Based on this approach, 29 operationally active entities were included in the non-financial reporting scope from a total of 52 analysed units. Pure holding or administrative entities without operational activities are excluded.

The consolidation scope covers over 95 % of relevant financial criteria (DR coverage), ensuring a consistent and comprehensive view of the Group's sustainability performance.

Entities with significant investment projects or notable social and environmental impacts were given particular consideration. This approach ensures that the report not only meets legal requirements but also supports the strategic sustainability objectives of the Group.

The data presented in this report applies to the operational entities of the Fette Compacting Group within the aforementioned consolidation scope.

Review and further development

As this was the first Group-wide DMA, no prior-year values were available. The LMT Group plans to update the assessment on a regular basis, particularly in response to changing regulatory requirements or stakeholder expectations.



Management of impacts, risks and opportunities

ESRS 2/MDR-P

Overview of policies

Policy	Description of the main contents (65a)	Scope of application (65b)	Responsible for implementation (65c)	Recognized standards / norms (65d)	Stakeholder involvement in development (65e)	Involvement of affected stakeholders in decision-making processes (65f)	Availability
Code of Conduct	<ul style="list-style-type: none"> › Defines ethical principles for employees and managers › Binding rules on human rights, anti-discrimination, labor law, environmental protection and integrity › Prohibition of child and forced labor, promotion of fair working conditions › Strengthens corporate responsibility, transparency and mutual respect 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	Management, Leadership, all employees, Legal, Compliance	OECD Guidelines, UNGPs, ILO, UN Human Rights Charter, national and international legislation, internal guidelines	Prepared by Management, legal, compliance with the involvement of Leadership, HR, works council	Communication via training courses, Leadership dialogs and the “Speak-Up” whistleblower system	Intranet & Website
Legal & Compliance Guideline	<ul style="list-style-type: none"> › Regulates responsibilities and procedures for the legally compliant design, review and documentation of legal processes › Describes the tasks, duties and structure of the compliance management system (CMS) › Includes prevention, detection and response to compliance violations (“Prevent, Detect, Respond”) › Defines procedures for using the whistleblower channels (speak-up) 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	Legal, Risk management, Compliance (Internal Audit), local management, Compliance officers in the subsidiaries	Principles of proper corporate governance, IDW PS 980, LkSG, EU Whistleblower Directive	Coordination with Management, legal, compliance officers, works council	Training, compliance audits, annual compliance declarations, feedback option via whistleblower system	Intranet
Rules for the complaints procedure	<ul style="list-style-type: none"> › Regulates the process, protection and communication in the “Speak Up” whistleblower system in accordance with Section 8 LkSG › Offers internal and external stakeholders various reporting channels (online, email, post) › Guarantees anonymity, protection against retaliation, data protection in accordance with the GDPR and structured processing › Includes standardized testing, investigation and feedback processes incl. root cause analysis and action tracking 	Internal & external persons along the entire supply and value chain of the LMT Group	Legal, Compliance	LkSG, GDPR, HinSchG	Involvement of legal, compliance officers, works council	Possibility of anonymous communication and active participation in the definition and evaluation of measures	Intranet & Website



Management of impacts, risks and opportunities

ESRS 2/MDR-P

Overview of policies

Policy	Description of the main contents (65a)	Scope of application (65b)	Responsible for implementation (65c)	Recognized standards / norms (65d)	Stakeholder involvement in development (65e)	Involvement of affected stakeholders in decision-making processes (65f)	Availability
Anti-Corruption Policy	<ul style="list-style-type: none"> Prevents corruption, bribery, granting and accepting advantages in all business relationships Applies Group-wide for employees, managers, sales intermediaries and business partners Includes “red flags”, do’s & don’ts, scenarios and traffic light system for gifts and invitations Regulates correct behavior when dealing with public officials, sales agents, donations, sponsoring and conflicts of interest Supported by policy appendices with practical examples and whistleblower channels (“Speak Up”) 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	Legal, Risk management, Compliance (Internal Audit), local management, Compliance officers in the subsidiaries	UK Bribery Act, US FCPA, StGB, OECD Guidelines on Combating Corruption, LkSG	Legal and compliance team with the involvement of Management and departments	Mandatory training, escalation mechanism, feedback via whistleblower system, compliance checks in risk management	Intranet
Antitrust Policy	<ul style="list-style-type: none"> Regulates principles for fair conduct in competition and to avoid antitrust risks Prohibits agreements with competitors (e.g. on prices, markets, customers) and the abuse of market power Contains specific rules of conduct (“do’s & don’ts”) for sales, purchasing, tenders, information exchange and association meetings Includes scenarios, fact sheets and measures for searches by authorities Binding for all employees worldwide, with a special focus on EU and US antitrust law 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	Legal, Risk management, Compliance (Internal Audit), local management, Compliance officers in the subsidiaries	EU antitrust law, GWB, US antitrust law, LkSG, internal guidelines	Created by Legal & Compliance with the involvement of the Management and training units	Mandatory training, compliance feedback, speak-up system, escalation in the event of risky business decisions	Intranet
Human Rights Statement (LkSG)	<ul style="list-style-type: none"> Commitment to protecting human rights and environmental obligations in its own business activities and supply chain Regulates strategy, risk management and responsibilities in accordance with the LkSG Describes procedures for risk analysis, preventive and remedial measures as well as monitoring and reporting Basis for all human rights-related measures of the LMT Group 	LMT GmbH & Co. KG and all domestic and foreign affiliated companies (LMT Group)	Human Rights Officer of the Fette Compacting & LMT Tools divisions, Management	LkSG, UN Human Rights Charter, DICO Standard 16	Coordination by Legal & Compliance, with the involvement of the divisions and relevant departments	Feedback loops through complaints procedures (Speak Up), supplier communication, escalation mechanisms for risks	Intranet & Website



Management of impacts, risks and opportunities

ESRS 2/MDR-P

Overview of policies

Policy	Description of the main contents (65a)	Scope of application (65b)	Responsible for implementation (65c)	Recognized standards / norms (65d)	Stakeholder involvement in development (65e)	Involvement of affected stakeholders in decision-making processes (65f)	Availability
UK Modern Slavery Act	<ul style="list-style-type: none"> › Implements requirements to prevent modern slavery and human trafficking in accordance with section 54 UK MSA › Describes risk analysis and measures in own business activities and in the supply chain › Refers to Code of Conduct and Supplier Code of Conduct on respect for human rights › Links MSA implementation with existing management systems (e.g. compliance, environment, occupational health and safety) › Contains requirements for auditing, prevention, remediation and supplier training › Integrates whistleblower procedure “Speak-Up” incl. anonymous case handling and root cause analysis 	LMT GmbH & Co. KG and all domestic and foreign affiliated companies (LMT Group) with a particular focus on subsidiaries in the United Kingdom pursuant to Section 54 UK MSA	Legal, Compliance, Management of the LMT Group, Human Rights Officer	UK Modern Slavery Act (2015), UN Human Rights Charter, Supply Chain Due Diligence Act (LkSG)	Coordination by Legal & Compliance	Use of the “Speak Up” whistleblower system, supplier communication, risk assessment, audits and escalation mechanisms in the event of violations	Intranet & Website
Supplier Code of Conduct	<ul style="list-style-type: none"> › Minimum requirements for suppliers with regard to human rights, working conditions, environmental standards and fair business practices › Regulates, among other things, working conditions, non-discrimination, health & safety, environmental protection and corruption prevention › Contains requirements on conflict minerals, data protection, fair competition and responsible procurement › Supported by a whistleblower system (“Speak Up”) and risk-based monitoring (self-disclosures, audits) › Basis for audits, risk analyses and further development processes in the supply chain 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries, all direct and indirect suppliers of the Fette Compacting Group worldwide	Supply Chain Management	OECD Guidelines, UNGPs, ILO, UNGC, UN Convention on the Rights of the Child, REACH, RoHS	Coordination by Legal & Compliance and Supply Chain, with the involvement of relevant departments	Through supplier audits, self-disclosures, dialog formats, whistleblower system	Intranet
General Terms and Conditions	<ul style="list-style-type: none"> › Governs all central purchasing processes of Fette Compacting in a legally binding manner (e.g. quotations, orders, delivery times, prices, terms of payment, transfer of risk, ownership, warranty, liability) › Contains provisions on contractual penalties, rights of withdrawal in the event of default, compensation for damages, product liability and confidentiality 	Applies to all supplier relationships of LMT GmbH & Co. KG, Fette Compacting Holding GmbH, Fette Compacting GmbH and LMT Immobilien GmbH & Co. KG	Purchasing and legal (implicitly through operational and legal provisions)	German civil and commercial law (BGB, HGB), product liability law	Purchasing, Legal	Provided for by the obligation to confirm orders (§3), to provide feedback in the event of breaches of the Code (§12) and to comply with contractual regulations with escalation mechanisms	Intranet & Website



Management of impacts, risks and opportunities

ESRS 2/MDR-P

Overview of policies

Policy	Description of the main contents (65a)	Scope of application (65b)	Responsible for implementation (65c)	Recognized standards / norms (65d)	Stakeholder involvement in development (65e)	Involvement of affected stakeholders in decision-making processes (65f)	Availability
Procurement Guideline	<ul style="list-style-type: none"> › Regulates all procurement processes of Fette Compacting GmbH across all divisions (non-product material and product material) › Defines roles, approval processes, responsibilities and interfaces › Contains specifications for supplier management, request for quotation, ordering, contract management, goods receipt and complaints 	Fette Compacting GmbH	Purchasing (NPM and PM), specialist departments according to process responsibility	Internal specifications decisive	Development with the involvement of Purchasing, users, Legal, Finance and process managers	Participation via operational purchasing approvals, budget processes, project coordination and special regulations	Purchasing (NPM and PM)
QHSE Policy (quality, health, safety, environment)	<ul style="list-style-type: none"> › Regulates company-wide standards for quality, health, safety and environmental protection › Defines targets for continuous improvement, risk minimization and compliance with legal regulations › Promotes sustainable products, safe working practices, environmental awareness and responsible procurement 	Binding for all employees and bodies of the Fette Compacting Group worldwide	Management, Leadership, All employees, Quality management, HR, Environmental/energy management, Occupational safety	ISO 9001, ISO 14001, ISO 50001, ISO 45001	Coordination with internal departments	Interne Einbindung über Zieldefinition, Maßnahmenplanung, Audits und Management Reviews	Intranet
Data Protection Policy	<ul style="list-style-type: none"> › Regulates the protection and processing of personal employee data › Applies to all data processing operations at Fette Compacting GmbH › Defines responsibilities and role of the data protection officer › Includes principles such as data minimization, purpose limitation and transparency › Defines the rights of data subjects (e.g. information, deletion, objection) › Contains guidelines on data transfer, order processing and data breaches 	Fette Compacting GmbH	Legal, Data Protection Officer (DPO)	EU General Data Protection Regulation (GDPR), Federal Data Protection Act (BDSG)	DBS, IT, Legal	Consideration of feedback from Leadership and specialist departments in data protection-relevant procedures and system implementations	Intranet



Management of impacts, risks and opportunities

ESRS 2/MDR-P

Overview of policies

Policy	Description of the main contents (65a)	Scope of application (65b)	Responsible for implementation (65c)	Recognized standards / norms (65d)	Stakeholder involvement in development (65e)	Involvement of affected stakeholders in decision-making processes (65f)	Availability
Guideline Information Security (ISMS)	<ul style="list-style-type: none"> › Regulates the ISMS of the Fette Compacting Group (organization, objectives, measures) › Protects company assets such as information, IT systems, applications and know-how › Defines protection goals: Confidentiality, integrity, availability › Includes assignment of rights, emergency preparedness, secure communication and reporting processes 	Fette Compacting Holding GmbH and all companies with a majority shareholding (>50 %)	Management, Information Security Officer (ISB), IT, data protection, compliance, risk management	ISO/IEC 27001:2022, internal security guidelines, BSI specifications	Coordination with Management, IT, compliance, data protection, risk management, works council	Integration via ISMS role structure, awareness training, management reviews and feedback processes	Intranet
Inclusion Agreement LMT Group	<ul style="list-style-type: none"> › Promotes participation, equality and accessibility for severely disabled people › Regulates measures for workplace design, training, transfer, qualification and health promotion › Defines processes for involving the representative body for severely disabled employees in decisions › Includes protection mechanisms, training measures, compensation and facilitation of examinations › Defines targets for employment and structural inclusion throughout the Group 	All employees and trainees of the LMT Group in Germany, including those seconded abroad	HR, Representative body for severely disabled employees, Leadership, Inclusion team	SGB IX, UN Convention on the Rights of Persons with Disabilities (UN CRPD), BGG	Developed by the Group Representative Body for Severely Disabled Employees, the Group Works Council, and Management; implementation supported by the Inclusion Team.	Involvement of the SBV in job applications, job adjustments, training and examinations in accordance with legal requirements	Intranet
Business Continuity Management – Manual	<ul style="list-style-type: none"> › Regulates business continuity management (BCM) throughout the Group to ensure business operations in crisis and emergency situations › Establishes standardized procedures for prevention, response and recovery › The basis is the PDCA cycle (Plan-Do-Check-Act) in accordance with ISO 22301 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	Management, BCM coordinator, department heads	ISO 22301:2019	Involvement of specialist departments in risk analyses and BIAs, coordination with relevant internal stakeholders	Participation of affected departments in the crisis team, involvement in emergency management, recovery planning and lessons learned	Intranet
Business Continuity Management Policy – IT	<ul style="list-style-type: none"> › Regulates procedures in the event of serious IT disruptions (e.g. cyber attack, power failure) › Describes business impact analysis, distribution of roles in the event of a crisis (Security Board, CMT) and recovery planning 	Fette Compacting Holding GmbH and all domestic and foreign subsidiaries	IT Security Board, Management, IT, ISB, data protection, legal, BCM managers	ISO/IEC 27001:2022	Involvement of internal employees and external IT service providers as part of incident reports and security briefings	Involvement of the crisis management team, specialist departments, legal, HR, communications and external partners in the escalation and decision-making process	Intranet

Environment

41 E1 Climate change

51 E5 Resource use and circular economy





E1 Climate change

Global climate change is one of the greatest challenges of our time. As a manufacturing company, Fette Compacting bears a particular responsibility for reducing industrial emissions in order to limit global warming and mitigate climate change.

ESRS 2 SBM-3/E1

Our material impacts, risks and opportunities (IROs)

As part of the Group-wide Double Materiality Assessment (DMA) conducted in 2024, all ESG topics defined by the European Sustainability Reporting Standards (ESRS) were systematically assessed with regard to their related impacts, risks and opportunities (IROs).

For the topic “E1 Climate Change”, the LMT Group identified fourteen IROs as material. These primarily relate to improving energy efficiency in our own operations and in customer environments, implementing an effective climate strategy, and reducing emissions along the value chain. In addition, climate resilience and measures to enhance environmental and health protection in the context of long-term climate change are among the key topics.

The following table provides a structured overview of the material IROs related to climate change and outlines Fette Compacting’s management approaches for addressing these issues. Additional potential impacts and risks were considered in the DMA process but assessed as not material due to effective prevention measures already in place.

Management of material IROs

IRO Title	IRO Description	How do we manage this IRO?
Energy		
Energy efficiency in own operating processes	Targeted energy efficiency measures reduce energy consumption, which both reduces the environmental impact and leads to lower operating costs.	We implement energy optimization programmes in our production processes throughout the Group, including modern plant technology, monitoring systems and employee training. These measures reduce energy requirements and at the same time promote cost efficiency and resource conservation
Energy efficiency in the customer environment	The use of efficient technologies by customers reduces their energy consumption and carbon footprint, which improves their sustainability performance.	We develop and market technologies with optimized energy efficiency and lower CO ₂ emissions. We support the use of these technologies by our customers with targeted advice, digital tools (e.g. emulators) and training courses.
Fossil dependency and volatility	The use of fossil fuels results in direct emissions and dependence on volatile energy markets, which increases economic risks.	We are increasing the proportion of renewable energies at our locations and are focusing on long-term energy contracts with stable conditions. We are also driving forward the electrification of our processes and regularly analyze energy market risks.
Mitigation of climate change (emissions)		
Reducing emissions through energy efficiency	Reducing energy consumption reduces pollutant emissions, which improves environmental and health protection.	We combine technical measures such as waste heat recovery and modern control technology with organizational improvements (e.g. ISO 50001) to sustainably reduce emissions.
Climate strategy as an emissions reduction pathway	The implementation of the climate strategy systematically reduces greenhouse gas emissions and strengthens the company’s ecological responsibility.	We are currently developing a Group-wide climate strategy with a focus on emissions targets and management. This is based on the carbon footprint survey; we have also been a member of the Science Based Targets Initiative (SBTI) since 2023.
Decarbonization through innovation and digitalization	The use of innovative technologies and digital solutions will decarbonize production in the long term.	We are making targeted investments in R&D and digitalized production solutions to replace CO ₂ -intensive processes. Pilot projects are being rolled out across the Group.
Health risks from emissions	The use of innovative technologies and digital solutions will decarbonize production in the long term.	We monitor relevant emissions at our sites in accordance with legal requirements. In addition, air quality and health protection measures are implemented as part of the QHSE system (e.g. technical filter systems)



E1 Climate change

ESRS E1-1

Transition plan for climate change mitigation and resilience to climate-related risks

At the time of reporting, the Fette Compacting Group does not yet have a transition plan in place, as defined by ESRS E1-1, that aligns the company’s business strategy with the objective of a climate-neutral economy and the 1.5 °C target set out in the Paris Agreement. However, Fette Compacting is currently engaged in a structured evaluation process to develop such a plan. A key foundation for this is the full and systematic disclosure of our greenhouse gas emissions (Scope 1, 2 and 3).

