

Code of Conduct

1. Preamble

Respectful and co-operative collaboration and the conscious perception of social responsibility form the basis for the long-term success of the business.

PRIMES GmbH is committed to socially responsible and ecological corporate governance. We expect the same behavior from our suppliers. We also expect our employees to observe the principles of ecological, social and ethical behavior and to integrate them into the corporate culture.

Furthermore, we strive to continuously optimize our corporate actions and our products and services in terms of sustainability and ask our suppliers to contribute to this in terms of a holistic approach.

This Code of Conduct (also referred to as CoC), summarizes the key principles and basic rules for the company's own actions as well as for its conduct towards colleagues, employees, business partners (customers, suppliers and service providers) and the public. The Code of Conduct provides all employees, suppliers and others with an orientation framework on topics such as adherence to rules & compliance, fairness & equal treatment, sustainability, data protection and others.

This Code of Conduct has been drawn up and approved by company management. The Code of Conduct is distributed when new employees are hired, at regular intervals in the form of training courses by our team leaders and managers and by including it in our General Terms and Conditions of Purchasing.

In accordance with the German General Law relating to Equal Treatment (Allgemeines Gleichstellungsgesetz, AGG), it is being expressly pointed out that in the German version, all personal formulations contained in the code of conduct are to be considered to be gender neutral. Should only the male form be used in the German version of the text below, this is purely for the purpose of readability and does not indicate any detriment due to gender. It goes without saying that all genders are being addressed in the German version.

2. Compliance with the law

We consider compliance with national and international laws and internal regulations to be an essential basic principle of responsible economic behavior. We comply with the applicable legal prohibitions and obligations at all times, even if these lead to economic detriments or difficulties for the company, individual business partners or individual persons.

3. Data protection and information security

The protection of personal data generally, but in particular that of employees and business partners is of great importance to us. As a rule, we only gather and process personal data if this is necessary in order to fulfill the respective task or has been ordered by law and in such a case, we observe the principles of data security, transparency and data minimization. Otherwise, we only process personal data after obtaining the consent of the data subject, which is always in compliance with the rules and principles set out in the GDPR.

The co-operation partners (customers, suppliers, employees and service providers) ensure that the data protection level required by law is complied with in relation to the personal data which is processed during the co-operation.

We have an external data protection officer and an internal data protection coordinator.

4. Equal treatment and non-discrimination

At our company, we live a culture of equal opportunity, mutual trust and trust for each other. We promote equal opportunity, tolerance and respectful, polite and honest interaction with one another. We do not tolerate any form of discrimination, especially when appointing employees and in relation to professional development, promotion or the granting of training and continued development measures. We treat all employees equally, regardless of gender, age, skin color, culture, ethnic background, sexual orientation, disability, religion or world view.

5. Human rights and employee rights

We respect internationally recognized human rights, dignity and personality rights and support compliance with these. We strictly reject any form of forced labor and child labor.

PRIMES GmbH does not tolerate any kind of misconduct, especially violence, threats, harassment (in particular sexual harassment, such as unwanted approaches, verbal attacks of a sexual nature or actual sexual aggression) and bullying will be stopped and punished as quickly as possible.

We have undertaken to provide fair working conditions, in particular in relation to remuneration, working time and protection of the private sphere.

The employees may claim their rights, form and be members of unions and negotiate collective demands. Discrimination against employees who act as employee representatives is prohibited.

6. Safety in the workplace and protection of health

We ensure a healthy and hazard-free environment for our employees. In this context, safety in the workplace and protection of health as integral components of all operational processes are incorporated into the technical, economic and social considerations from the very beginning - already in the planning phase. In addition, all employees are informed of and trained in applicable protection of health and safety norms and measures. All of our employees comply with the regulations concerning safety in the workplace and protection of health.

We have an external occupational safety specialist, as well as an internal occupational safety officer and a laser safety officer.

7. Sustainable protection of the environment and climate protection

PRIMES GmbH takes appropriate measures to avoid hazards for people and the environment and to minimize impacts on the environment. We consistently comply with applicable national and international regulations concerning environmental protection in order to continuously minimize the consumption of resources and the impact on the environment. We also have these expectations of our business partners.

We always respect and protect the function of the environment as a natural basis for life and its fundamental importance as a supply base for workers in the regions.

Sustainable environmental and climate protection, as well as resource efficiency are two of our most important goals. Both when developing new products and services and when supporting regular customers, we ensure that related effects on the environment and climate are kept to the absolute minimum and that our products make a positive contribution to protection of the environment and climate protection on the part of our customers.

No industrial sewage is produced from the operating procedures and manufacturing processes of PRIMES GmbH. For this reason, sewage treatment and reduction measures are not applicable.

No industrial air or noise emissions take place as a result of the operations of PRIMES GmbH. For this reason, no exhaust gas purification system is used.

