

2023 Forced and Child Labor Report

Our approach to reduce the risk of slavery and human trafficking in its businesses and supply chain

Introduction

This statement is made by Fette Compacting America, Inc. (the “Company” or “Fette America”) pursuant to the Canadian “Fighting Against Forced Labour and Child Labour in Supply Chains Act” and covers the financial year ending 31 December 2023. It sets out the steps Fette America takes to reduce the risk of slavery and human trafficking taking place in its business and supply chain.

Fette America – at a glance

Fette America is a sales subsidiary of the Fette Compacting Group, a developer and manufacturer of machines and systems to produce tablets, and other powdered dosage forms.

Statement of Fette America

Fette America is committed to respecting and protecting human rights and to taking responsibility for its value chain. We comply with applicable law, respect, demand and promote internationally recognized standards for the observance of human rights and take care to prevent human rights violations as part of our business activities.

Fette America is aware of its responsibility as part of society, as a business partner and as an employer and is committed to human rights as set out in the United Nations Universal Declaration of Human Rights.

Policies on Modern Slavery and Human Trafficking

Our commitment is reflected in the Code of Conduct of each business unit to respect human rights and take the necessary actions to reduce risks of slavery and human trafficking which is applicable for all employees. For our suppliers we expect to comply with the same standards which is determined in the Supplier Code of Conduct of each business unit. In both types of Code of Conducts, we highlight the importance of protecting human rights as integrated part of our business activities. We expect our suppliers to be open for audits to confirm that suppliers’ activities are in compliance with the respective Supplier Code of Conduct. We offer our support to suppliers to comply with our Supplier Code of Conducts.

Measures taken by Fette America

All business activities of Fette America, must always comply with the above principles and applicable law. Human rights risks and associated measures are integrated into existing management systems as far as possible. In particular, this includes occupational health and safety, environmental management and the compliance management system, including the whistleblower system.

Human rights risk assessment

Human Rights risks, including slavery and human trafficking, are regularly, and event-driven assessed, at least on annual basis within all relevant operating entities (own business area) and all relevant suppliers of Fette America. The process is lead by the compliance department of the Fette Compacting Group.

As a member of the Fette Compacting Group, Fette America follows the Due Diligence obligations of the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz" – LkSG) which became effective for the Fette Compacting Group since 01 January 2024. This law explicitly requires risk assessment measures and if needed preventive and remedial measures for identified human right risks as e.g. child labour, forced labour and slavery.

The risk assessment starts with a macroeconomic risk assessment considering a country-product risk score to identify typical human risk factors for our business activities. Depending on the risk score, a concrete risk assessment including media search analysis is performed for each critical supplier and within Fette America's own business area.

Depending on the final risk score, preventive and remedial measures are taken to reduce identified risks. This can include e.g. individual contractual agreements, trainings or audits. The risk score and type of measures are therefore relevant key performance indicators to steer our compliance with the MSA in our business activities.

Sustainable procurement

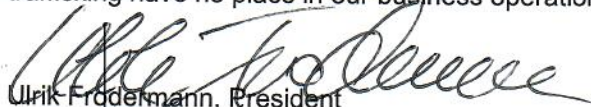
We pursue a sustainable procurement strategy and make our decision for the selection of a business partner according to qualitative, economic and sustainable criteria manifested in the Supplier Code of Conduct per business unit.

Whistleblowing System

For us, honest and transparent reporting within the Group and to the authorities is indispensable. Our stakeholders, including our employees and our business partners, can report violations of laws without fear of sanctions or disadvantages. It is possible to report anonymously via the compliance hotline "Speak-up". The whistleblowing system is available in various languages. A process is in place to ensure anonymous and confidential handling of reported cases as well as follow up and root-cause process.

Endorsement of this statement

The president of Fette America recognizes the importance of the matters considered in this statement and the Fighting Against Forced Labour and Child Labour in Supply Chains Act. Fette America will continue to take all measures necessary to ensure that slavery and human trafficking have no place in our business operations.



Ulrik Frodenmann, President