Management wesentlicher IROs

IRO Title	IRO Description	How do we manage this IRO?
Limited controllability in the supply chain	Limited control options in the supply chain make it difficult to reduce indirect emissions.	Scope 3 emissions were accounted for in the carbon footprint survey for the first time. Looking ahead, climate-related requirements will be systematically integrated into supplier evaluations as part of the implementation of the LkSG.
Physical risks for processes and locations	Processes, infrastructure and locations are affected in the long term by environmental changes caused by climate change.	We analyze climate risks at site level and integrate physical resilience requirements into new planning and investment decisions. In addition, business continuity plans are regularly updated.
Adaptation to climate change		
Systematic environmental measures through environmental management	A certified environmental management system ensures the systematic implementation of ecological adaptation measures.	Our environmental management in accordance with ISO 14001 ensures that climate adaptation is integrated into processes, responsibilities and target systems. Regular audits ensure effectiveness.
Climate risk management strengthens health protection	Adaptation measures to climate risks improve occupational health and safety for employees.	We systematically assess climate risks as part of HSE management and take preventive measures (e.g. heat protection, emergency planning).
Operating costs burdened by energy prices and levies	Rising energy prices and CO ₂ levies increase operating costs and affect profitability.	We rely on energy efficiency measures, tenders, energy monitoring and long-term contract models to secure costs.
Investment pressure due to infrastructure requirements	The development of sustainable infrastructure results in high initial investments that are ecologically beneficial in the long term.	Investment decisions are made on the basis of TCO considerations and ESG criteria. Funding opportunities are consistently utilized.
Location risks due to extreme weather events	Climate change-related extreme weather events create operational risks for locations and supply chains.	Site analyses, protective measures (e.g. flood protection) and supplier evaluation ensure resilience to extreme weather events.

E1 Climate change

ESRS 2 IRO-1/E1

Assessment of resilience to climate-related risks

In 2024, the LMT Group conducted an initial site-specific climate risk assessment for selected production locations, including Schwarzenbek (Germany) and Nanjing (China). The assessment was based on regional climate projections provided by the service provider MeteoBlue, using internationally recognised IPCC scenarios (CMIP6).

The aim of the analysis was to identify and better understand physical climate risks at an early stage. The results obtained provide an important starting point for systematically evaluating the resilience of our sites.

According to current findings, the results do not indicate any immediate impacts on the production capability or supply processes of the Fette Compacting Group. At the same time, they highlight the need to contextualise external model projections within actual operational settings.

The analysis phase will be further expanded in 2025. In an interdisciplinary process, potential needs for action will be derived, climate risk assessment approaches refined, and initial adaptation measures reviewed. In parallel, the integration of climate risk results into the Group's enterprise risk management system (RMS) and strategic decision-making processes will be evaluated.

Fette Compacting is committed to transparent handling of climate-related risks. The current results mark the starting point of a continuous improvement process aimed at strengthening our long-term resilience to climate change.

ESRS E1-2

Policies related to climate change mitigation and adaptation

Fette Compacting has implemented a Group-wide QHSE policy (Quality, Health, Safety and Environment) that provides the overall framework for addressing environmental and climate-related matters. In addition, certified environmental and energy management systems (ISO 14001 and ISO 50001) are in place. These systems define procedures and requirements to systematically monitor environmental impacts, ensure compliance with legal obligations, and facilitate continuous improvements in operational processes. The current systems focus particularly on energy consumption, resource use, and emissions accounting. Certain elements of these systems contribute to climate change mitigation and energy efficiency. At present, there is no standalone policy specifically addressing climate adaptation or the use of renewable energy.

QHSE policy in the context of climate change mitigation

The QHSE policy of the Fette Compacting Group is globally binding for all employees and corporate bodies. It sets out fundamental principles for addressing quality, health, safety, and environmental protection, and serves as the Group-wide guiding framework for managing environmental topics, including energy consumption, emissions, and resource efficiency. In the context of climate change mitigation, the QHSE policy highlights key areas of action, such as the careful use of natural resources, the continuous improvement of environmental performance, and the prevention of environmental harm. It also mandates compliance with applicable laws and internal regulations, as well as the systematic monitoring and evaluation of environmental processes within the scope of the established management systems. While the QHSE policy does not yet define concrete quantitative climate targets, it forms the basis for existing measures such as reducing CO₂ emissions, lowering energy consumption, and promoting environmental awareness within the company.

E1 Climate change

Environmental management

To implement the QHSE policy, Fette Compacting operates structured environmental management systems at selected sites. The production facilities in Schwarzenbek (Germany) and Nanjing (China) are certified according to DIN EN ISO 14001. These systems enable the systematic identification and management of environmental aspects – particularly in the areas of energy, emissions, materials, and waste.

The environmental management system includes defined procedures for identifying and assessing environmental impacts, ensuring compliance with legal requirements, and continuously improving environmental performance. It provides the organisational foundation to integrate environmental aspects into processes, responsibilities, and internal audits.

Responsibility for implementing the environmental management system lies with various departments and functions within the respective business units. At the Schwarzenbek site, an Environmental Management Officer has been appointed who, together with the environmental management team, coordinates operational tasks. These include, among others, the collection of environmental data, support in internal audits, and the implementation of environmental improvement measures. The effectiveness of the environmental management system is regularly reviewed and documented internally.

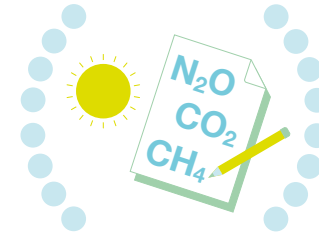
In addition, the Nanjing site is certified according to DIN EN ISO 14064-1. This certification relates to the Corporate Carbon Footprint (CCF) analysis and was carried out by an external auditor.

Energy management

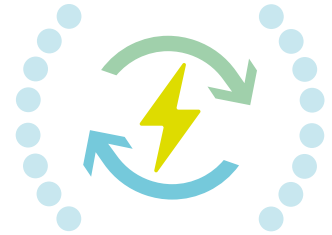
Since 2015, we have operated an energy management system certified according to DIN EN ISO 50001 at our production site in Schwarzenbek. The system enables structured recording, analysis, and control of operational energy consumption with the aim of identifying savings potential and improving energy use efficiency. The energy management system is embedded in the QHSE policy and complements the environmental management system with a dedicated mechanism for energy performance control.

As part of the energy management system, energy consumption is systematically recorded, analysed, and reduced. This provides us with the key tools to monitor our energy efficiency closely and achieve significant long-term improvements. We are currently working to refine our energy data classification by differentiating our analysis according to process chains and product families. This approach enhances our data quality and forms the basis for developing further optimisation measures.

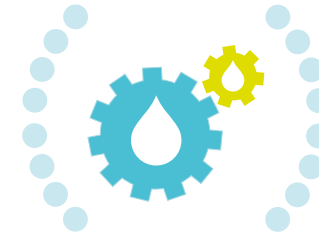
Responsibility for developing and implementing energy efficiency measures and projects lies with various departments and functions within the respective business units. At the Schwarzenbek site, an Energy Management Officer and an energy management team have been appointed. They report regularly to the management board and monitor the effectiveness of implemented efficiency measures.



Greenhouse Gas Accounting and Verification
DIN EN ISO 14064-1 : 2018



Energy Management System
DIN EN ISO 50001 : 2018



Environmental Management System
DIN EN ISO 14001 : 2015

ISO 50001
*Fette Compacting
has been ISO 50001
certified since 2015.*



E1 Climate change

ESRS E1-3

Actions and resources in relation to climate change policies

Fette Compacting implements targeted measures to reduce its own energy consumption, cut emissions, and increase resilience to climate-related risks. The focus is on technical, organizational, and infrastructural approaches that aim at continuous efficiency improvements and proactive climate adaptation.

To improve energy efficiency, various measures have been implemented at the production sites, including the conversion to LED lighting, the automation of lighting systems, and the expansion of metering systems for detailed consumption monitoring. In addition, energy use is increasingly analyzed in a differentiated way by process chains and product families to identify and implement specific optimization potentials.

In the area of electromobility, the charging infrastructure at the Schwarzenbek site was expanded in 2024. In addition, a company bicycle leasing program was introduced to promote sustainable mobility solutions. These offerings provide incentives for climate-friendly behavior in everyday work life. Emissions from the Group’s vehicle fleet are low overall but are accounted for as part of the corporate carbon footprint.

Within energy management, energy consumption is continuously monitored and evaluated based on monthly performance reports. Measures derived from this process range from operational efficiency initiatives and investments in modern equipment to training employees on the responsible use of energy. In addition, awareness campaigns are conducted to promote energy efficiency and environmentally conscious behavior in the workplace.

Coverage by management systems (as of 2024)

Certification	Description	Coverage (Employees)	Coverage (Sites)
ISO 14001	Environmental management system	82.25 %	15.40 %
ISO 14064-1	Verification of GHG inventory (Scope 1–3)	14.72 %	7.70 %
ISO 50001	Energy management system	67.51 %	7.70 %

In the area of renewable energy, the company is currently preparing the construction of a ground-mounted photovoltaic system at the Schwarzenbek site. The system, with a planned capacity of 1.6 MW, is expected to cover around ten percent of the site’s electricity demand starting in late 2025. With this project, Fette Compacting aims to become more independent from volatile energy markets and to improve its climate footprint. Heat energy consumption at the Schwarzenbek site is continuously monitored and analyzed to identify operational efficiency gains.

The company also relies on lower-emission logistics solutions within its supply chain. The “local for local” strategy is being gradually expanded to shorten transport routes and reduce delivery times. Procurement processes are increasingly aligned to source materials and goods as close as possible to the point of production.

To address physical climate risks, a site-specific climate risk assessment was conducted in 2024. Based on this analysis, measures to secure site infrastructure are being evaluated – for example, in the areas of flood protection, infrastructure resilience, or emergency preparedness. The results are integrated into ongoing planning and risk management processes and form the basis for further adaptation steps.

The implementation of these measures is site-specific and coordinated closely between central expert functions and local environmental and energy management officers. Funding is provided on a project-by-project basis. An expansion of existing activities – particularly in the area of renewable energy – is planned.

E1 Climate change

ESRS E1-4

Targets related to climate change mitigation and adaptation

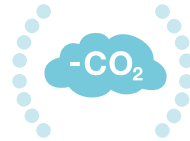
Fette Compacting aims to reduce its greenhouse gas emissions in the long term and to systematically address the impacts of climate change. The current focus is on collecting reliable emissions data and building a robust system for management and target setting.

In 2023, Fette Compacting joined the Science Based Targets initiative (SBTi) to establish medium-term science-based emission reduction targets aligned with the 1.5 °C goal of the Paris Agreement. At the time of reporting, no quantified emission reduction targets had yet been adopted. The development of such targets is currently underway as part of a group-wide project. The company-wide carbon footprint will serve as the basis for this process and is currently being developed step by step.

At present, the corporate carbon footprint is calculated solely for the two production sites in Schwarzenbek (Germany) and Nanjing (China). An expansion of the footprint to include other entities of the Fette Compacting Group is planned and currently in preparation. The sites currently included cover approximately 82 % of the global workforce.

At a higher level, Fette Compacting pursues a series of strategic objectives in the environmental and climate sector, which currently serve as a framework for content within the environmental and energy management system.

Main Environmental Protection Objectives at Fette Compacting



Continuous reduction of CO₂ emissions: Striving for climate neutrality through systematic measures.



Reduction of energy consumption: Implementation of measures for the continuous reduction of total energy consumption and increased use of renewable energy sources.



Prevention of environmental damage: Active measures to prevent environmental pollution.



Responsible use of resources: Careful handling of natural resources, including the involvement of our partners and stakeholders.



Waste management: Systematic reduction of waste generation and optimization of sorted material and waste management.



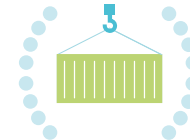
Resource-efficient products: Development and promotion of resource-conserving products and services, including the use of environmentally friendly technologies.



Raising environmental awareness: Strengthening the responsibility for environmental protection and energy efficiency within the company and encouraging employees to contribute to the improvement of these areas.



Supporting climate protection projects: Commitment to climate protection projects and initiatives.



Sustainable procurement: Promotion of responsible procurement, including avoiding conflict materials from conflict regions.

In the 2024 reporting year, there were no violations of legal environmental requirements. No fines were imposed and no complaints regarding environmental impacts were reported.



E1 Climate change

ESRS E1-5

Energy consumption and mix

In the reporting year 2024, the total energy consumption of the Fette Compacting Group at its two production sites amounted to 9,908.90 megawatt hours (MWh). Of this, 8,513.12 MWh were attributable to the headquarters in Schwarzenbek (Germany) and 1,395.78 MWh to the site in Nanjing (China). Compared to the previous year, energy consumption at the Schwarzenbek site increased by 4.10 % (2023: 8,177.96 MWh), while in Nanjing it rose by 1.49 %.

Note on data basis:

The figures presented are based on an enhanced methodology in line with the requirements of ESRS E1. Compared to the 2023 report, additional energy carrier categories were included. As a result, deviations from the comparative figures published in the previous year may occur.

Energy mix 2024 (purchased energy)

Energy mix for 2024 at the Schwarzenbek site, Germany	2024
fossil fuels	33 %
nuclear energy	8 %
renewable energy	59 %

Energy mix in 2024 at the Nanjing site, China	2024
fossil fuels	100 %
nuclear energy	0 %
renewable energy	0 %

Starting in 2025, Fette Compacting will source 100 % green electricity at both production sites. The aim is to significantly reduce Scope 2 emissions in particular and increase the share of renewable energies in the overall energy mix.

Energy consumption and mix			Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing			Δ in %
			2023	2024	Δ in %	2023	2024	Δ in %	
(1) Fuel consumption from coal and coal products (MWh)		§38 a	MWh	NR	NR		NR	NR	
(2) Fuel consumption from crude oil and petroleum products (MWh)	Scope 1.2	§38 b	MWh	261.03	298.72	14.44	122.28	122.65	0.30
(3) Fuel consumption from natural gas (MWh)	Scope 1.1	§38 c	MWh	3,386.43	3,476.20	2.65	NR	NR	
(4) Fuel consumption from other fossil sources (MWh)		§38 d	MWh	NR	NR		NR	NR	
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	Scope 2.0	§38 e	MWh	1,387.27	1,559.83	12.44	1,253.01	1,273.14	1.61
Entity spec: Consumption of purchased electricity for electric vehicles (externally charged) from fossil sources (MWh)	Scope 2.0	§38 e	MWh	4.60	4.03	-12.50	NR	NR	
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)		§37 a	MWh	5,039.33	5,338.78	5.94	1,375.29	1,395.78	1.49
Share of fossil sources in total energy consumption (%)		§36 / §37, AR34	%	61.62	62.71		100.00	100.00	
(7) Consumption from nuclear sources (MWh)		§37 b	MWh	244.02	378.14	54.97	0	0	0
Entity spec: Consumption of purchased electricity for electric vehicles (externally charged) from nuclear sources (MWh)	Scope 2.0	§37 b	MWh	0.19	0	-100.00	NR	NR	
Share of consumption from nuclear sources in total energy consumption (%)		§36 / §37, AR34	%	2.99	4.44		0	0	
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)		§37 c i	MWh	NR	NR		NR	NR	
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	Scope 2.0	§37 b	MWh	2,887.52	2,788.79	-3.42	0	0	
Entity spec: Consumption of purchased electricity for electric vehicles (externally charged) from renewable sources (MWh)			MWh	7.09	7.41	4.49	NR	NR	
(10) The consumption of self-generated non-fuel renewable energy (MWh)		§36 / §37, AR34	MWh	NR	NR		NR	NR	
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)		§37 c	MWh	2,894.61	2,796.21	-3.40	0	0	0
Share of renewable sources in total energy consumption (%)		§36 / §37, AR34	%	35.40	32.85		0	0	
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		§35	MWh	8,177.96	8,513.12	4.10	1,375.29	1,395.78	1.49
Energy intensity per net revenue		§40	MWh/Dkkm	NS	NS		NS	NS	

NR Not relevant
NS Not stated



E1 Climate change

ESRS E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

In the reporting year 2024, Fette Compacting prepared its first comprehensive carbon footprint in accordance with the requirements of ESRS E1-6. The calculation of greenhouse gas (GHG) emissions is based on the GHG Protocol and distinguishes between the categories Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (other indirect emissions along the value chain). The accounting covered the two production sites in Schwarzenbek (Germany) and Nanjing (China).

Currently, emissions are recorded exclusively for these two sites. An extension to other entities of the Fette Compacting Group is planned. The sites covered so far account for approximately 82 % of the global workforce (based on the 2024 reporting year).

Assessing the GHG emissions of the Fette Compacting Group is a key prerequisite for understanding and improving the company's climate impact. GHG emissions are allocated as follows:

Scope 1 emissions include all direct emissions from stationary and mobile combustion as well as fugitive emissions. In 2024, a total of 926.88 t CO₂e was recorded, of which 794.46 t CO₂e was attributable to the site in Germany and 132.42 t CO₂e to the site in China.

Scope 2 emissions (market-based approach) include indirect emissions from purchased electricity, taking into account the electricity mix contractually assigned. Market-based Scope 2 emissions amounted to 2,016.15 t CO₂e, of which 1,332.99 t CO₂e in Germany and 683.16 t CO₂e in China.

Scope 3 accounts for by far the largest share of total emissions. For 2024, a total of 34,763.02 t CO₂e was calculated (Germany: 32,767.68 t / China: 1,995.34 t). These emissions mainly relate to purchased goods and services, use of sold products, upstream and downstream transportation, business travel, and employee commuting.

Market-based total GHG emissions (Scopes 1, 2 and 3) amounted to 37,706.05 t CO₂e in the reporting year 2024, of which 34,895.13 t CO₂e was attributable to the site in Germany and 2,810.92 t CO₂e to the site in China.

Methodological notes:

The accounting follows the GHG Protocol. The calculation is based on site-specific consumption data and recognised emission factors. Not all Scope 3 categories could be fully covered at this stage. An expansion of the data basis is part of the group-wide Carbon Footprint Project.