We expect our suppliers to monitor, verify and, if necessary, treat general emissions from operations (air and noise emissions). In addition, our suppliers have the task of monitoring their exhaust gas cleaning systems and are required to find economical solutions to minimize any emissions.

PRIMES GmbH offers the possibility of returning old PRIMES GmbH brand devices for proper disposal in accordance with the German Electrical and Electronic Equipment Act (Elektro- und Elektronikgerätegesetz). PRIMES GmbH has WEEE registration number DE 65549202.

8. Management of waste and hazardous substances

During production, the use and consumption of resources, as well as the generation of waste of any kind, including water, shall be reduced or avoided. This can be done through new processes and measures, savings, recycling, with the help of the reuse of materials or through the use of alternative materials.

Our goal is to act in an environmentally conscious and sustainable manner within the scope of our possibilities. Therefore, one of the minimum standards is to comply with the customary and (inter)nationally applicable laws, norms, standards and regulations, to minimize the use of hazardous substances and materials, and to prevent environmental pollution and support the use of natural resources.

The prohibitions on the export of hazardous wastes in the Basel Convention of March 22, 1989, as amended, shall be taken into account. Chemicals or other materials that pose a hazard when released into the environment shall be identified and handled in a manner that ensures safety during their handling, storage, use, transport, recycling or reuse, and disposal.

When handling mercury, the principles of the Minamata Convention of October 10, 2013 and the national regulations derived from it shall apply throughout the life cycle from primary mining to disposal.

The use of persistent organic pollutants (POPs) shall be brought in line with the Stockholm Convention of May 23, 2001.

9. Management of energy consumption and greenhouse gas emissions

Lasers require cooling, people need heat: With the goal of maximum sustainability, PRIMES GmbH built its extension and used the latest energy efficiency technologies with cisterns, solar systems, heat pumps and concrete core activation. A well-considered energy concept was developed that, amongst others, uses the waste heat from the lasers for heating purposes and stores cold water in a cistern. The result are buildings that requires (virtually) no heat and no air conditioning system.

The existing buildings were also retrofitted to improve their energy efficiency. In addition, PRIMES GmbH attaches importance to the greening of the outdoor area and relies on electricity from renewable energies. This sustainably minimizes energy consumption and reduces greenhouse gas emissions.

PRIMES GmbH also expects its suppliers to work continuously on reducing energy consumption and greenhouse gas emissions within the scope of their possibilities. For this purpose, the relevant energy sources as well as greenhouse gas emissions should be identified and monitored. Economic solutions should be found to improve energy efficiency and minimize greenhouse gas emissions.

The use of energy from renewable sources as well as energy efficiency measures should be promoted.

10. Animal welfare

The consideration of animal welfare in all business activities is of great importance for PRIMES GmbH.

Therefore, the implementation of standards for the compliance with animal welfare along the entire supply chain is expected from affected suppliers. As a matter of principle, animal testing is to be avoided and alternative non-animal methods are to be preferred, unless there is a legally prescribed need for animal testing. Nationally and internationally applicable regulations on animal welfare and animal testing are to be complied with under all circumstances.

11. Biodiversity, land use, deforestation and soil quality

The activities of all stakeholders along the supply chain shall take into account the protection of natural ecosystems and prevent alteration, deforestation and degradation of forests based on the identification and management of natural forests and other natural ecosystems.

PRIMES GmbH favors the infiltration of rainwater on its premises. This promotes groundwater recharge and reduces the impact of soil sealing.

The use of substances that are harmful to the environment and to the soil or water and that can lead to harmful soil changes is not permitted. The minimum requirement is compliance with local and national regulations.

Where soil quality may be affected, we expect our suppliers to routinely monitor and control it to prevent soil erosion, nutrient depletion, subsidence and contamination.

12. Land, forest and water rights and eviction

Our suppliers must not violate legitimate rights and deprive land, forests or waters, the use of which secures the livelihood of people. Illegal evictions are to be refrained from.

Harmful soil changes, water and air pollution, as well as excessive water consumption must be refrained from if this decisively impairs the natural basis for the production of food, prevents the access of persons to drinking water or sanitary facilities or damages the health of persons.

13. Procurement

Suppliers and service providers are selected and qualified in an objective manner on the basis of their capability of fulfilling our requirements. Our suppliers must conform with our code of conduct and always act in a lawful manner.

13.1. Counterfeit parts

We only place orders with trustworthy dealers. Our suppliers, for example circuit board assemblers, are required to buy from trusted channels.

Our suppliers must not deliver products to PRIMES GmbH that contain counterfeit components.

Furthermore, we expect our suppliers to minimize the risk of diverted parts and materials entering the products to be delivered. During product development, the relevant technical regulations must always be taken into account.

13.2. Conflict minerals

Since 1 January 2013, US companies affected by the US Dodd-Frank Act must provide proof of the origin of certain conflict raw materials (gold, tin, tantalum, tungsten). On the EU level, Regulation 2017/821 has been applicable since 9 July 2017.

