

**Human Rights Statement 2026 –
German Supply Chain Due Diligence Act
(Lieferkettensorgfaltspflichtengesetz “LkSG”)**

Our commitment to respecting human rights and environmental obligations

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Commitment to the protection of human rights and environmental responsibilities

The LMT Group is committed to respecting and protecting human rights and to taking responsibility for its value chain. We implement applicable law, respect, demand, and promote internationally recognized standards for the observance of human rights and environmental obligations and take care to prevent human rights violations and breaches of environmental obligations in the course of our business activities.

The LMT Group is aware of its responsibility as part of society, as a business partner, and as an employer, and is committed to human rights as enshrined in the United Nations Universal Declaration of Human Rights. This also includes our environmental responsibility to protect the planet's ecosystems and thus the livelihoods of humans and animals. This applies both to our own business activities and is also a requirement for our business partners.

The LMT Group is subject to the requirements of the German Supply Chain Due Diligence Act (LkSG) when implementing its human rights and environmental due diligence. Among other things, the LkSG requires, in accordance with Section 6 (2) LkSG, the publication of a policy statement setting out the company's strategy for protecting human rights and fulfilling its environmental obligations. Key elements of this policy statement include a description of the procedures by which the LMT Group complies with its legal obligations, as well as a presentation of the human rights and environmental risks identified on the basis of an annual risk analysis and the expectations placed on our employees and suppliers.

The policy statement applies to LMT GmbH & Co. KG and all affiliated companies in Germany and abroad ("LMT Group").

Human rights and environmental strategy

Respect for human rights

All business activities of the LMT Group must always be in accordance with the above principles and applicable law. Human rights risks and associated measures are integrated into existing management systems as far as possible. This includes, in particular, occupational health and safety, environmental management, and the compliance management system, including the whistleblower system.

Holistic environmental protection

As a manufacturing company, we are aware that our production processes and products consume environmental resources and have a far-reaching impact on the environment. Our environmental strategy is aimed precisely at working in a resource-efficient manner and establishing appropriate protective mechanisms to reduce or completely avoid the environmental impact of our business activities.

We implement our human rights and environmental strategy both within our own business and in relation to our suppliers.

We pursue a sustainable procurement strategy and select our business partners based on qualitative, economic, and sustainability criteria. At the same time, our business partners in every division are subject to a Supplier Code of Conduct, which is an integral part of our business relationship. We expect our suppliers to also commit to respecting human rights and protecting the environment.

Further details are described in our rules of procedure for the complaints process and in the sustainability report and code of conduct for each division.

Procedure description

a) Organization

The LMT Group is divided into two globally active operating divisions: the Fette Compacting Group, a global technology leader for integrated solutions for industrial tablet manufacturing, with a portfolio comprising machines, technical consulting, and process support, and the LMT Tools Group, a supplier and manufacturer of precision tools and a provider of comprehensive tool solutions.

For each operating division, an internal person responsible within the meaning of Section 4 (3) sentence 1 LkSG has been appointed to monitor risk management (hereinafter: human rights officer). The human rights officers are responsible for monitoring risk management and the corresponding due diligence obligations in their respective divisions, including domestic and foreign subsidiaries. The human rights officers report to the responsible management at least once a year and as required.

The design of the process organization and the fulfillment of the individual due diligence obligations of the LkSG were based on Standard 16 of the German Institute for Compliance e.V. (DICO) – “Supply Chain Compliance Management System (L-CMS)”.

b) Risk management

Risk management pursuant to Section 4 LkSG aims to ensure compliance with due diligence obligations (Section 3 (1) LkSG). The identification of risks and potential impacts, as well as the derivation of effective measures, is the core task and, at the same time, the objective of risk management. In order to meet the individual needs, requirements, and different risk profiles of both divisions of the LMT Group, each division independently defines a process for risk analysis and the implementation of appropriate and effective measures. The measures address the human rights and environmental risks specified in Sections 2 (2) and (3) LkSG.

c) Risk analysis of own business area and supply chain

The Fette Compacting and LMT Tools divisions consist of production companies, research and development units, and sales companies. This corporate structure influences the risk analysis in our own business area and the respective supplier structure.

In addition, where available, audit reports, quality management reports, or audit reports from the Health, Safety & Environment area are assessed by the Human Rights Officer to determine the extent to which there are indications of risk situations that have an impact on the risk profile of a company or supplier.

Risk analysis of own business division

All companies that are operationally active are considered for risk analysis in their own business area. At least once a year and as required, the relevant risks are reviewed and assessed by the respective risk managers and appropriate measures are initiated. Generally recognized country and industry indices and the company-specific risk situation are taken into account. The risk assessment is supported by a uniform assessment methodology based on the guidelines of the Federal Office of Economics and Export Control.