Gross GHG emissions by category (Scope 1, 2, and 3) and total GHG emissions			Fette Compacting GmbH Schwarzenbek		Fette Compacting China Nanjing		
			2024	%-share	2024	%-share	
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions		§44 a, §48 a	t CO₂e	794.46	2.28	132.42	4.71
Percentage of Scope 1 GHG emissions from regulated emission trading schemes		§44 a, §48 b	%	NR	NR	NR	NR
Stationary Combustion	Scope 1.1		t CO ₂ e	698.72	2.00	0.02	0
Mobile Combustion	Scope 1.2		t CO ₂ e	85.20	0.24	32.30	1.15
Process Emissions	Scope 1.3		t CO ₂ e	NR	NR	NR	NR
Fugitive Emissions	Scope 1.4		t CO ₂ e	10.55	0.03	100.10	3.56



Gross GHG emissions by category (Scope 1, 2, and 3) and total GHG emissions				Fette Compacting GmbH Schwarzenbek		Fette Compacting China Nanjing	
				2024	%-share	2024	%-share
Scope 2 GHG Emissions							
Location-based Scope 2 gross GHG emissions (Purchased energy, electricity mix of the region/country)	Scope 2.0	§44 b, §49 a	t CO ₂ e	2,094.01	5.87	NS	NS
Market-based Scope 2 gross GHG emissions (Purchased energy, electricity mix purchased by the company)	Scope 2.0	§44 b, §49 b	t CO ₂ e	1,332.99	3.82	683.16	24.30
Significant Scope 3 GHG emissions							
Total indirect (Scope 3) gross GHG emissions		§44 c	t CO₂e	32,767.68	93.90	1,995.34	70.99
1 Purchased goods and services	Scope 3.1	§51	t CO ₂ e	11,125.92	31.88	1,238.18	44.05
2 Capital goods	Scope 3.2	§51	t CO ₂ e	609.80	1.75	NS	NS
3 Fuel- and energy-related activities (not included in Scope 1 or 2), upstream	Scope 3.3	§51	t CO ₂ e	150.21	0.43	NS	NS
4 Upstream transportation and distribution	Scope 3.4	§51	t CO ₂ e	3,217.09	9.22	312.13	11.10
5 Waste generated in operations	Scope 3.5	§51	t CO ₂ e	60.43	0.17	15.60	0.55
6 Business travel	Scope 3.6	§51	t CO ₂ e	321.41	0.92	151.08	5.37
7 Employee commuting	Scope 3.7	§51	t CO ₂ e	1,039.14	2.98	248.80	8.85
8 Upstream leased assets	Scope 3.8	§51	t CO ₂ e	NR	NR	NR	NR
9 Downstream transportation and distribution	Scope 3.9	§51	t CO ₂ e	3,199.01	9.17	29.55	1.05
10 Processing of sold products	Scope 3.10	§51	t CO ₂ e	NR	NR	NR	NR
11 Use of sold products	Scope 3.11	§51	t CO ₂ e	12,997.17	37.25	NS	NS
12 End-of-life treatment of sold products	Scope 3.12	§51	t CO ₂ e	47.49	0.14	NS	NS
13 Downstream leased assets	Scope 3.13	§51	t CO ₂ e	NR	NR	NR	NR
14 Franchises	Scope 3.14	§51	t CO ₂ e	NR	NR	NR	NR
15 Investments	Scope 3.15	§51	t CO ₂ e	NR	NR	NR	NR
Total GHG emissions							
Total GHG emissions (location-based)		§44 d, §52 a	t CO₂e	35,656.14		NS	
Total GHG emissions (market-based)		§44 d, §52 b	t CO₂e	34,895.13	100.00	2,810.92	100.00

NR Not relevant
NS Not stated



E5 Resource use and circular economy

ESRS 2 IRO-1/E5

Our material impacts, risks and opportunities (IROs)

As part of the group-wide double materiality assessment (DMA) in 2024, all ESG topics covered by the European Sustainability Reporting Standards (ESRS) were systematically assessed with regard to their impacts, risks and opportunities (IROs).

For the topic of “E5 Resource use and circular economy”, the LMT Group identified a total of eleven IROs as material. The main focus areas include resource efficiency, long-lasting products, recycling and circular systems, regulatory environmental transparency, and environmental impacts within the supply chain.

The table below provides a structured overview of the material IROs related to resource use and circular economy, as well as the corresponding management approaches implemented by Fette Compacting to address these issues.

Other potential impacts and risks – for example in connection with resource scarcity and rising raw material costs, increased qualification requirements due to sustainable production processes, or logistical challenges related to take-back and recycling – were considered in the DMA but assessed as not material due to their currently limited relevance, existing control mechanisms or low probability of occurrence.

IRO Title	IRO Description	How do we manage this IRO?
Efficient resource management	By implementing systematic resource efficiency measures - for example to avoid waste, optimize production processes or reduce the use of materials - Fette Compacting reduces both environmental pollution and operating costs in its own value chain.	We continuously analyse material consumption and process losses and implement measures such as process optimization or material substitution. Progress is documented and regularly evaluated as part of environmental management.
Competitive advantages through resource-saving processes	Through resource-saving production processes - such as the use of durable components or energy-efficient machines - Fette Compacting reduces material consumption and at the same time increases its own competitiveness and the efficiency of its customers.	Conserving resources is an integral part of our technological approach. In product development, we focus specifically on optimized machine designs. We strengthen sustainable process solutions for our customers through targeted training and technological advice.
Environmental and customer benefits through sustainable packaging	By increasing the use of recyclable packaging materials and integrating environmental criteria into the supply chain, Fette Compacting aims to reduce the environmental impact of packaging solutions and increase customer satisfaction.	As part of an internal project, alternative packaging materials are being evaluated, pilot projects are being carried out to implement environmentally friendly shipping solutions and environmental aspects are gradually being integrated into the supplier selection process.
Conserving resources through durable products and modernization	The targeted development of durable, modular products reduces the consumption of raw materials and minimizes waste throughout the life cycle.	Designing our products for durability and repairability is an integral part of the development process. The availability of spare parts, upgrades and modular designs help to conserve resources over the product life cycle.
Digital solutions to save resources and optimize processes	The use of digital solutions reduces resource consumption and makes customers' production processes more sustainable.	We use digital tools (ConditionMonitor, predictive maintenance) to improve energy and material efficiency in customer processes. These solutions are part of our digitalization portfolio and are being continuously developed.
Regulatory environmental transparency through digital product information	The development of digital product information increases environmental transparency and promotes regulatory compliance.	Fette Compacting monitors current regulatory developments (e.g. the introduction of digital product passports in accordance with the Ecodesign Regulation) and examines the integration of digital environmental information into future product concepts
Conservation of natural resources through recycling structures	The separate collection and return of waste to recycling processes conserves natural resources and reduces environmental pollution.	Fette Compacting operates a structured waste management system at central locations with a focus on sorting and recycling. Recycling potential and return routes are continuously evaluated and optimized as part of environmental management.



E5 Resource use and circular economy

ESRS E5-1

Policies related to resource use and circular economy

Fette Compacting manages the topic of resource use and circular economy on the basis of the group-wide QHSE Policy (Quality, Health, Safety, Environment). This policy applies globally to all organisational units and defines binding principles for the responsible use of natural resources, the prevention of environmental pollution, and the continuous improvement of environmental performance.

In addition, certified management systems for environment (ISO 14001) and energy (ISO 50001) are in place. As outlined in chapter E1-2, these systems also apply to the topic of resource use and circular economy. They define structured procedures for identifying, assessing and monitoring environmental aspects related to resource consumption. In this context, the focus lies in particular on the efficient use of materials, waste prevention, and circular approaches along the product lifecycle.

These existing policies provide the conceptual framework for managing the material impacts, risks and opportunities related to resource use and circular economy, as identified in the group-wide double materiality assessment.

IRO Title	IRO Description	How do we manage this IRO?
Environmental impact due to intensive use of raw materials and energy	The extraction and energy-intensive processing of raw materials has a direct impact on the environment, particularly through emissions and resource consumption along the supply chain.	To reduce environmental risks in the supply chain, we address environmental requirements via basic standards of conduct and delivery conditions. In the future, the integration of environmental aspects such as resource conservation and energy use into supplier evaluations and procurement processes will be systematically developed further.
Resource losses due to inadequate recycling and recovery systems	The lack of return and recycling systems in the product life cycle increases the use of resources and potentially reusable materials are lost.	In the future, the gradual establishment of take-back and recycling systems will be considered in order to identify recyclable components and increase reuse potential in the medium term. The existing used machinery business can serve as a possible starting point for future return mechanisms.
Sustainability risks due to inadequate supply chain management	A lack of sustainability standards in the supply chain can result in ecological and reputational risks, particularly with regard to environmental pollution or a lack of resource conservation on the part of suppliers.	We establish binding standards for environmental criteria as part of the Supply Chain Sustainability Act (LkSG). Suppliers are assessed using systematic tools and evaluation methods.
Reputational impact through environmental transparency in the product life cycle	Comprehensible environmental information throughout the product life cycle fulfills customer expectations of sustainability and strengthens credibility in the market.	The environmental communication of product features is being gradually expanded. The aim is to create a higher degree of environmental transparency throughout the product development process in future, including through systematic data collection and ESG criteria during development

E5 Resource use and circular economy

ESRS E5-2

Actions and resources related to resource use and circular economy

The Fette Compacting Group implements a variety of measures to increase the resource efficiency of its products and processes and to minimise potential environmental impacts. The measures described are directly linked to the material impacts, risks and opportunities presented in chapter ESRS 2 IRO-1 / E5, as well as to the related management approaches.

Sustainability criteria are already integrated into product development to ensure that machines and systems operate efficiently and with minimal resource use. The aim is to improve not only the company's own manufacturing processes but also the tablet production of its customers from a sustainability perspective. In this context, energy-efficient motor cooling systems and modular, durable materials are used to reduce material consumption and lower environmental impacts.

To extend product lifecycles, Fette Compacting offers regular maintenance, targeted modernisation, upgrade kits and general overhauls. This is supported by digital tools such as the Upgrade Cockpit, which provides information on necessary updates. The use of new technologies – such as the ConditionMonitor – enables condition-based maintenance, which reduces downtime and increases energy efficiency.

Digitalisation plays a key role in the development of resource-efficient processes. The ConditionMonitor enables continuous real-time data analysis and helps customers reduce energy consumption and material losses during operation. In addition, digital services such as remote maintenance and virtual machine acceptance facilitate more efficient collaboration while reducing travel needs.

Fette Compacting also places great emphasis on the efficient use of materials in its own production. High-quality raw materials, such as stainless steel or other FDA-approved materials, are used in a targeted and sparing manner. The corporate carbon footprint analysis has shown that material use has a significant impact on Scope 3 emissions. Despite the high performance requirements for our machines, steel remains an essential material. We therefore strive to limit the use of steel to the necessary minimum and to use all materials as efficiently as possible.

We continuously work to improve our product portfolio and production processes in order to minimise material waste. Through recycling and the reuse of materials, we contribute to the conservation of natural resources and the reduction of environmental impacts in our production. Our goal is to optimise raw material consumption and to reduce waste.

ESRS E5-3

Targets related to resource use and circular economy

Fette Compacting currently does not pursue quantitative sustainability targets specifically for the topic of resource use and circular economy. Instead, qualitative objectives and performance indicators are integrated into existing management systems. Steering is carried out through defined measures aimed at increasing efficiency, modernisation and material conservation, the effectiveness of which is regularly evaluated.



E5 Resource use and circular economy

ESRS E5-4

Resource inflows

As part of the preparation of the corporate carbon footprint (CCF), Fette Compacting recorded and analysed the relevant material flows at its production site in Schwarzenbek. In 2024, the total weight of all materials used – including products as well as technical and biological materials and packaging – amounted to 2,609.92 tonnes.

Fette Compacting GmbH, Schwarzenbek					
Resource inflows (product-related)			2023	2024	Δ in %
Total weight of products used and technical and biological materials (incl. packaging)	§31 a	t	2,169.20	2,609.92	
Steel	§31a	t	1,360.44	1,506.32	10
Electronics	§31a	t	30.51	65.65	54
Aluminum	§31a	t	37.12	38.81	4
Plastic	§31a	t	633.36	889.83	29
Bronze	§31a	t	45.47	57.58	21
Brass	§31a	t	33.97	28.36	-20
Copper	§31a	t	16.10	17.16	6
Rubber	§31a	t	12.23	6.21	-97
Wood	§31a	t	112.05	116.93	4
Percentage of sustainably sourced biological materials	§31 b	%	NS	NS	
Absolute weight of reused or recycled components, products, materials (incl. packaging)		t			
Proportion of the quantity of reused or recycled components in the total weight of the products used	§31 c	t	NS	NS	
Percentage of the total weight of the products used	§31 c	%	NS	NS	

NR Not relevant
NS Not stated

E5 Resource use and circular economy

ESRS E5-5

Resource outflows, Waste

Fette Compacting places great emphasis on the responsible disposal of production and commercial waste generated at the Schwarzenbek site. Our primary focus is on waste prevention. Through efficient production processes and optimised material use, we aim to avoid the generation of waste from the outset. Where this is not possible, we focus on reduction and reuse.

Unavoidable waste is recycled wherever feasible. The majority of waste is directed to material or thermal recovery. Recycling methods are also used to process construction debris, biodegradable waste and metal residues in line with circular economy principles, with the goal of recovering valuable resources.

Only when all recovery options have been exhausted is waste disposed of in a proper and professional manner by certified waste management companies in compliance with EU regulations and German waste legislation. Our aim is to keep the share of non-recoverable waste permanently low.

An important component of our strategy is the awareness of our employees. Through training and information campaigns, we promote awareness of waste prevention and the importance of proper recycling.

We continuously strive to further develop our environmental management system. This includes regular reviews and adjustments to our waste and recycling processes to ensure that we

meet the highest standards and achieve our environmental goals. Through these measures, Fette Compacting actively contributes to environmental protection and to the promotion of the circular economy.

Resource outflows, Waste				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
				2023	2024	Δ in %	2023	2024	Δ in %
Total Amount of Hazardous Waste	§37 b, §39	t	261.30	276.89	5.97	10.60	14.65	38.22	
Amount Diverted from Disposal (Recovery)	§37 b	t	241.14	259.71	7.70	2.38	3.13	31.61	
Preparation for Reuse	§37 b i	t	0	0	0	0	0	0	
Recycling	§37 b ii	t	228.63	246.46	7.80	2.38	3.13	31.61	
Other Recovery Operations	AR31	§37 b iii	t	12.51	13.25	5.93	0	0	0
Amount Destined for Disposal (Disposal)	§37 c	t	20.17	17.18	-14.81	8.21	11.51	40.14	
Incineration	§37 c i	t	20.17	17.18	-14.81	1.52	2.01	32.28	
Landfilling	§37 c ii	t	0	0	0	0	0	0	
Other disposal operations	AR32	§37 c iii	t	0	0	0	6.70	9.50	41.92

E5 Resource use and circular economy

Resource outflows, Waste			Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
			2023	2024	Δ in %	2023	2024	Δ in %
Total Amount of Non-Hazardous Waste	§37 b	t	737.40	956.65	29.73	35.73	31.64	-11.45
Amount Diverted from Disposal (Recovery)	§37 b	t	701.98	917.67	30.73	34.13	31.26	-8.41
Preparation for Reuse	§37 b i	t	0	0	0	0	0	0
Recycling	§37 b ii	t	631.47	839.13	32.89	17.02	12.08	-29.02
Other Recovery Operations	AR31	§37 b iii	70.51	78.55	11.39	17.11	19.18	12.10
Amount Destined for Disposal (Disposal)	§37 c	t	35.42	38.98	10.05	1.60	0.38	-76.25
Incineration	§37 c i	t	35.42	38.98	10.05	0	0	0
Landfilling	§37 c ii	t	0	0	0	1.60	0.38	-76.25
Other disposal operations	AR32	§37 c iii	0	0	0	0	0	0
Total Waste Generation	§37 a	t	998.71	1,233.54	23.51	46.33	46.29	-0.09
Amount Diverted from Disposal	§37 b	t	943.12	1,177.38	24.84	36.51	34.39	-5.80
Share of Waste Diverted from Disposal in Total Waste Generation		%	94.43	95.45		78.81	74.31	
Amount Destined for Disposal	§37 c	t	55.59	56.16	1.03	9.81	11.89	21.16
Share of Waste Destined for Disposal in Total Waste Generation		%	5.57	4.55		21.19	25.69	
Total Amount of Non-Recycled Waste	§37 d	t	138.61	147.96	6.74	26.92	31.07	15.40
Indication of the Percentage of Total Waste Generated		%	13.88	11.99		58.12	67.13	

Explanation for the increase in non-hazardous waste:
The increase in waste volume in 2024 is due to additional construction and demolition work at the Schwarzenbek site.

Social

58 S1 Own workforce

80 S2 Workers in the value chain

84 S4 Consumers and end-users





S1 Own workforce

The employees of the Fette Compacting Group are the foundation of our business success. In order to retain them in the long term and unlock their potential, we strive to offer attractive working conditions, foster an inclusive corporate culture, and uphold human rights due diligence across all our locations worldwide.

ESRS 2 SBM-3/S1

Our material impacts, risks and opportunities (IROs)

As part of the group-wide double materiality assessment (DMA) in 2024, all ESG topics covered by the European Sustainability Reporting Standards (ESRS) were systematically assessed with regard to their impacts, risks and opportunities (IROs).

For the topic of “S1 Own workforce”, the LMT Group identified a total of twelve IROs as material. These mainly relate to the promotion of fair and safe working conditions, the advancement of equality and diversity, and the protection of labour rights along our value chain.

The table below provides a structured overview of the material IROs in the area of own workforce, along with the respective management approaches applied by Fette Compacting to address these topics.

Other potential negative impacts and risks – such as failure to reach potential applicants on the labour market or health and performance risks due to psychological or physical overload – were also considered in the DMA. However, due to existing preventive measures, they were assessed as not material.

Management of material IROs

IRO Title	IRO Description	How do we manage this IRO?
Working conditions		
Employer attractiveness through modern working conditions	Attractive working conditions strengthen employee loyalty and improve the company's position in the market for skilled workers.	We offer attractive framework conditions such as mobile working, modern working time models, company pension schemes and social benefits.
Productivity through satisfied employees	Satisfied employees increase motivation, process efficiency and product quality.	Employee satisfaction is regularly surveyed and analyzed as part of feedback formats such as employee appraisals and team dialogues. These elements are integrated into central HR processes.
Culture of trust through open communication	Trust and the working atmosphere are improved through open communication and an established feedback culture.	Fette Compacting promotes an open communication culture through regular feedback formats. Managers are gradually sensitized to feedback and motivation techniques.
Cultural change through shared values	A value-based cultural change promotes cooperation, identification and sustainable relationships within the company in the long term.	Our corporate values are anchored in the Code of Conduct and form the basis for respectful, trust-based cooperation. The cultural change is supported by communication formats and leadership development.

Equality / non-discrimination		
Employer attractiveness through diversity	A diverse and fair working environment increases the attractiveness for applicants and employees.	As part of our HR strategy, we promote diversity through age-independent recruitment, international teams and consideration of individual life situations.
Equality as a trust factor	Fair development opportunities and equal rights strengthen trust and loyalty within the company.	We ensure fair development opportunities through transparent HR processes and promote equal treatment in everyday working life. Further training opportunities are provided in line with requirements.
Performance through inclusion	Practicing diversity and inclusion promotes an open, high-performance corporate culture	We strive for an inclusive corporate culture and create suitable framework conditions for this - e.g. through mixed teams and open communication in everyday working life.
Diversity as development potential	Promoting diversity and equal opportunities strengthens the company's development potential and supports its ability to innovate.	Measures such as flexible working models, childcare options, the appointment of an equal opportunities officer and initiatives such as Girls' Day promote equal opportunities and diversity.
Other work-related rights		
Protection of human rights in the world of work	Implementing human rights standards strengthens compliance and promotes the trust of employees and stakeholders.	Human rights due diligence obligations are ensured by the LkSG declaration of principles, internal guidelines, mandatory training and the appointment of a human rights officer.
Confidence protection for employees through whistleblower systems	Established regulations and whistleblower systems strengthen employees' trust in the integrity and fairness of the company.	The Fette Compacting Group's Group-wide whistleblower system "Speak Up" enables anonymous reporting of violations worldwide. Any information received is treated confidentially in accordance with the compliance guidelines and supported by defined review, response and training processes.
Employer attractiveness through transparent HR communication	Openness and transparent communication increase credibility and strengthen the trust of employees and applicants.	Fette Compacting reports regularly on relevant HR topics and continuously improves the database for internal and external transparency.
Competitiveness through sustainable care	Robust due diligence systems for compliance with human rights standards strengthen our reputation as a responsible employer in the long term.	The Fette Compacting Group's compliance management is supported by clear responsibilities, risk analyses and monitoring processes. The processes are closely linked to the LkSG approach and also serve to ensure employer attractiveness.



S1 Own workforce

ESRS S1-1

Policies related to own workforce

The Fette Compacting Group is committed to respecting internationally recognised standards for human rights due diligence, fair working conditions and responsible business conduct. Our core policies and processes – in particular our Code of Conduct – are aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the eight core conventions of the International Labour Organization

(ILO). By adhering to these global frameworks, we promote a corporate culture based on integrity, respect and human dignity for all employees.

These standards include, among others, freedom of association, the prohibition of child and forced labour, equal treatment, fair remuneration, anti-discrimination, anti-corruption and compliance with applicable laws. Their binding integration into our Code of Conduct ensures consistent application across all locations.

Our personnel-related policies, as presented in the attached overview, address key aspects with potential impacts on our employees. The aim is to prevent negative impacts, effectively manage identified risks, and proactively leverage opportunities related to a fair, inclusive and safe working environment.

Management of material IROs

Policy overview S1	Scope	Collective bargaining coverage (S1-8)	Social dialogue (S1-8)	Diversity (S1-9)	Adequate wages (S1-10)	Social Protection (S1-11)	Persons with disabilities (S1-12)	Health and Safety (S1-14)	Work-life balance (S1-15)	Human Rights (S1-17)	Complaint procedures (S1-17)	Data protection
Code of Conduct	Fette Compacting Group	■	■	■			■	■	■	■	■	■
Works agreements	Fette Compacting GmbH, Schwarzenbek	■	■	■	■	■	■	■	■	■	■	■
Rules for the complaints procedure	LMT Group			■				■		■	■	■
Human Rights Statement (LkSG)	LMT Group							■		■	■	
UK Modern Slavery Act	LMT Group							■		■	■	
QHSE Policy	Fette Compacting Group							■				
Inclusion Agreement LMT Group	LMT Group			■			■					
Data Protection Policy	Fette Compacting GmbH, Schwarzenbek											■

For further information on our guidelines, see also MDR-P

S1 Own workforce

Our policies on equal treatment and inclusion address various forms of discrimination – including ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion or belief, political opinion, national origin and social background – and are aligned with applicable EU and national anti-discrimination legislation. Our Inclusion Agreement and HR principles promote a non-discriminatory work environment and aim to ensure fair development opportunities, particularly for underrepresented groups. The objective is to strengthen and structurally embed equal treatment throughout the entire employment relationship.

To promote the health, safety and well-being of our employees, we have established a structured occupational health and safety management system. The production site in China is already certified in accordance with DIN EN ISO 45001. At the headquarters in Schwarzenbek and other locations, occupational health and safety measures are implemented based on internal standards and applicable legal requirements; ISO 45001 certification is planned for the future. All measures are aimed at minimising work-related risks and ensuring a safe working environment.



**Occupational Health
and Safety Management**
DIN EN ISO 45001 : 2018

Reports concerning discrimination, harassment, legal violations or other misconduct that are not in line with our values and policies can be submitted through multiple channels – including confidentially via the anonymous whistleblowing system “Speak-Up”. All reports are reviewed with care in accordance with our group-wide compliance process. Relevant remedial actions are implemented, and insights gained are used to further improve our policies and management systems. This ensures that our principles are not only stated, but effectively put into practice.

More information about the whistleblowing system “Speak-Up”

ESRS S1-2

Processes for engaging with own workforce

Engaging with our employees is a key element of our corporate culture. Our aim is to promote satisfaction, motivation and long-term retention, to leverage innovation potential, and to actively support cultural development processes. The underlying procedures are diverse, systematically established, and continuously refined.

A central format for employee engagement is the Culture Journey, which has been implemented internationally across all sites since 2022. In interactive workshops, employees actively engage with the values and principles that shape our daily interactions. The focus is not only on developing individual perspectives, but on building a shared mindset that we see as the foundation for an innovative and successful future. The Culture Journey is an integral part of onboarding for all new employees.

Another key process for structured engagement is the annual employee and qualification dialogue. These meetings provide space for mutual exchange between employees and managers – not only on professional development, but also for sharing feedback on working conditions, collaboration and leadership. A standardised dialogue guide promotes open communication, strengthens mutual understanding, and enables the direct integration of feedback into HR-related measures.

In addition, we conduct company-wide Brutal Facts workshops, in which employees are encouraged to speak openly about critical issues and jointly develop solutions. The feedback gained from these sessions directly informs measures to improve working conditions, leadership, and collaboration. Supplementing this, employees worldwide have access to standardised feedback cards that support respectful and direct feedback in everyday work situations, thereby reinforcing our active feedback culture.

As a digital communication platform, we use the group-wide intranet “Fette Connecting”, which enhances internal communication and creates transparency regarding current developments, change processes, and cultural initiatives. With a reach of around 78 % (2024), the intranet is a key instrument for cross-site employee engagement.

S1 Own workforce

Beyond these measures, employees are involved in operational decision-making through legally established co-determination bodies. The elected Works Council of Fette Compacting GmbH plays an active role in matters of information, consultation and co-determination, particularly in relation to labour issues and the implementation of measures to promote employee well-being. The representatives fulfil general responsibilities such as monitoring compliance with laws, regulations, accident prevention rules, collective agreements and company policies, and participate in co-determination and thematic committees. Fette Compacting involves the Works Council in all matters of information, consultation and codetermination. In the spirit of this trusted collaboration, company and employee interests are regularly regulated through joint agreements.

All of the above-mentioned procedures are designed to systematically incorporate employee perspectives into corporate decisions and cultural developments. They form the basis for a healthy, motivating work environment and enable the early identification of challenges – for example with regard to skills shortages, excessive workloads or the need for change.

ESRS S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

From our perspective, the existing dialogue formats with our employees have proven to be effective tools for identifying potential negative impacts at an early stage and initiating appropriate remedial actions.

Reports concerning discrimination, harassment, legal violations or other forms of misconduct that are not in line with our values and policies can be submitted confidentially via the “Speak-Up” whistleblowing system. All reports are reviewed, corrective measures are taken where necessary, and insights gained are incorporated into the continuous improvement of our internal processes. In this way, we ensure that our principles are not only stated, but actively applied in practice.

In addition to the whistleblowing system, employees have access to various internal contact points where they can express concerns or complaints – including managers, the HR department, the Works Council, the Youth and Trainee Representation (JAV), and the representative body for employees with severe disabilities. Furthermore, employees may contact the complaints office in accordance with the German General Equal Treatment Act (AGG). Employees also have the option to contribute suggestions for improvement through the company’s internal suggestion scheme.

All employees are informed about available reporting channels and contact points during onboarding and through regular internal communication. It goes without saying that all reports are treated with confidentiality and appropriate sensitivity.

More information about the whistleblowing system “Speak-Up”

ESRS S1-4

Taking action on material impacts, risks and opportunities

Based on the double materiality assessment conducted, the Fette Compacting Group has identified specific impacts, risks and opportunities related to its own workforce. A structured overview of all material IROs and the corresponding management approaches is provided in chapter S1-SBM3. The IROs outlined in S1-SBM3 are implemented through targeted activities, which are described in detail in the thematic subchapters S1-6 to S1-17.

More information on our material impacts, risks and opportunities (IROs)

ESRS S1-5

Targets

Fette Compacting has not yet defined quantitative targets within the meaning of S1-5. Instead, the company continuously monitors its initiatives and their impacts as part of its operational management processes. Nevertheless, the IROs identified are addressed through specific measures and established management mechanisms – for example in the areas of employer attractiveness, diversity, health promotion, skills development and human rights due diligence. The implementation and effectiveness of these measures are monitored and evaluated on a topic-specific basis, for example through existing HR metrics, feedback formats and structured employee dialogues.

S1 Own workforce

ESRS S1-6

Characteristics of the undertaking's employees

In the reporting year 2024, the Fette Compacting Group employed a total of 1,033 people across thirteen locations in Europe, Asia and the Americas. The largest unit is Fette Compacting GmbH, headquartered in Schwarzenbek, Germany, with 698 employees (67.5 % of the total workforce).

The following workforce indicators refer to Fette Compacting GmbH in Schwarzenbek (Germany) and Fette Compacting China Co., Ltd. in Nanjing (China). Together, these two entities cover 850 employees – representing 82.3 % of the Fette Compacting Group's total workforce. Additional subsidiaries will gradually be integrated into the consolidated ESG reporting.

Own workforce				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
				2023	2024	Δ in %	2023	2024	Δ in %
Characteristics of the undertaking's employees (S1-6)									
Total number of employees (excluding apprentices, students, and temporary workers)	S1-6	§50 a	Number	665	698	4.96	146	152	4.11
of which male	S1-6	§50 a, AR55	Number	536	562	4.85	110	115	4.55
share of total	S1-6	§50 a, AR55	%	80.60	80.52		75.00	76.00	
of which female	S1-6	§50 a, AR55	Number	129	136	5.43	36	37	2.78
share of total	S1-6	§50 a, AR55	%	19.40	19.48		25.00	24.00	
of which under 30 years	S1-9	§66b	Number	98	105	7.14	22	21	-4.55
of which 30 to 50 years	S1-9	§66b	Number	361	383	6.09	114	120	5.26
of which over 50 years	S1-9	§66b	Number	206	210	1.94	10	11	10.00
Total new hires in the reporting period			Number	49	54	10.20	14	12	-14.29
of which male			Number	38	45	18.42	11	11	0
of which female			Number	11	9	-18.18	3	1	-66.67

Own workforce				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
				2023	2024	Δ in %	2023	2024	Δ in %
Permanent employees	S1-6	§50 bi, AR55	Number	645	678	5.12	85	94	10.59
of which male	S1-6	§50 bi, AR55	Number	518	543	4.83	64	68	6.25
of which female	S1-6	§50 bi, AR55	Number	127	135	6.30	21	26	23.81
Temporary employees	S1-6	§50 bii, AR55	Number	20	20	0	4	4	0
of which male	S1-6	§50 bii, AR55	Number	18	19	5.56	1	1	0
of which female	S1-6	§50 bii, AR55	Number	2	1	-50.00	3	3	0
Non-guaranteed hours employees	S1-6	§50 biii, AR55	Number	15	15	0	NR	NR	
of which male	S1-6	§50 biii, AR55	Number	13	12	-7.69	NR	NR	
of which female	S1-6	§50 biii, AR55	Number	2	3	50.00	NR	NR	
Total number of employees who have left the undertaking during the reporting period	S1-6	§50 c	Number	40	27	-32.50	5	5	0
Rate of employee turnover in the reporting period	S1-6	§50 c	%	6.02	3.87		3.40	3.20	
Full-time employees	S1-6	§52 a, AR55	Number	591	618	4.57	146	152	4.11
of which male	S1-6	§52 a, AR55	Number	495	523	5.66	110	115	4.55
of which female	S1-6	§52 a, AR55	Number	96	95	-1.04	36	37	2.78
Part-time employees	S1-6	§52 b, AR55	Number	74	80	8.11	NR	NR	
of which male	S1-6	§52 b, AR55	Number	41	39	-4.88	NR	NR	
of which female	S1-6	§52 b, AR55	Number	33	41	24.24	NR	NR	
Number of apprentices and students			Number	61	75	22.95	4	4	0

NR Not relevant
NS Not stated

S1 Own workforce

ESRS S1-8

Collective bargaining coverage and social dialogue

Fette Compacting GmbH is a long-standing member of the employers' association Nordmetall and is subject to collective bargaining agreements. The company applies the remuneration and employment provisions of the metal and electrical industry (IG Metall, Coastal District, Hamburg region). Job classification is carried out in accordance with the collective agreement on remuneration structure (Entgeltrahmen-Tarifvertrag, ERA-TV), based on the requirements of each specific role. This ensures that all employees receive taskrelated, fair, and transparent remuneration. Equal treatment in terms of remuneration is also ensured for temporary agency workers.

In 2024, 622 out of a total of 1,033 employees of the Fette Compacting Group were covered by a collective bargaining agreement. This corresponds to a collective bargaining coverage rate of approximately 89 %. This coverage applies exclusively to employees based in Germany. In all other countries where the Fette Compacting Group operates, no collective bargaining agreements are in place. At international sites, the respective national labour law frameworks apply. In addition, internal standards are implemented to ensure fair working conditions.

At the China location (Fette Compacting China Co., Ltd.), which employs 152 people (approximately 15 % of the total workforce), no collective bargaining agreements are in place. However, a formal workers' representation with three elected representatives exists at the site, as required under the SA8000 certification.

Collective bargaining coverage and social dialogue (AR70)

Coverage rate	EEA – Collective bargaining coverage (countries with more than 50 employees and more than 10 % of total workforce)	Non-EEA – Collective bargaining coverage (estimated) (countries with more than 50 employees and more than 10 % of total workforce)	EEA – Workplace representation (countries with more than 50 employees and more than 10 % of total workforce)
0–19 %	–	–	–
20–39 %	–	–	–
40–59 %	–	–	–
60–79 %	–	–	–
80–100 %	Germany	–	Germany, China

Note: The table is based on the requirements of Appendix E to ESRS S1, paragraph 70. It covers all countries in which the Fette Compacting Group employs more than 50 people and which account for more than 10 % of the total workforce (Germany and China). For China, the collective bargaining coverage rate was estimated.

S1 Own workforce

We respect our employees' right to freedom of association and recognise their right to collective bargaining. In economically challenging situations, we work together with workers' representatives and social partners to develop viable solutions that best reflect the interests of all parties involved.

A works council exists in Germany. No employee representation bodies have been established at the level of a European Company (SE) or a European Works Council.

Own workforce				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing	
				2023	2024	Δ in %	2023	2024
Collective bargaining coverage and social dialogue (S1-8)								
Employees covered by collective agreements	S1-8	§60a	Number	593	622	4.89	NR	NR
Percentage of its total employees covered by collective bargaining agreements	S1-8	§60a, AR66	%	89.17	89.11		NR	NR
Employees covered by workers' representatives	S1-8	§63a, AR69	Number	664	697	4.97	NR	NR
Percentage of employees covered by workers' representatives	S1-8	§63a, AR69	%	99.85	99.86		NR	NR

NR Not relevant

S1 Own workforce

ESRS S1-9

Diversity metrics: Diversity, equal opportunities and inclusion

We firmly believe that diversity makes us stronger. Fette Compacting is a company shaped by diversity. We are aware that we can only be successful if we create a working environment that promotes equal opportunities, actively embraces inclusion, and consistently opposes discrimination.

We are committed to preserving and further strengthening our diversity. Therefore, we take a clear stand against all forms of discrimination and advocate worldwide for fair working conditions and equal respect for all people within our company.

This commitment applies to everyday interaction as well as to leadership. Respectful behaviour, consideration of cultural differences, protection of personal integrity, and the consistent prevention of insults, humiliation or sexual harassment are binding principles of how we work together. Such behaviour will not be tolerated.

Our commitment to fair working conditions excludes any form of disadvantage on the basis of gender, sexual orientation, ethnic origin, skin colour, age, disability, or other personal characteristics. For us, living diversity also means inclusion: we place great value on ensuring that people with disabilities are fully integrated into working life on an equal footing.

As a traditional mechanical engineering company, we record a sector-specific low share of women. Nevertheless, we fully recognise the value of diverse perspectives for team performance and innovation. We consider it a key future task to actively address this structural imbalance.

A dedicated equal opportunities officer further promotes awareness of equal treatment and supports the implementation of related measures.