Risk analysis of direct suppliers

A risk-based approach is used to identify potential risks in our supply chain with the help of software-supported risk assessment.

First, an initial macroeconomic risk assessment is carried out for all direct suppliers within the scope of application. Depending on the risk profile, a specific risk assessment is carried out with the help of further publicly available information (e.g., media) and, if necessary, detailed information from the suppliers. Taking into account the influence, contribution to causation, severity, probability, and reversibility of an identified risk, preventive and remedial measures are defined and discussed with the supplier.

The risk analysis of direct suppliers is carried out at least once a year and as required.

Ad hoc risk analysis and risk analysis of indirect suppliers

For direct suppliers and indirect suppliers (§ 9 LkSG), event-related risk analyses must be carried out as soon as substantiated knowledge of a possible violation of the relevant risks is obtained. Substantiated knowledge may result, for example, from press reports, information in day-to-day business, or through the complaint procedure. Details are explained in the rules of procedure for the complaint procedure. The results of the event-related risk analysis are incorporated into the overall risk assessment and, if necessary, preventive and remedial measures are taken.

d) Results of the risk analysis

No high-priority risks were identified for the LMT Group in its own business area or among its direct and indirect suppliers.

Occupational health and safety is an important area of activity for the LMT Group. The health of employees is a fundamental part of the company's values, and preventive and improvement measures are continuously being implemented.

Preventive and remedial measures

Based on the risk analysis carried out, the LMT Group and its respective divisions have taken preventive and remedial measures.

The preventive and remedial measures are based in particular on the adequacy criteria set out in Section 3 (2) LkSG:

- Nature and scope of business activities
- The company's ability to influence the direct cause of a breach of duty/risk
- The severity, reversibility, and probability of a breach (= in particular, the result of the risk analysis)
- The nature of the company's contribution to the cause of a risk or breach of duty.

Cross-divisional preventive measures within the meaning of Section 6 LkSG are:

- Adoption of a policy statement at LMT Group level in accordance with Section 6 (2) LkSG and communication within our own business area and to suppliers.
- Adoption of a "Supplier Code of Conduct" for each division, as well as contractual inclusion and communication with direct suppliers.
- Training in our own area by the human rights officer and/or compliance officer for relevant employees who come into contact with LkSG obligations and risks in their work.
- Occupational safety measures such as training and risk assessments.

Further preventive measures are determined on an individual basis and are based in particular on the respective risk profile of a company or supplier.

Remedial measures within the meaning of Section 7 LkSG are determined on an individual basis and are based in particular on the specific circumstances of each individual case, taking into account the above-mentioned criteria. If there is substantiated knowledge of actual indications of a breach of duty in the company's own business area, by a direct supplier, or by an indirect supplier, an event-related risk analysis is initiated immediately and, depending on the result, ad hoc preventive and remedial measures are taken.

Complaints procedure

The LMT Group has implemented a whistleblower system that meets the requirements for the complaint procedure in accordance with Section 8 of the German Supply Chain Due Diligence Act (LkSG). Whistleblowers have various reporting channels at their disposal, which are designed to be as accessible as possible. The rules of procedure within the meaning of Section 8 (2) LkSG are publicly available on the [Speak Up compliance hotline](#) website in languages relevant to LMT Group stakeholders. Anonymity can be guaranteed upon request.

Monitoring and reviewing the effectiveness of LkSG risk management

The human rights officers are responsible for monitoring LkSG risk management within the meaning of Section 4 LkSG in accordance with Section 4 (3) LkSG and reporting the results to the responsible management. The frequency, intensity, and depth of monitoring are based on the adequacy criteria described above and are risk-oriented.

The consistent application of the risk analysis methodology and the effectiveness of defined prevention and remedial measures pursuant to Sections 6 (5) and 7 (4) LkSG are subject to annual and, if necessary, ad hoc reviews by the human rights officers. As a general rule, individual measures and processes must be reviewed for appropriateness and effectiveness as part of audits.

In the spirit of a continuous improvement process, the findings from monitoring activities are incorporated into the design of individual due diligence obligations and risk analyses.

Reporting

The human rights officers report comprehensively on the fulfillment of due diligence obligations, the results of risk analyses, and the review of effectiveness at least once a year and as required to the management and, if necessary, to the supervisory board.

Pursuant to Section 10 (2) of the German Supply Chain Due Diligence Act (LkSG), the LMT Group, in the form of LMT GmbH & Co. KG, is required to prepare an annual report on the fulfillment of its due diligence obligations in the past fiscal year. The reports are published on the LMT Group website and are available to the public free of charge for a period of seven years.

Management of the LMT Group



Joachim Dittrich



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