S1 Own workforce

				LMT Group Schwarzenbek		
				2023	2024	Δ in %
Diversity metrics (S1-9)						
Number of members of the Supervisory Board (LMT Group)	GOV-1	§21d	Number	8	8	0
of which independent board members	GOV-1	§21e	Number	3	3	0
share of total	GOV-1	§21e	%	37.50	37.50	
of which executive	GOV-1	§21a	Number	0	0	0
of which non-executive	GOV-1	§21a	Number	8	8	0
of which male	GOV-1	§21d	Number	5	5	0
share of total	GOV-1	§21d	%	62.50	62.50	
of which female	GOV-1	§21d	Number	3	3	0
share of total	GOV-1	§21d	%	37.50	37.50	
of which under 30 years	GOV-1	§21d	Number	0	0	0
of which 30 to 50 years	GOV-1	§21d	Number	2	2	0
of which over 50 years	GOV-1	§21d	Number	6	6	0
Number of members of the Audit Committee (LMT Group)	GOV-1	§21d	Number	3	3	0
of which male	GOV-1	§21d	Number	2	2	0
of which female	GOV-1	§21d	Number	1	1	0
Number of members of the Personnel Committee (LMT Group)	GOV-1	§21d	Number	3	3	0
of which male	GOV-1	§21d	Number	2	2	0
of which female	GOV-1	§21d	Number	1	1	0

S1 Own workforce

				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
				2023	2024	Δ in %	2023	2024	Δ in %
Diversity metrics (S1-9)									
Number of executive management members	GOV-1	§21d	Number	2	3	50	1	1	0
of which male	GOV-1	§21d	Number	1	2	100	1	1	0
share of total	GOV-1	§21d	%	50.00	66.67		100.00	100.00	
of which female	GOV-1	§21d	Number	1	1	0	0	0	0
share of total	GOV-1	§21d	%	50.00	33.33		0	0	
of which under 30 years	GOV-1	§21d	Number	0	0	0	0	0	0
of which 30 to 50 years	GOV-1	§21d	Number	0	1	100	0	0	0
of which over 50 years	GOV-1	§21d	Number	2	2	0	1	1	0
Number of employee representatives	GOV-1	§21d	Number	11	13	18.18	3	3	0
of which male	GOV-1	§21d	Number	9	9	0	3	3	0
share of total	GOV-1	§21d	%	81.82	69.23		100.00	100.00	
of which female	GOV-1	§21d	Number	2	4	100.00	0	0	0
share of total	GOV-1	§21d	%	18.18	30.77		0	0	
Frequency of works council elections			Number	4	4	0	NR	NR	
Number of executive leadership team members	S1-9	§66a	Number	4	4	0	11	11	0
of which male	S1-9	§66a	Number	4	4	0	8	8	0
share of total	S1-9	§66a	%	100.00	100.00	0	73.00	73.00	
of which female	S1-9	§66a	Number	0	0	0	3	3	0
share of total	S1-9	§66a	%	0	0		27.00	27.00	
of which under 30 years	GOV-1	§21d	Number	0	0	0	0	0	0
of which 30 to 50 years	GOV-1	§21d	Number	3	3	0	9	9	0
of which over 50 years	GOV-1	§21d	Number	1	1	0	2	2	0
Number of managers / Number of leadership positions	S1-9	§66a	Number	54	79	46.30	9	9	0
of which male	S1-9	§66a	Number	49	70	42.86	6	6	0
Share of male managers as a percentage of total managers	S1-9	§66a	%	90.74	88.61		67	67	
of which female	S1-9	§66a	Number	5	9	80.00	3	3	0
Share of female managers as a percentage of total managers	S1-9	§66a	%	9.26	11.39		33.00	33.00	
Share of female managers as a percentage of total workforce	S1-9	§66a	%	0.77	1.29		2.00	2.00	



S1 Own workforce

ESRS S1-10

Adequate wages

Fette Compacting ensures that all permanent employees receive remuneration that aligns with the respective nationally applicable reference values. This includes, in particular, statutory or collectively agreed minimum wages as well as any other national provisions relating to adequate wages, where applicable.

At the company’s headquarters in Germany, remuneration is based on the collective agreement on remuneration structure (Entgelt-rahmen-Tarifvertrag) of the metal and electrical industry. In the international subsidiaries, remuneration is also aligned with the applicable statutory standards in each country.

ESRS S1-11

Social protection

All permanent employees of Fette Compacting are covered by the statutory social security systems of the Federal Republic of Germany, protecting them against income loss in the event of significant life events such as illness, unemployment, occupational accidents, parental leave, and retirement. This protection is supplemented by collectively agreed benefits under the collective agreement of the metal and electrical industry, as well as by selected company-level agreements.

For employees outside Germany, the respective national minimum standards apply. A systematic assessment and disclosure of any additional social protection schemes in the international subsidiaries is currently not in place.

ESRS S1-12

Persons with disabilities

At Fette Compacting, living diversity also means inclusion. We are committed to ensuring that people with disabilities are equally integrated into the working environment of the company. In November 2022, the election of the representative body for employees with severe disabilities (Schwerbehindertenvertretung) was renewed at the Fette Compacting GmbH site in Schwarzenbek.

The representative body promotes targeted integration measures to ensure that people with severe disabilities, employees with equivalent status, and those at risk of disability receive the necessary support. It monitors the implementation of relevant rules, agreements, and legislation supporting people with disabilities and supports measures that promote their health and well-being.

				Fette Compacting GmbH Schwarzenbek			Fette Compacting China Nanjing		
				2023	2024	Δ in %	2023	2024	Δ in %
Persons with disabilities (S1-12)									
Persons with disabilities	S1-12	§77	Number	39	41	5.13	2	2	0
Percentage of persons with disabilities amongst its employees	S1-12	§77	%	5.97	5.87		1.00	1.00	

Currently, 5,87 percent of our workforce are recognised as persons with severe disabilities within the meaning of the applicable legal framework. This fulfils the statutory requirement of a five percent quota. A gender-disaggregated analysis of the proportion of employees with disabilities is currently not conducted.

S1 Own workforce

The inclusion agreement between the LMT Group and the group-wide representative body for employees with severe disabilities ensures that the executive management, works councils, HR departments, and disability representatives promote the integration of disadvantaged individuals into our operational processes. An inclusion team at the Schwarzenbek site coordinates and monitors the implementation of agreed integration measures.

Return-to-work programme (BEM)

Our return-to-work programme (Betriebliches Eingliederungsmanagement, BEM) supports employees on long-term sick leave in reintegrating into working life. Together with the affected individuals, we plan a gradual return to work, which may be supported by adjustments to the workplace, working arrangements, or working hours. In addition, we work with employees to identify ways of preventing future incapacity for work.

ESRS S1-13

Training and skills development metrics

Fette Compacting places great importance on the continuous training and skills development of its employees. Their knowledge and capabilities are a key resource for the company's success. Both professional and personal development are actively supported – through structured performance and development reviews as well as a wide range of training programmes and development opportunities. Our goal is to ensure the long-term innovative capacity and competitiveness of the company while enabling our employees to achieve their full personal potential.

Annual performance and development reviews are a fixed component of our approach to human capital development. In these dialogues, employees and their supervisors engage on an equal footing to discuss qualifications, identify training needs, and provide mutual feedback. Strengths and development opportunities are systematically identified. The company-developed review template encourages both employees and managers to engage in self-reflection. These dialogues allow us to better leverage individual strengths and foster both personal and professional growth in line with our corporate culture and business success. We place great value on open and honest communication and are convinced that dialogue-based development reviews make a key contribution to employee satisfaction and retention.

At Fette Compacting, professional and personal learning and development are highly valued. A significant number of employees make use of lifelong learning opportunities in their professional roles. This benefits both their day-to-day work and their long-term development – and, by extension, the company itself. Employees who continuously develop their skills and receive support are a decisive competitive factor.

Digital training and instruction

At Fette Compacting, training and task-specific instruction are delivered via the digital learning platform SAM, provided by secova GmbH & Co. KG. The content is created in-house by the respective subject matter experts and is continuously updated.

The platform includes training units specifically tailored to the Fette Compacting Group on a wide range of relevant topics – including compliance, occupational health and safety, environmental protection, data protection, artificial intelligence literacy, and information security. The content is aligned with the requirements set by lawmakers, the employers' liability insurance association, and the management board.

S1 Own workforce

				Fette Compacting GmbH Schwarzenbek		Fette Compacting China Nanjing			
				2023	2024	Δ in %	2023	2024	Δ in %
Training and skills development metrics (S1-13)									
Number of employees that participated in regular performance and career development reviews	S1-13	§83a, AR77	Number	NS	NS		146	152	4.11
of which male	S1-13	§83a, AR77	Number	NS	NS		110	115	4.55
of which female	S1-13	§83a, AR77	Number	NS	NS		36	37	2.78
Percentage of employees that participated in regular performance and career development reviews	S1-13	§83a, AR77	%	NS	NS		100.00	100.00	
Average number of training hours per employee	S1-13	§83b, AR78	Number	NS	NS		49	47	-4.08
share of training hours of male employees	S1-13	§83b, AR78	Number	NS	NS		45	43	-4.44
share of training hours of female employees	S1-13	§83b, AR78	Number	NS	NS		62	61	-1.61

NS Not stated

Securing the future through vocational training and academic study

At Fette Compacting, we regard our commitment to vocational training and academic education as a long-term investment in the future of our company, our employees, our industry, and the local economy. Across all departments, we ensure that our apprentices feel valued and respected as full members of the organisation from day one.

Fette Compacting offers two primary pathways into professional life. On the one hand, we offer dual study programmes (combining academic study with vocational training) in six subject areas: Electrical Engineering, Mechanical Engineering, Industrial Engineering, Business Informatics, Business Administration, and Applied Computer Science. We cooperate with the Nordakademie in Elmshorn and the Lübeck University of Applied Sciences.

On the other hand, we provide vocational training in the following apprenticeship occupations: Cutting Machine Operator, Industrial

Mechanic, Mechatronics Technician, Warehouse Logistics Specialist, Industrial Clerk, and Technical Product Designer.

Particularly dedicated apprentices may even have the opportunity to complete part of their training at one of our international subsidiaries. Upon successful completion, apprentices and dual students have good prospects of being offered permanent employment.

To inspire young people to pursue a career at Fette Compacting, we offer a variety of insights into our company and its occupational fields. Early engagement is promoted through student internships, school partnerships (such as “taster days”), and participation in national career orientation events such as “Girls’ Day” and “Boys’ Day”.

The interests of apprentices at Fette Compacting are represented by a youth and trainee council (Jugend- und Auszubildendenvertretung) elected by the trainees themselves.

75
trainees and students were employed by the Fette Compacting Group at the end of 2024

S1 Own workforce

ESRS S1-14

Health and safety metrics

At Fette Compacting, the safety and health of our employees is a top priority. As an employer, we have a fundamental duty to protect our workforce from risks and hazards in the work-place. A safe working environment is essential to maintaining the health of our employees, ensuring the quality of our products, and ultimately contributing to customer satisfaction.

Our goal is to establish and continuously improve safe and healthy working conditions in order to prevent occupational accidents and work-related illnesses entirely.

To achieve this, we focus on leading, monitoring and improving our occupational health and safety standards by developing and implementing group-wide policies aligned with ISO 45001. In this context, we define and actively pursue preventive measures to avoid disruptions and ensure appropriate responses to emergencies, incidents and impacts.

Another key objective is the ongoing development and expansion of our occupational health management system, which aims to promote employee well-being and encourage health-conscious behaviour. To this end, we implement workplace initiatives to strengthen our safety culture and improve health outcomes.

Our fundamental principles for occupational health and safety are laid down in the Quality, Health, Safety and Environment (QHSE) Policy of the Fette Compacting Group. The policy is supplemented by specific procedures and operating instructions. These include all

measures required to comply with national occupational health and safety legislation – such as risk assessments for workstations and regular occupational safety analyses. In addition, local health promotion initiatives are offered to our employees. All relevant regulations and information regarding health and safety at Fette Compacting are available at any time via our intranet platform, Fette Connecting.

The occupational safety specialist advises and supports the management in leading, monitoring, and continuously improving health and safety standards at the Schwarzenbek site. Several designated employees with additional training contribute to these efforts: safety officers and first-aiders, the fire protection officer, fire and evacuation assistants, the explosion protection officer, and the external company physician.

Occupational health and safety committee

The Occupational Health and Safety Committee (ASA) meets regularly to address various matters related to occupational safety and accident prevention. Based on the outcomes of these meetings, appropriate measures are initiated. The committee includes the occupational safety specialist, representatives of the management, members of the works council, safety officers, and the company medical service.

21
safety officers were active in 2024
at the Schwarzenbek site

Risk assessments

Regular risk assessments help us identify potential health hazards at an early stage and implement suitable protective measures. This enables us to prevent accidents, reduce strain, improve working conditions, and increase employee motivation.

42
risk assessments at
the Schwarzenbek site in 2024

S1 Own workforce

Training and awareness-raising measures

Our experience shows that most workplace accidents can be avoided through appropriate behavior. That is why qualifying and training our employees on relevant topics is a cornerstone of our occupational health and safety approach. Mandatory annual training sessions on health and safety topics are conducted for all employees.

Accident statistics

We view occupational safety and health protection as a comprehensive and preventive management responsibility. Ensuring the safety and physical integrity of our employees is one of our company's highest priorities. For this reason, we are constantly working to further reduce the number of workplace accidents. To achieve this, we regularly analyse our processes for potential hazards and avoidable risks, taking into account technical, organisational and human factors.

Together with the occupational safety specialist, the management board conducts an annual review of all incidents and accident data. All reported cases are summarised in an annual report and discussed and evaluated in meetings of the Occupational Health and Safety Committee (ASA).

For the year 2024, Fette Compacting recorded the following key figures at its Schwarzenbek site:

Key Figures for Occupational Health and Safety Fette Compacting GmbH

				Fette Compacting GmbH Schwarzenbek		
				2023	2024	Δ in %
Own Employees						
Number of hours worked & reported	§88c, AR89, AR90	Million hours		997,035	1,005,958	
Work Accidents						
Total number of work accidents		Number		11	11	0
Number of notifiable work accidents	§88c, AR83, AR89	Number		9	7	-22.22
Number of non-notifiable work accidents		Number		2	4	100.00
Number of work accidents with lost time (LTI)	§88c, AR83, AR89	Number		10	8	-20.00
Number of work accidents without lost time		Number		1	3	200.00
Number of fatal work accidents (FAT)	§88b, AR82 bis AR88	Number		0	0	
Total number of lost days caused by work accidents	§88e, AR95	Number		92	73	-20.65

S1 Own workforce

				Fette Compacting GmbH Schwarzenbek		
				2023	2024	Δ in %
Work Accident Rates						
Number of work accidents with lost time per 1 million working hours	LTIR 1 million working hours	§88c, AR89	Rate	10.03	7.95	-20.71
Number of work accidents without lost time per 200,000 working hours	LTIR 200,000 working hours		Rate	2.01	1.59	-20.71
Number of lost days due to work accidents per 1 million working hours	LWDR 1 million working hours		Rate	92.27	72.57	-21.36
Number of lost days due to work accidents per 200,000 working hours	LWDR 200,000 working hours		Rate	18.45	14.51	-21.36
Number of notifiable work accidents per 1 million working hours	Accident frequency rate 1 million working hours	§88c, AR83, AR89	Ratio	9.03	6.96	-22.91
Number of notifiable work accidents per 200,000 working hours	Accident frequency rate 200,000 working hours		Ratio	1.81	1.39	-22.91
Total number of lost days / total number of work accidents = Accident Severity / Severity Rate	SR		Rate	8.36	6.64	-20.65
Total number of lost days due to work accidents per employee	Lost days per employee		Number	0.12	0.09	-30.77
1,000-man rate	1,000-man rate		Ratio	12.00	9.03	-24.75
Lost Time Injury Severity Rate	LTISR		Rate	0.09	0.07	-21.36
Commuting Accidents						
Total number of commuting accidents			Number	6	2	-66.67
Number of notifiable commuting accidents			Number	1	1	0
Number of commuting accidents without lost time			Number	3	1	-66.67
Number of commuting accidents with lost time			Number	3	1	-66.67
Number of fatal commuting accidents			Number	0	0	
Number of lost days caused by commuting accidents			Number	9	11	22.22
Notifiable Work-Related Illnesses						
Number of notifiable work-related illnesses	AR83 bis AR88, AR92 bis AR94	§88d	Number	0	0	

S1 Own workforce

		Fette Compacting GmbH Schwarzenbek	
		2023	2024
Hazard Identification, Risk Assessment and Incident Investigation			
Workplace evaluations / risk assessments	Number	39	42
Degree of implementation	%	76.92	85.71
Employee Participation, Consultation and Communication			
Occupational Safety Committee (ASA) meetings			
	Number	4	4
Degree of implementation	%	100	100
Safety officers			
	Number	24	21
Ratio	%	3.24	2.66
First aiders			
	Number	51	94
Ratio	%	6.88	11.93
Fire protection and evacuation assistants			
	Number	28	26
Ratio	%	3.78	3.30

S1 Own workforce

Occupational medical care

The health of our employees and the provision of occupational medical care are of great importance to Fette Compacting, as they contribute significantly to employee motivation, satisfaction, and performance – and thereby to the company’s long-term success. At the Schwarzenbek site, occupational medical care is provided by an external service provider, B·A·D Betriebsärzte. This provider appoints the company physician and manages employees’ health data.

The duties of the company physician include individual consultations during occupational health office hours as well as the performance of preventive medical examinations. The occupational medical service is available by telephone and with priority access for all employees and is regularly on site in accordance with legal requirements.

Workplace addiction prevention and counselling

Fette Compacting addresses the issue of substance abuse in the workplace through targeted prevention and individual engagement. As substance misuse can impair performance and increase the risk of workplace accidents, the company trained two employees in 2024 to become workplace addiction support counsellors. The qualification consists of several modules and training sessions over the course of a year, providing comprehensive knowledge for dealing with addiction-related issues in the workplace. Even during their training, these designated contact persons are available to provide confidential and low-threshold support. The objective is to raise awareness, provide early-stage assistance to those affected, and further strengthen health prevention within the company.

Company sports and leisure groups

Sports enthusiasts at Fette Compacting can join one of the many company sports groups, which include football, bowling, fitness, triathlon, golf, cycling, and participation in the Hamburg Marathon. All of these groups receive financial support from the company.

Regular physical activity not only promotes physical well-being but also strengthens team spirit and a sense of community. The company sports groups are an integral part of our corporate culture and contribute to a healthy and balanced work environment.

7
company sports and
leisure groups in 2024

11,93 %
first-aider rate in 2024

S1 Own workforce

ESRS S1-15

Work-life balance metrics

As a responsible employer, we respect the personal circumstances of our employees and take their preferences into account wherever possible within the framework of a medium-sized family-owned business. Wherever feasible, we support our employees in achieving a meaningful balance between work and personal life through flexible working hours.

Flexible working arrangements

Based on the collective agreement on mobile working (TV MobA), Fette Compacting GmbH has established a framework for remote work at its Schwarzenbek site, enabling employees to organise their working time and location more flexibly. Employees can request up to eight days of mobile work per month (generally two

days per week). Part-time work opportunities also help employees to better balance family responsibilities and their careers. In 2024, 80 of the employees worked part-time. Various company agreements further improve the reconciliation of work and private life.

Support for parents and employees with caregiving responsibilities

Fette Compacting supports employees with children or dependent family members through a range of measures.

Under the valid collective agreement on additional collectively agreed pay (TV T-ZUG), employees with children or caregiving responsibilities, as well as shift workers, can – subject to certain conditions – convert additional collectively agreed remuneration into eight extra days of paid leave.

In addition, employees in Germany can take advantage of an extended company parental leave programme, allowing them to extend the statutory parental leave by up to three years.

As early as 2015, the Arbeiter-Samariter-Bund (ASB), the LMT Group and the town of Schwarzenbek jointly established the company-affiliated childcare centre “Knöpfchen” at the Schwarzenbek site. As a result, LMT Group employees can benefit from available local childcare slots. The daycare centre focuses on science and technology, offering children the opportunity to explore and nurture their curiosity in specially designed activity rooms.

Own workforce				Fette Compacting GmbH Schwarzenbek		Fette Compacting China Nanjing			
				2023	2024	Δ in %	2023	2024	Δ in %
Work-life balance metrics (S1-15)									
Number of employees entitled to take family-related leave	S1-15	§93a	Number	665	698	4.96	146	152	4.11
Percentage of employees entitled to take family-related leave	S1-15	§93a	%	100.00	100.00		100.00	100.00	
Number of entitled employees that took family-related leave	S1-15	§93b	Number	NS	NS		29	33	13.79
of which male	S1-15	§93b	Number	NS	NS		20	26	30.00
of which female	S1-15	§93b	Number	NS	NS		9	7	-22.22
Percentage of entitled employees that took family-related leave	S1-15	§93b	%	NS	NS		20.00	22.00	

NS Not stated



S1 Own workforce

ESRS S1-17

Incidents, complaints and material impacts related to human rights

Fette Compacting investigates all reports of discrimination or human rights violations within the organisation in a systematic and confidential manner. Due to the sensitive nature of these topics, no details of individual cases are disclosed. All notifications and complaints are handled with the highest level of confidentiality. Our existing whistleblowing system (“Speak-Up”) allows employees to raise concerns at any time, safely and anonymously.

Further information on the whistleblowing system is available in section [G1-1](#)

In 2024, no severe human rights violations relating to our workforce were recorded. Consequently, no fines, penalties or compensation payments were issued in connection with such incidents.

Additional information on our human rights due diligence and the Group-wide human rights policy statement can be found in section [G1-1](#)



S2 Workers in the value chain

ESRS 2 SBM-3/S2

Our material impacts, risks and opportunities (IROs)

As part of the Group-wide double materiality assessment (DMA) conducted in 2024, all ESG topics covered by the European Sustainability Reporting Standards (ESRS) were systematically assessed with regard to their impacts, risks and opportunities (IROs).

For the topic “S2 Workers in the value chain”, the LMT Group identified three IROs as material. These relate in particular to the protection of labour rights and safe working conditions throughout the value chain, the raising of awareness for human rights risks, and the enforcement of health and safety standards.

The table below provides a structured overview of the material IROs concerning workers in the value chain, as well as the respective management approaches adopted by Fette Compacting to address these topics. These positive IROs make a key contribution to strengthening the resilience and integrity of the supply chain, promoting decent working conditions, and detecting and preventing potential violations at an early stage.

Other potentially negative impacts and risks – for example, those related to non-compliant or insufficient practices in the upstream or downstream value chain – were considered in the course of the DMA. However, due to existing preventive measures (e.g. implementation of the Code of Conduct, contractual minimum standards and supplier audits), they were not classified as material.

Management of material IROs

IRO Title	IRO Description	How do we manage this IRO?
Workers in the value chain		
Labor rights and safe working conditions along the value chain	The Group-wide application of standards of conduct, guidelines and legal requirements ensures labor rights and safe working conditions along the entire value chain.	The requirements are derived from the Code of Conduct, the Supplier Code of Conduct and specific guidelines on occupational health and safety standards. Implementation is managed and regularly reviewed by means of risk analyses, audits, contractual clauses, the “Speak Up” whistleblower system and other governance instruments.
Health protection and product safety along the value chain	The application of binding health and safety standards and technical protective measures reduces the risk of work-related injuries and ensures product safety along the entire value chain.	Health and safety requirements are implemented through internal guidelines, risk assessments, product-specific protection concepts and technical precautions. Suppliers are obliged to comply with corresponding standards via the Code of Conduct for Suppliers and contractual agreements. The effectiveness of the measures is ensured through audits, feedback loops and review processes.
Raising awareness of human rights risks in the value chain	The integration of human rights due diligence obligations into company-wide standards, contractual conditions and complaints procedures raises awareness along the entire value chain and reduces the risk of violations.	All relevant players in the value chain - including suppliers, partners and internal units - are addressed via the Code of Conduct, the Code of Conduct for Suppliers and supplementary guidelines on human rights and occupational safety. Compliance is monitored through risk analyses, contractual regulations, supplier audits and the “Speak Up” whistleblower system.

S2 Workers in the value chain

ESRS S2-1

Policies related to value chain workers

Fette Compacting Group is fully committed to respecting internationally recognised human rights throughout the entire value chain. This commitment is based on the Universal Declaration of Human Rights of the United Nations, the Core Labour Standards of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights. Our efforts focus in particular on the prevention of all forms of forced and child labour, the right to fair working conditions, and the principle of sustainable business practices in line with ecological boundaries.

This understanding is embedded in our Group-wide Code of Conduct and applies both to our own operations and to our suppliers and business partners. We expect all partners to respect these principles and to actively incorporate them into their own processes and supply chains.

The LMT Group and its two operating business units, Fette Compacting and LMT Tools, are subject to the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG). This legislation requires the systematic identification, assessment and management of human rights and environmental risks within supply chains. As part of the LMT Group, we align our implementation with the Group-wide standards and instruments in place.

LMT Group human rights policy statement

A key element is the human rights policy statement of the LMT Group, which sets out our commitment to the protection of human rights and compliance with environmental obligations. It requires the integration of human rights risks into existing management systems and the continuous development of an effective risk management framework.

Supplier Code of Conduct

Our Supplier Code of Conduct forms the foundation for the responsible design of our global sourcing processes. It sets out fundamental rules and obligations in the areas of human rights, labour standards, environmental protection and anti-corruption.

Further information is provided in [section G1-2, Management of relationships with suppliers](#)

ESRS S2-2

Processes for engaging with value chain workers

Fette Compacting Group aims to systematically identify, assess and address human rights and environmental risks in the value chain. This is based on a Group-wide risk-based approach implemented in line with the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG).

In our own operations, a risk analysis is conducted at least once per year, as well as on an ad hoc basis. All operational entities of the LMT Group are included in this analysis. The assessment is carried out by the respective risk owners, using a standardised evaluation methodology based on the guidance issued by the German Federal Office for Economic Affairs and Export Control

(BAFA). This includes country and sector indices as well as company-specific risk profiles.

For direct suppliers, an annual or ad hoc software-supported risk-based process is used. It begins with an initial macroeconomic assessment based on country and sector risks. Depending on the outcome, further information is obtained from public sources or directly from the suppliers. The evaluation takes into account criteria such as degree of influence, contribution to potential harm, severity, likelihood, and reversibility of risks. Based on the findings, individual preventive and corrective measures may be defined and coordinated with the supplier.

Ad hoc risk analyses, including the evaluation of indirect suppliers in accordance with Section 9 LkSG, are carried out whenever there is substantiated knowledge of potential violations – for example, via press reports, internal alerts or notifications received through the Speak-Up whistleblowing system. These analyses are thoroughly documented and may result in a reassessment of the entire supplier relationship.

All analysis processes are centrally monitored by the company's Human Rights Officer. This person regularly evaluates the effectiveness of the measures taken, supports the responsible departments, and reports at least annually to the management. Relevant employees are also involved in these procedures through internal training sessions.

These processes ensure a structured, risk-based and legally compliant approach to the engagement of external stakeholders in human rights due diligence – particularly at the level of direct suppliers.

S2 Workers in the value chain

For Fette Compacting Group, no high-priority risks were identified in 2024, either within the company's own operations or with regard to direct and indirect suppliers.

Human Rights Officer

The German Supply Chain Due Diligence Act (LkSG) defines the human rights and environmental due diligence obligations that companies must fulfill. These obligations form the basis of the Human Rights Officer's responsibilities.

The Human Rights Officer monitors the risk management system for compliance with these obligations and assesses whether the implemented measures are effective and appropriate. In addition, the officer supports the company in meeting its documentation obligations under the LkSG and in preparing the annual report. The Human Rights Officer reports to the management at least once a year and on an ad hoc basis. As part of a continuous improvement process, insights gained from these monitoring activities are used to refine the company's due diligence measures and risk analyses.

ESRS S2-3

Channels to raise concerns

Workers in the value chain also have the opportunity to report human rights or environmental risks and violations via the Group-wide whistleblowing system "Speak Up", which complies with the requirements for grievance mechanisms set out in Section 8 of the German Supply Chain Due Diligence Act (LkSG). The system is accessible online, available in multiple languages, and allows for anonymous submissions.

The LMT Group's rules of procedure for the grievance mechanism define the process, protection measures and communication protocols applicable to the "Speak Up" system in accordance with Section 8 LkSG.

All reports are reviewed in accordance with the established process. Where there is reasonable suspicion, the report is incorporated into the risk-based assessment and may trigger further measures as defined under the Supply Chain Due Diligence Act (LkSG).

Further details on the whistleblowing system and the complaint procedure are provided in section G1-1.

ESRS S2-4

Mitigation and remediation measures

Fette Compacting Group aims to proactively prevent human rights and environmental risks along the value chain and, in cases of identified violations, to take effective and appropriate remedial action. Implementation is aligned with the requirements of the German Supply Chain Due Diligence Act (LkSG), in particular Sections 6 and 7 on preventive and remedial measures.

Our preventive measures include:

- › Adoption of a Group-level human rights policy statement in accordance with Section 6(2) LkSG and its communication within the company and to suppliers
- › Adoption of a Supplier Code of Conduct and contractual integration and communication of the code to direct suppliers

- › Internal training conducted by the Human Rights Officer and/or Compliance Officer for relevant employees exposed to LkSG-related risks and duties
- › Occupational safety measures such as training sessions and risk assessments

These measures are designed to identify risks at an early stage, foster a culture of prevention, and establish a shared understanding of due diligence responsibilities throughout the supply chain.

Remedial measures are defined on a case-by-case basis and depend on the nature and severity of the identified violation. If substantiated indications of violations arise within our own operations or at direct or indirect suppliers, an ad hoc risk analysis is carried out without delay. Based on this assessment, appropriate remedial measures are implemented, which may include:

- › Developing concrete improvement actions with the supplier
- › Setting deadlines for the implementation of agreed standards
- › Involving alternative suppliers in cases of severe or repeated breaches



S2 Workers in the value chain

ESRS S2-5

Targets

At the time of reporting, no specific targets had been set that would, in the sense of the ESRS, systematically address the reduction of negative impacts, the enhancement of positive out-comes, or the structured management of material risks and opportunities related to workers in the value chain.

Fette Compacting Group recognises the importance of setting targets in this area and is therefore pursuing a step-by-step approach. The current focus lies on building reliable data foundations, qualitatively evaluating existing processes, and establishing risk-based monitoring systems. These elements are considered prerequisites for defining transparent and measurable targets in the future.



S4 Consumers and end-users

ESRS S4-1

Understanding and strategic approach

Fette Compacting positions itself as a partner to its customers. This partnership-based approach is aimed at jointly developing innovative solutions that establish Fette Compacting as a process and development partner. Close collaboration and ongoing dialogue ensure that the solutions offered are tailored to the actual needs and challenges faced by our customers.

The increasing complexity of regulatory requirements and technological developments – such as in the areas of continuous manufacturing and containment – calls for early-stage cooperation between producers and equipment manufacturers. Especially in the context of new developments, a close partnership is essential to meet the demands of this highly regulated market environment.

To meet these demands, the company has aligned its sales and service functions more closely. This organisational restructuring enables synergies between the new equipment and service business and strengthens holistic customer support. The expansion of local structures – for example, through the manufacturing site in China that serves Asian and price-sensitive markets – also enhances regional supply and responsiveness (“local-for-local”).

ESRS 2 SBM-3/S4

Our material impacts, risks and opportunities (IROs)

As part of the Group-wide double materiality assessment (DMA) conducted in 2024, all ESG topics covered by the European Sustainability Reporting Standards (ESRS) were systematically assessed with regard to their impacts, risks and opportunities (IROs).

For the topic of “S4 Consumers and end-users”, the LMT Group identified four IROs as material. These relate in particular to fostering long-term customer relationships through partner-ship-based collaboration, ensuring product quality and service as a foundation for customer satisfaction, safeguarding personal data

and information security, and establishing customer-centric feedback processes and responsiveness as a key trust factor.

The table below provides a structured overview of the material IROs related to consumers and end-users, along with the corresponding management approaches applied by Fette Compacting to address these topics.

Other potentially negative impacts and risks – such as those related to product safety incidents or data breaches – were considered as part of the DMA. However, they were not classified as material due to existing preventive measures (e.g. product safety standards, IT contingency plans).

Management of material IROs

IRO Title	IRO Description	How do we manage this IRO?
Consumers and end users		
Trust through data protection, information security and integrity	Securing digital infrastructures, protecting personal data and compliance standards ensures regulatory conformity and strengthens customer confidence.	Our information security is based on ISO/IEC 27001 and is safeguarded by guidelines on data protection, access controls and emergencies. The IT Security Board, training courses and risk analyses ensure implementation. Other guidelines (e.g. Code of Conduct, anti-corruption guidelines) promote integrity in our dealings with customers.
Product quality and service as the basis for customer satisfaction	High product quality and transparent communication ensure product safety and customer satisfaction.	We ensure product quality through a certified quality management system (ISO 9001), structured complaints processes and ongoing monitoring. Technical information and training courses increase transparency for customers.
Customer feedback and responsiveness as a trust factor	Structured feedback systems and a fast, solution-oriented response to customer concerns strengthen trust and promote customer loyalty.	We systematically record and analyze feedback from our customers (e.g. complaints, surveys) and derive improvements in product quality, information provision and service from this.
Long-term customer loyalty through partner-ship-based relationships	We improve our competitive position and promote long-term business success through sustainable and trusting customer relationships.	We focus on long-term partnerships through a global service presence, global account management and technical consulting. Sustainability, reliability and proximity to the customer are the focus of our sales and service organization.

S4 Consumers and end-users

ESRS S4-1

Policies related to consumers and end-users

The Quality, Health, Safety and Environment (QHSE) Policy of the Fette Compacting Group reflects our corporate values and is designed to fulfil our commitments to employees, customers and the environment – in full compliance with the highest standards in quality, health, safety and environmental protection. The policy is binding worldwide for all employees and governing bodies of the Group.

With regard to our customers, the QHSE Policy serves as a central framework for the continuous improvement of product quality, the assurance of a high level of safety, and the resource-efficient design of our processes. All stated objectives are geared toward enhancing customer satisfaction and trust. QHSE performance indicators and targets are defined annually in coordination with the management and are reviewed through internal and external audits to ensure the effectiveness of our measures in delivering safe, reliable and sustainable customer solutions.

[Download the “Corporate Policy of the Fette Compacting Group” brochure for more information](#)

High quality and safety of our products

Fette Compacting Group continuously strives to develop even more innovative and high-quality products for its customers. Our goal is to eliminate any form of product defect, prevent complaints, or detect and sustainably resolve them at an early stage. Quality is not only a factor for long-term business success but also a central component of our sustainability approach.

Quality builds customer trust in our performance. Therefore, for us, quality encompasses not only the excellence of products and services but also the continuous improvement of our business processes along the entire value chain.

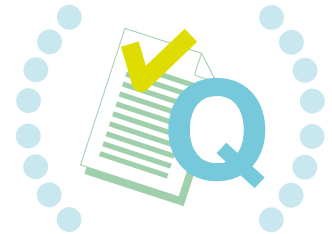
By establishing a quality management system and continuously monitoring and improving our processes, we ensure that our products, processes, and services are constantly enhanced and meet the highest standards.

The implementation of key performance indicators helps us to assess and monitor the level of quality throughout the entire value chain. Our management system, based on DIN EN ISO 9001, supports us in achieving our objectives and in continuously raising our quality standards.

It also contributes to raising quality awareness throughout the organisation and encourages our employees to actively contribute to the continuous improvement of processes and products. This enables us to ensure that our products and services comply with applicable legal requirements and meet the highest standards of quality and safety.

The organisational foundation for our quality efforts is provided by our process-oriented management system. In our digital and binding management manual iPaQ (integrated Processes and Quality), the structure and workflows of the organisation are mapped through a comprehensive process landscape and fully documented.

Our management system has been certified according to DIN EN ISO 9001 since 1993. Since 2017, we have also been a member of the German Society for Quality (DGQ).



Quality Management System
Since 1993, our quality management system has been certified according to DIN EN ISO 9001.

S4 Consumers and end-users

Compliance with high quality standards

As a manufacturer of machinery for the pharmaceutical industry, Fette Compacting produces computer-controlled systems that are used in GMP (Good Manufacturing Practice) environments. In addition to established management standards, Fette Compacting also adheres to the high international standards and recommendations of the ISPE (International Society for Pharmaceutical Engineering), in particular the GAMP 5 guideline (Good Automated Manufacturing Practice Version 5). This guideline serves as a recognised framework and has become the standard reference for the validation of computerised systems in the pharmaceutical industry – for both manufacturers and suppliers.

Product safety – Protecting people and the environment

Product safety is a top priority at Fette Compacting. Our machines and systems are characterised by the highest safety and quality standards, which are continuously developed and optimised.

Process equipment and components used in pharmaceutical production or food manufacturing must meet the highest hygiene standards. Depending on the substances being processed, protecting both personnel and the environment can also play a critical role. Especially in the production of active pharmaceutical ingredients, but also in industries such as the chemical sector, workers must be protected from contact with intermediate and final products that may be harmful to health if misused or overdosed.

From the early stages of product development, we ensure that our customers' requirements regarding product safety are systematically incorporated. This allows us to design equipment that complies with the highest hygiene standards while ensuring the safety of both personnel and the environment.

In the production of highly potent active pharmaceutical ingredients (HPAPIs), absolutely reliable containment is essential. The use of containment and wash-in-place (WIP) systems provides maximum protection. These technologies enable fast and safe product changeovers as well as reliable operator protection from hazardous substances.

Thanks to the use of state-of-the-art technologies – such as our innovative rotor exchange system – and high-quality materials, our machines meet all current Good Manufacturing Practice (cGMP) and U.S. Food and Drug Administration (FDA) requirements. All product-contact parts are made of stainless steel or FDA-compliant materials, ensuring fast and efficient cleaning.

Standards für Informationssicherheit und Datenschutz Information security

New technologies have become an integral part of all business areas – from communication to production. The use of IT systems enables more efficient organisation and business operations, but also entails certain risks. With increasing connectivity, particularly in the machine-to-machine domain, risk exposure grows. The spread of artificial intelligence, cloud computing, big data and the Internet of Things makes it essential to intensify efforts in the area of information security. Security risks such as cyberattacks, as well as corporate efforts to protect trade secrets and internal processes, are on the rise worldwide.

The IT infrastructure, systems and processes of the Fette Compacting Group are centrally coordinated and managed from the headquarters in Schwarzenbek. All Group companies predominantly use shared IT systems and infrastructure. The Chief Information Security Officer (CISO) regularly reports to management on the status of information security.

A range of coordinated technical, legal and organisational measures ensures the security of information and the protection of company assets. These measures primarily serve a preventive function. Since most technical safeguards only achieve their full effectiveness in combination with organisational measures, employees receive regular training on information security.

IT policies

IT policies in the areas of identity and access management, as well as the Group's IT business continuity plan, enhance information security by establishing requirements such as multi-factor authentication and minimum password length. The documented emergency plan for IT outages further supports our resilience. These policies also meet the expectations of our customers regarding information security and are continuously refined. All relevant rules and guidelines are made available to employees via the Fette Connecting intranet.

S4 Consumers and end-users

IT Business Continuity Plan

Fette Compacting has developed a comprehensive IT Business Continuity Plan (BCP) to ensure operational capability in the event of disruptions or emergencies. The BCP outlines procedures for identifying and assessing potential risks, including physical damage to the data centre, cyberattacks and natural disasters. It includes detailed measures for restoring critical IT functions quickly and minimising downtime. Key components of the plan include the establishment of a crisis response team, clear reporting channels, communication procedures, and prioritised recovery of IT infrastructure and services. The plan is reviewed and updated on a regular basis to ensure that all employees are informed and prepared to act effectively in the event of an emergency.

0
complaints in 2024
regarding breaches of
information security

IT Security Board

The IT Security Board is a permanent body responsible for defining and overseeing the strategic framework and principles of information security. In the event of a crisis, it acts as an emergency task force, evaluates threat and risk assessments, reviews security incidents, and initiates necessary measures. The board includes representatives from executive management, IT leadership, human resources, the data protection officer, the legal department, the works council and the Chief Information Security Officer (CISO). It ensures a rapid and effective response in the event of IT disruptions, thereby safeguarding business continuity. As a result, IT-related risks are regularly identified, assessed and mitigated at an early stage. Information security is thus an integral part of the company's internal risk management system.

CyberVadis

Through participation in the CyberVadis cybersecurity assessment, we are able to obtain a comprehensive view of our information security landscape. The CyberVadis assessment identifies key risk areas and their potential impacts on the company. Based on the insights gained, Fette Compacting continuously improves its information security and related processes.

Data protection

The protection of personal data belonging to our customers, suppliers, business partners and employees is of great importance to us. Today, the processing of personal data is ubiquitous, and the risks for individuals have increased due to the growing automation of data processing. Additionally, the international exchange of personal information has become more common in our globalised and connected world, making it increasingly difficult to regulate at the national level. To address these challenges, we have implemented a number of measures to ensure compliance with applicable data protection regulations. We also encourage all employees to actively support our efforts to protect personal data.

Measures to protect personal data

The "Employee Data Protection Policy" sets out the measures and processes implemented to ensure compliance with statutory data protection requirements concerning the collection, processing and use of personal data within the company. By establishing these procedures, a uniform data protection standard and an effective data protection management system are ensured. The policy encourages all employees within the corporate group to remain attentive to data protection matters and to handle personal data in accordance with the defined rules. Currently, all employees in Germany receive basic training on data protection at the beginning of their employment and complete an annual mandatory training on the topic.

Fette Compacting Group is also supported by an external data protection officer to ensure full compliance with national data protection regulations.

S4 Consumers and end-users

Confidentiality obligations

Protecting know-how is one of the most critical value-creating assets for a company. From a business perspective, the effective safeguarding of trade secrets is therefore essential. To ensure this, confidential information at Fette Compacting has been identified, categorised and protected through a dedicated confidentiality management concept involving technical, legal and organisational safeguards.

Legal measures include the obligation for both employees and business partners to maintain confidentiality.

Technical measures include securing the IT infrastructure, implementing electronic access restrictions for the intranet, firewalls and encryption, as well as physical access controls. Responsibilities are clearly assigned in the confidentiality framework. In the future, regular reviews will be conducted to ensure proper implementation of the confidentiality measures.

ESRS S4-2

Processes for engaging with consumers and end-users

Customer satisfaction is a core element of Fette Compacting's corporate philosophy and a key factor in our competitiveness and market success. To ensure that our products and services meet the high expectations and requirements of our customers, we regularly conduct customer surveys. These surveys are typically carried out immediately after various customer interactions to obtain timely and authentic feedback. As a result, we can continuously improve the quality and safety of our products and services, which in turn increases customer satisfaction. This approach ensures that Fette Compacting remains closely aligned with its customers and is able to respond directly to their needs and preferences.

Global training programme

Another important element of customer engagement is our global training and education programme. To ensure long-term technical excellence and customer satisfaction, Fette Compacting has implemented a modular global training system. It addresses not only employees in production, engineering, maintenance and development, but also cross-functional departments – and it includes customised training modules for customers.

The training sessions are delivered both at customer sites and on training equipment located in our Competence Centres in Germany, Brazil, China, India and the United States. Well-trained personnel can increase machine availability, output and quality while reducing

product loss. They are also able to detect and resolve issues more quickly, reduce changeover times, and minimise wear and downtime. All training sessions conclude with a formal assessment of learning success.

Digital learning platform

This offering is complemented by our digital learning platform *alva*, which provides training content focused on Fette Compacting's products and applications. All content is developed by our experienced training team and presented in a multimedia and user-friendly format using interactive 3D graphics, animations and detailed instructions. In addition to the basic module explaining the functional principles, the platform covers various components and assemblies of a tablet press. It also provides extensive knowledge on improving production efficiency and product quality. After each module, users can test their knowledge to document their understanding of the content.

These measures are key elements in increasing machine availability, production quality and customer satisfaction. They help prevent product defects, operator errors and unnecessary downtime.

S4 Consumers and end-users

ESRS S4-3

Processes to remediate negative impacts and channels to raise concerns

We view complaints and customer claims as opportunities for improvement. Our structured claim and repair management process is a key component of our quality system. Incoming complaints (e.g. via the central contact address claim-repair@fette-compacting.com) are systematically recorded, analysed and followed by appropriate corrective actions. The aim is to prevent the recurrence of issues and to continuously improve product and service quality.

In addition, customers and business partners have access to the “Speak-Up” whistleblowing system, which allows them to report potential violations of applicable laws, internal policies or the Code of Conduct – also anonymously. This system is designed not only to protect employees, but explicitly external stakeholders as well, including our customers. The LMT Group’s rules of procedure ensure transparency, confidentiality and protection against retaliation in accordance with Section 8 of the German Supply Chain Due Diligence Act (LkSG).

In the reporting year, Fette Compacting did not receive any reports of serious problems or incidents relating to human rights in connection with our customers. Customers are regularly informed about the available reporting and feedback channels.

ESRS S4-4

Measures on material impacts and risks related to consumers

The policies, procedures and processes described in this report form the basis for all measures we take to prevent, mitigate or remediate negative impacts – including specific actions and approaches required in response to identified impacts.

ESRS S4-5

Targets

Fette Compacting has currently not defined quantitative sustainability targets specifically related to consumers and end-users. Instead, qualitative objectives and performance indicators are embedded within the company’s existing management systems.

Governance

91 G1 Business conduct



G1 Business conduct

ESRS G1-1

Integrity as a core principle of corporate governance

To be successful together, we rely on the trust of our employees, customers, business partners and society at large. We are aware of this responsibility and are committed to responsible and sustainable corporate governance. We conduct our business in compliance with national and international laws as well as universally recognised ethical principles – and we expect the same from our business partners.

Fette Compacting's corporate activities are based on clearly defined responsibilities, rights and duties, transparent internal and external communication, and a responsible approach to risk. An effective internal risk management system and a comprehensive compliance management system (CMS) are key components of our corporate governance. These systems enable us to identify risks at an early stage, assess them appropriately and respond accordingly – thereby strengthening integrity and trust over the long term.

Our expectations regarding lawful and ethical conduct are defined in a binding, Group-wide policy framework. This includes our corporate Code of Conduct, the "Speak-Up" whistleblowing system, and supplementary guidelines covering specific areas of law – such as anti-corruption, antitrust, and data protection. These documents are integral parts of our corporate governance framework, as defined in the MDR-P governance standard, and they provide a clear basis for lawful, ethical and responsible conduct –

both within our organisation and in our interactions with external partners.

See [MDR-P policy overview](#).

Our governance structure supports sound decision-making, promotes ethical behaviour, and ensures that we meet the expectations of our stakeholders. Through regular reviews and updates, we continuously adapt our governance practices to new challenges and evolving standards – ensuring long-term improvement and sustainability.

Code of Conduct of the Fette Compacting Group

To be successful together, we rely on the trust of our employees, customers, business partners, and society. We are fully aware of this responsibility.

Our Code of Conduct establishes an overarching, binding policy that reflects our corporate values and the expectations of our stakeholders. It translates our shared principles into clear standards of behaviour. These standards ensure compliance with laws and internal policies across the organisation, provide guidance to all employees, and promote a working environment characterised by integrity, respect, fairness, and responsible conduct. The Code of Conduct is binding worldwide for all employees and governing bodies of the Fette Compacting Group.

We expect our executive management, leadership and staff to act with integrity, to make decisions in line with applicable national and international laws, and to uphold universally recognised ethical standards. The same expectations apply to our business partners.

The Code of Conduct is supplemented by specific guidelines and training programmes on key legal topics such as anti-corruption, antitrust law and data protection. It is available to all employees and business partners via our company website and intranet.

[Download the "Code of Conduct" brochure for more information](#)

G1 Business conduct

Clear values: the foundation of our actions

The machines and systems developed by Fette Compacting make a meaningful contribution to the health and quality of life of people around the world. All our business activities are aligned with this purpose – and our corporate values reflect that commitment. They define how we act and the standards we expect of ourselves and our partners: together – for quality of life.

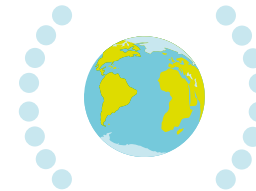
Shared values, to which everyone at Fette Compacting is committed, guide our daily behaviour. We treat one another with respect, communicate openly and fairly, strive to deliver our best performance, and take responsibility as leaders. These values form the foundation of our corporate culture and guide us in pursuing our common goals.



Passion

We pursue our goals with our heart and soul.

We are just as enthusiastic about outstanding technology as much as the good we can achieve with it.



Integrity

Our word is our bond – always and everywhere.

In our relationships with each other and with our customers and partners: 100 % authentic – 360° reliable.



Appreciation

Enthusiasm shown by customers is the result of teamwork.

Our cooperation is characterized by mutual understanding and trust: respectful, open and fair.



Zukunftsfreude

Diversity makes us strong.

Where knowledge, curiosity and courage work together, innovation and progress are born – for generations to come.



G1 Business conduct

ESRS 2 IRO-1 / G1

Our material impacts, risks and opportunities (IROs)

As part of the Group-wide double materiality assessment (DMA) conducted in 2024, all ESG topics defined in the European Sustainability Reporting Standards (ESRS) were systematically evaluated with regard to their material impacts, risks and opportunities (IROs). For the topic of “G1 Governance”, the LMT Group identified six IROs as material. These relate in particular to promoting an ethical corporate culture, ensuring transparent business practices, and effectively preventing and detecting corruption and bribery.

The table below provides a structured overview of the material IROs in the area of governance, along with the corresponding management approaches implemented by Fette Compacting to address these topics.

Other potential impacts and risks – such as corruption within the value chain or financial consequences arising from legal violations – were also assessed as part of the DMA. However, due to the existing preventive measures (e.g. compliance management system, policies, training, whistleblowing mechanism), they were not classified as material.

Management of material IROs

IRO Title	IRO Description	How do we manage this IRO?
Code of conduct and corporate culture		
Integrity through compliance and anti-corruption measures	Group-wide anti-corruption guidelines, training and compliance standards promote the integrity of the company and reduce the risk of liability.	The Group-wide anti-corruption policy contains clear guidelines on gifts, invitations, conflicts of interest and sponsorship. It applies to all employees and managers worldwide. Training and control processes raise awareness and reduce legal risks.
Credibility through transparent business practices	Transparent communication of standards of conduct, open handling of rule violations and a consistent set of rules strengthen corporate credibility, promote trust in the corporate culture and provide comprehensive support for compliant behavior.	Our Group-wide Code of Conduct sets out binding rules for acting with integrity and is supplemented by guidelines on antitrust law, data protection and whistleblowers, among other things. Reports of breaches of rules are documented, evaluated and addressed internally using defined processes.
Trust and loyalty through stakeholder relationships of integrity	Long-term relationships with integrity with employees, customers, suppliers and business partners and a value-oriented corporate culture strengthen trust and promote sustainable corporate success.	We cultivate trusting partnerships with employees, customers, suppliers and business partners through value-based conduct based on integrity. This is based on our human rights and compliance standards (e.g. Code of Conduct, Supplier Code of Conduct, LkSG Declaration of Principles), transparent communication and feedback and training formats. These strengthen trust and promote long-term cooperation.
Prevention and detection of corruption and bribery		
Prevention of corruption through systematic control mechanisms	An effective anti-corruption system promotes ethical behavior and reduces the risk of legal consequences.	Our compliance management system (CMS) ensures prevention, training, risk analysis and monitoring. All employees complete mandatory training courses, including on anti-corruption. Auditing and control processes ensure the effectiveness of the measures.
Behavioral safety through clear standards	Openly communicated standards of conduct, training and control mechanisms reduce the risk of corruption and strengthen trust in the company.	The Code of Conduct defines binding standards for legally compliant and ethical behavior. All employees receive training on how to apply the guidelines in their day-to-day work. Internal control mechanisms are used to check their effectiveness.
Competitiveness through business integrity	Responsible business conduct strengthens our market position and increases stakeholder trust in the long term.	Integrity is an integral part of our corporate culture and a prerequisite for cooperation with customers, authorities and international business partners. Our compliance structures are actively referenced in offers, tenders and audits.

G1 Business conduct

ESRS G1-1

Compliance Organisation der Fette Compacting Group

All employees and managers at Fette Compacting Group are responsible for complying with applicable laws and internal policies. Overall responsibility for compliance lies with the executive management, which ensures that all legal requirements are met and that violations of the law are prevented.

The Legal & Compliance department is responsible for developing, monitoring and further evolving the Group-wide compliance programme in key areas such as anti-corruption and conflict of interest management, fair competition and antitrust law, respect for human rights and environmental protection in accordance with the German Supply Chain Due Diligence Act (LkSG), and administration of the whistleblowing system. The department provides support to managers and local compliance officers and is available to all employees for consultation.

In the Group's subsidiaries, the respective managing directors also serve as the compliance officers. They are responsible for monitoring compliance with relevant legal provisions and internal policies, coordinating compliance matters within their entities, and acting as direct points of contact for employees. They work closely with the central Legal & Compliance department.

The Legal & Compliance department reports to the executive management on a regular basis, and at least once per year. The annual compliance report covers the focus areas of the current reporting year, the status of the compliance programme, any compliance incidents and government investigations, as well as an outlook on planned activities for the following year. In the case of serious compliance violations or at the request of the supervisory board, a direct report is submitted to the board.

G1 Business conduct

Group-wide compliance management system (CMS)

The implementation of an active, holistic and legally robust compliance management system (CMS) is a key factor in ensuring long-term business success. It is an integral element of corporate governance at Fette Compacting Group. Due to evolving legal, societal and economic conditions, the design and focus of the CMS are reviewed and adjusted on a regular basis.

100 % of all locations are covered by an established Compliance Management System

100 %
*of all locations are covered
 by an established Compliance
 Management System*

Rectification of deficiencies, implementation of compliance-relevant organizational measures

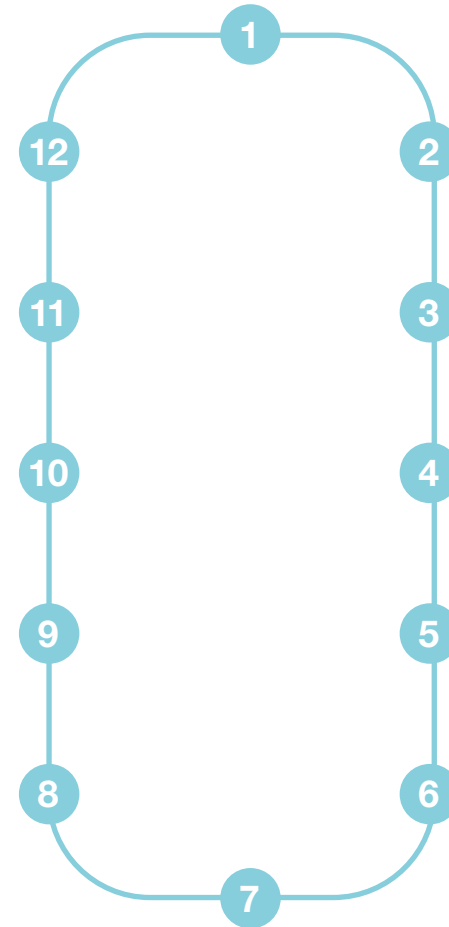
Initiation of measures in the case of compliance-relevant incidents

Annual compliance report by the Chief Compliance Officer (CCO)

Conducting special audits in cases of suspicion or routine audits

Annual compliance declarations by compliance officers

Identification of relevant compliance areas and topics, setting compliance goals



Appointment of compliance officers

Development of binding compliance guidelines

Implementation of employee training (e-learning & test tools), training for compliance officers

Individual compliance discussions with management and financial directors

Monitoring of compliance with key regulations and guidelines

Tracking of tips and reported risks



G1 Business conduct

Training and awareness

A central component of our compliance organisation is to raise awareness among employees, increase sensitivity to critical compliance issues, and provide guidance on compliance matters in day-to-day operations. The objective is to strengthen awareness of potential risks and promote lawful and ethical conduct across all areas of the company.

Our training strategy follows a target group-specific approach and distinguishes between basic training for all employees, in-depth sessions for management, and event-driven training for high-risk functions:

- › Employee training: All employees are required to complete a mandatory annual online training course. This course covers the contents of the Code of Conduct and the Group-wide policies (e.g. anti-corruption, data protection, antitrust law, and the whistleblowing system). Participants are informed about ethical standards and expectations, potential consequences of non-compliance, available reporting channels (e.g. Speak-Up hotline), and how to access the relevant policies. A mandatory quiz ensures that the content is understood. The training also includes practical case studies to help reflect on typical ethical dilemmas.

- › Leadership training: Managers participate in dedicated compliance leadership training that addresses their specific responsibilities as role models and their function within the compliance system. Key topics include reporting obligations, delegation of duties, and supervisory responsibilities.
- › Deep-dive training: For specific risk functions (e.g. Sales, Procurement), targeted in-depth training sessions are conducted on an event- or role-specific basis – for example on anti-money laundering, supply chain due diligence or competition law. These formats are initiated by the Legal & Compliance department and form part of the individual qualification programmes.

Fette Compacting regularly reviews the training needs of its employees, particularly in light of new regulatory requirements. Training formats are continuously developed and adapted to legal changes and the specific responsibilities of each target group. This ensures that all employees have the necessary knowledge to actively contribute to a values-driven and compliant corporate culture.

Global compliance training of the Fette Compacting Group

Global compliance training			2023	2024
Sites covered by an established compliance management system	G1-1	%	100.00	100,00
Number of employees who have taken part in compliance training on the Code of Conduct	G1-1	Number	914	972
Training rate of employees who have taken part in compliance training on the Code of Conduct	G1-1	%	98.70	99,69
Number of managers who have taken part in compliance leadership training	G1-1	Number	33	33
Training rate of managers who have taken part in compliance leadership training	G1-1	%	100.00	100,00



G1 Business conduct

Detection and reporting mechanisms

The effectiveness of the compliance management system (CMS) is regularly reviewed through interviews with the compliance officers of the Group’s subsidiaries and compliance audits conducted as part of internal reviews. These measures help identify areas for improvement and ensure full compliance with all applicable policies and regulations.

Fette Compacting has established a “Speak-Up” culture that promotes honest and transparent reporting within the Group and to relevant authorities. Unethical, illegal or irresponsible conduct would harm the company and its stakeholders – including customers, shareholders, suppliers, partners and employees. Therefore, all governing bodies and employees are required to report issues conscientiously, comprehensively and in a timely manner.

Employees, managers, managing directors and all external stakeholders may report violations or suspicions by contacting their supervisors, the management, the designated compliance officers, or the Legal & Compliance department. Reports can also be submitted anonymously via the LMT Group’s “Speak-Up” compliance hotline or by email to compliance@fette-compacting.com. Anonymity and protection of the whistleblower are ensured, and data storage is managed in compliance with the EU General Data Protection Regulation (GDPR).

All incoming reports are documented in a structured manner, checked for plausibility, and – in the event of a reasonable suspicion – followed up with an internal investigation. The LMT Group’s procedural rules governing the complaint mechanism define the process, protection measures and communication guidelines within the “Speak-Up” system in accordance with Section 8 of the German Supply Chain Due Diligence Act (LkSG).

Whistleblower reports

In 2024, four reports of potential legal violations were submitted through various channels. One of these reports was found to be substantiated, while three were unsubstantiated. Measures to improve processes and minimise compliance risks were continuously pursued.

Reports submitted via the “Speak-Up” whistleblower system, Fette Compacting Group

Whistleblower reports			2023	2024	Δ in %
Number of reports submitted via the whistleblower system	G1-1	Number	5	4	-20
Number of reports falling within the scope of the whistleblower system	G1-1	Number	2	1	-50
Locations with an established whistleblower system	G1-1	Number	100.00	100.00	

G1 Business conduct

Response to compliance violations

An effective compliance management system (CMS) requires consistent follow-up and enforcement in the event of violations. Proven breaches of legal or internal requirements are not tolerated at Fette Compacting and may result in disciplinary and/or legal consequences.

The Legal & Compliance department works closely with the Human Resources department and the Works Council to provide the executive management with appropriate recommendations for action. In addition, a root cause analysis is initiated to identify the underlying reasons for the violation. Internal processes, policies and procedures are reviewed for systematic deficiencies, and appropriate improvement measures are implemented to prevent recurrence.

Compliance declarations

Each year, the members of the Executive Management of Fette Compacting Group and the managing directors of its domestic and international subsidiaries issue a formal compliance declaration. This obligation is stipulated in the “Legal & Compliance Guideline” of the Fette Compacting Group.

Legal and Compliance Guideline

The Legal & Compliance Guideline defines the overarching compliance requirements and expectations for the entire Group, aiming to ensure compliance with all legal and internal obligations across all jurisdictions. It raises awareness among employees about legal and compliance topics and clarifies when the Legal & Compliance department must be consulted. The policy also explains the structure and function of the CMS and provides clear guidance on who to contact in case of compliance-related questions or suspected violations.

ESRS G1-2

Management of relationships with suppliers

As a manufacturing company, we rely on close collaboration with our suppliers. We consider it part of our social and environmental responsibility to assess our supply chain partners against the same standards for sustainable corporate governance that underpin our own business conduct. This includes respecting and upholding human rights and avoiding negative environmental impacts.

Fette Compacting maintains a partnership-based relationship with its suppliers and promotes ongoing dialogue and close cooperation to continuously improve sustainability standards. This close cooperation also enables us to ensure consistently high product quality and supply chain reliability.

A sustainable supply chain is essential for demonstrating how we meet social and environmental standards both at our own production sites and within our supplier network. Our goal is to ensure a responsible, secure and sustainable supply chain that meets customer expectations and supports environmental and social protection.

Supplier Code of Conduct

Our Supplier Code of Conduct reflects our own values, the requirements of the German Supply Chain Due Diligence Act (LkSG), and the expectations of our customers. The Code forms the foundation for managing our global sourcing activities in a responsible manner and sets out core rules and commitments relating to human rights, labour standards, environmental protection and anti-corruption.

[Download the “Corporate Policy of the Fette Compacting Group” brochure for more information](#)

G1 Business conduct

Supply chain responsibility

Due diligence

Fette Compacting continuously reviews its suppliers to ensure that they meet the standards for a sustainable and responsible supply chain. In principle, all suppliers are informed about the General Terms and Conditions of Purchase as well as the Supplier Code of Conduct of the Fette Compacting Group.

As part of event-driven audits, we assess our suppliers' compliance with ethical principles, working conditions and environmental impacts. This is based on a risk-based approach that may include supplier self-assessment questionnaires and other due diligence measures. If necessary, we issue recommendations and jointly define measures to implement sustainability standards with the aim of improving performance along the entire supply chain and promoting responsible business practices. In addition, we continuously strengthen a network of alternative suppliers to reduce potential sourcing risks.

All suppliers are encouraged to establish their own due diligence procedures to ensure that their contractors and subcontractors also comply with the defined standards and requirements. Upon request, we may evaluate the collaboration between suppliers and their subcontractors to achieve maximum transparency in relevant high-risk supply chains, including traceability to the point of origin where necessary.

ESRS 2 MDR-M/G1-6

Payment practices

Our procurement processes follow a standardised procedure that takes into account the specific payment terms agreed with each supplier. Unless otherwise agreed in writing, we pay invoices within 30 days of delivery and receipt of the invoice with a 3 % cash discount, or within 60 days of invoice receipt without deduction. This practice is binding and defined in our General Terms and Conditions of Purchase. If delivery is delayed by the supplier, the agreed payment terms are adjusted accordingly.

While we apply consistent practices across all suppliers, we recognise the particular importance of avoiding late payments to small and medium-sized enterprises (SMEs). We promote this through open communication and transparency with regard to our payment terms and practices.

ESRS G1-3

Prevention and detection of corruption and bribery

To ensure fair dealings with business partners and to prevent legal violations, Fette Compacting strictly prohibits all forms of corruption. The long-term success of our company is built on the trust of our employees, customers, suppliers and business partners. We are a reliable partner and expect all business activities to be conducted in full compliance with applicable laws and regulations.

This includes taking a proactive approach to preventing corruption. As part of our compliance management system, we have established behavioural standards for anti-corruption that are aligned with the United Nations Convention against Corruption and other international standards. These standards are implemented through our Code of Conduct and the Fette Compacting Anti-Corruption Policy. To identify potential corruption risks, the Compliance Team conducts annual compliance risk assessments.

Anti-Corruption Policy

The Anti-Corruption Policy applies to all domestic and international subsidiaries as well as to all employees, senior managers and executive directors. Its purpose is to prevent any form of corruption and to ensure fair dealings with business partners. All employees and managers are required to comply with the established rules and to report any suspicious activity through the available whistleblowing channels. Key elements of the policy include clear behavioural guidelines and practical "Dos and Don'ts" to help identify potentially critical situations and respond appropriately.



G1 Business conduct

Functions-at-risk

At Fette Compacting, certain functions are considered functions-at-risk due to their operational responsibilities, particularly with regard to corruption, bribery, or ethically sensitive business situations. This applies in particular to roles involving direct responsibility for financial transactions, procurement, sales, export control, or interactions with public authorities or regulatory bodies.

Elevated risk potential may also arise from activities in markets with high corruption risk or low regulatory transparency – such as market entry in new countries or cooperation with business partners in high-risk regions. To address this, our compliance monitoring processes ensure the highest standards of integrity and regulatory compliance.

ESRS 2 MDR-M / G1-4

Confirmed incidents of corruption or bribery

In 2024, there were no incidents, convictions, or fines related to breaches of anti-corruption or anti-bribery laws, nor any violations of procedures or standards relating to the prevention of corruption and bribery.

Furthermore, no legal proceedings related to corruption or bribery were initiated against our company or any of its employees. We also did not identify any actual incidents or impacts of corruption or bribery to which we were directly linked through a business relationship in our value chain.

ESRS G1-5

Political influence and lobbying activities

Fette Compacting does not exert any direct political influence, does not make political donations, and does not provide funding to political organisations or parties. The company also refrains from sponsoring activities with political associations. Fette Compacting GmbH is listed in the Transparency Register of the Federal Republic of Germany.

Our involvement is limited to participation in industry associations. This includes the German Engineering Federation (VDMA), which represents the shared economic, technical and scientific interests of the mechanical engineering industry in Germany, Europe and globally. Our participation serves the purpose of professional exchange and joint advocacy on behalf of the industry towards legislators and institutions.

As of the reporting date, no member of the Management Board or Supervisory Board holds a mandate in public administration or in a comparable position within regulatory authorities. Furthermore, no governing bodies of Fette Compacting are registered in lobbying registers or entrusted with political functions.

Corruption or bribery Fette Compacting Group

Corruption and bribery incidents (G1-4)				2023	2024	Δ in %
Number of convictions for corruption and bribery offenses	G1-4	§24 a	Number	0	0	0
Amount of fines for corruption and bribery offenses	G1-4	§24 a	Euro	0	0	0
Total number of confirmed cases of corruption or bribery	G1-4	§25 a	Number	0	0	0
Number of confirmed cases, in which own employees were dismissed or disciplined for corruption or bribery	G1-4	§25 b	Number	0	0	0
Number of confirmed cases of contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	G1-4	§25 c	Number	0	0	0

Data Appendix

102 Index of general disclosures

105 Publishing information



Index of general disclosures

ESRS 2/IRO-2

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

We refer to other legal instruments in our reporting to demonstrate how our sustainability statement aligns with applicable laws and regulations.

List of data points in general and thematic standards resulting from other EU legislation

Disclosure Requirement	Data point	Description	EU legislation	Page
ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	68
	21 (e)	Percentage of board members who are independent	BRR	68
ESRS 2, GOV-4	30	Statement on due diligence	SFDR	13
ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	NR
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR	NR
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR	NR
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	NR
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	NS
	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	P3/BRR	NS
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	NS
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources	SFDR	48
	37	Energy consumption and mix	SFDR	47, 48
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	NS
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR/P3/BRR	49, 50
	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	NS
ESRS E1-7	56	GHG removals and carbon credits	EUCL	NR
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	NS
	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	P3	NS
	66 (c)	Location of significant assets at material physical risk	P3	NS
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	NS
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	NS
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	SFDR	NM

Index of general disclosures

Disclosure Requirement	Data point	Description	EU legislation	Page
ESRS E3-1	9	Water and marine resources	SFDR	NM
	13	Dedicated policy	SFDR	NM
	14	Sustainable oceans and seas	SFDR	NM
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	NM
	29	Total water consumption in m3 per net revenue on own operations	SFDR	NM
ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities with negative impacts on biodiversity-sensitive areas	SFDR	NM
	16 (b)	Soil degradation, desertification or soil sealing	SFDR	NM
	16 (c)	Endangered species	SFDR	NM
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	SFDR	NM
	24 (c)	Sustainable oceans / seas practices or policies	SFDR	NM
	24 (d)	Policies to address deforestation	SFDR	NM
ESRS E5-5	37 (d)	Nicht recycelte Abfälle	SFDR	55, 56
	39	Gefährliche Abfälle und radioaktive Abfälle	SFDR	55, 56
ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labour	SFDR	NR
	14 (g)	Risk of incidents of child labour	SFDR	NR
ESRS S1-1	20	Human rights policy commitments	SFDR	21, 35-39, 60-62, 82, 91
	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 processes and measures for preventing trafficking in human beings workplace accident prevention policy or management system	BRR	35-39, 60
	22		SFDR	35-39, 60
	23		SFDR	35-39, 60, 73-74
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	35, 62, 97-98
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of workrelated accidents	SFDR/BRR	74-75
	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	74-75
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR	NS
	97 (b)	Excessive CEO pay ratio	SFDR	NS
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	79, 91, 97
	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	SFDR/BRR	79, 91, 97
ESRS S2, SBM-3 (ESRS 2)	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	81-83
ESRS S2-1	17	Human rights policy commitments	SFDR	22, 81-82, 98-99
	18	Policies related to value chain workers	SFDR	37, 81, 98
	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	81, 97-98
	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	BRR	81, 97-98
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	97

Index of general disclosures

Disclosure Requirement	Data point	Description	EU legislation	Page
ESRS S3-1	16	Human rights policy commitments	SFDR	NM
	17	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR/BRR	NM
ESRS S3-4	36	Human rights issues and incidents	SFDR	NM
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	35–39, 85–88
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	89
ESRS S4-4	35	Human rights issues and incidents	SFDR	97
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	35, 91, 93, 98–99
	10 (d)	Protection of whistleblowers	SFDR	35, 97
ESRS G1-4	24 (a)	Fines for violation of anticorruption and anti-bribery laws	SFDR/BRR	97, 100
	24 (b)	Standards of anti- corruption and anti- bribery	SFDR	35–39, 71, 91–100

Laws and regulations

SFDR Sustainable Finance Disclosure Regulation

P3 EBA Pillar 3 disclosure requirements

BRR Climate Benchmark Standards Regulation

EUCL EU Climate Law

Abbreviations

NR Not relevant

NS Not stated

NM Not material

Publishing information

Publisher

Fette Compacting GmbH
Grabauer Str. 24
21493 Schwarzenbek,
Phone: +49 (0) 4151 12-0

© Fette Compacting GmbH, 2025

All rights reserved

The rights to all texts, images and graphics are held by Fette Compacting GmbH

Responsible in terms of press law

Volker Reinsch

Editing and realization

Sabrina Reinsch

Design

Braun Engels Gestaltung GmbH