PRIMES GmbH does not import any of the minerals concerned in their non-processed form. However, the metals concerned may be present in small quantities in the components or products which are installed by us. These quantities are far below the quantity thresholds set out in the Regulation, which means that Regulation 2017/821 does not apply to PRIMES GmbH.

PRIMES GmbH has established processes to comply with the duty of care in order to promote responsible supply chains. We are in regular contact with our suppliers in order to examine our supply chain and to

identify and eliminate smelters which are of concern. We expect correct and complete information from our suppliers concerning the use of conflict minerals in the products which are delivered to us. On the basis of this information, we draw up an updated CMRT each year.

13.3. REACH/RoHS

For the manufacturing process, PRIMES GmbH procures products and materials (coatings, solder, adhesives, cleaning agents, lubricants, etc.) from suppliers. The chemicals contained in these products and materials which are subject to mandatory registration must be registered by our suppliers.

In accordance with Article 33 of the REACH Regulation, we are obliged to inform our customers if a product supplied by us contains a substance of very high concern (SVHC substance) with a mass concentration of more than 0.1%. We request information from our suppliers about the presence of declarable substances, so that we can implement any necessary substitution measures (in accordance with the state of technology) and inform our customers.

14. Avoidance of conflicts of interest

At our company, commercial decisions are taken solely in the best interests of the business. Conflicts of interest with other economic or other activities of business partners and stakeholders, their relatives or other close persons, as well as with the private interests of individual employees, should be avoided from the outset. Should conflicts of interest arise anyway, these must be disclosed and solved in accordance with applicable laws.

15. Export controls and economic sanctions

Our business activities comply with the legal requirements for cross-border trade. At all times, our employees are required to act in accordance with the applicable foreign trade regulations.

Prior to each export, a check is made to determine whether the relevant transaction is subject to export restrictions and/or prohibitions.

The check includes possible embargoes or sanctions against the country of destination, the verification of the products against the lists of goods (Annex I of the EU Dual-Use V O, Part I Section A or B of the Export List), as well as the intended use.

Before entering into any new business relationships, PRIMES GmbH checks the potential customer, supplier, employee or other business partner against the public embargo and sanctions lists. If the potential business partner is entered in one of these lists, PRIMES GmbH will not enter into the business relationship. In addition, this check takes place regularly for customers, suppliers and other business partners.

The employees are trained not to support or initiate themselves any measures which promote or enable financial crime.

16. Fair competition

PRIMES GmbH is characterized by its high level of competence in the area of laser measurement technology. Our systems are accurate and innovative. The high level of training and continual professional development of our employees, as well as a pleasant and motivating working environment form the basis for the quality of our products, satisfaction on the part of our customers and our sustainable success in global competition.

PRIMES GmbH does not tolerate corrupt business activities (such as bribery or unauthorized benefits, embezzlement, theft or fraud) or any breaches of applicable competition and anti-cartel laws.

17. Prevention of money laundering

Our company complies with anti-money laundering laws. Each employee of our company and our business partners and stakeholders are requested to have any unusual financial transactions, in particular involving cash, which could give rise to suspicion of money laundering, checked by the responsible finance department in case of doubt.

18. Donations

PRIMES GmbH sees itself as an active member of society and therefore contributes in various ways. Amongst others, we provide donations and participate in other forms of social engagement. We do not make any financial contributions to political parties, party-affiliated or party-like organizations, to elected holders of office or to electoral candidates in Germany or abroad.

19. Appearance and communication in public

We respect the right of freedom to express an opinion and protection of personality rights and the private sphere. At the same time, we are all aware that private statements may be made in connection with the activities of the company. For this reason, our employees also protect the image and reputation of their company when appearing in public, in particular in the media.

20. Confidential company information

We take the necessary steps in order to protect confidential information and business documents from access and consultation by employees who are not directly involved in the concrete business transaction and other third-parties in a suitable manner (need-to-know basis).

Employees who are in possession of information which is not generally known or accessible may not pass this information on or otherwise make it public. Cases where a legal or official disclosure obligation exists or where PRIMES GmbH has agreed to the publication of its own company information are excluded from the above.

In particular, the non-disclosure obligation relates to intellectual property, for example ideas for innovations, patents, business secrets and documents, financial data etc.

21. Protection of company property

We use the property and resources of the company properly and carefully and protect these against loss, theft or misuse. The intellectual property of our company represents a competitive advantage and is therefore an asset which needs protecting. We defend this against any unauthorized access by third-parties.

As a rule, we use the tangible and intangible property for business purposes, unless use for private purposes has been permitted. In relation to business trips and other company-related expenses, we have also committed ourselves to the principle of economic efficiency and therefore to a reasonable relationship between the costs and the type and scope of the event. ö

22. Complaints mechanism

In case of (possible) violations of the above requirements, a complaint mechanism has been established by PRIMES GmbH. The complaint can be submitted by e-mail to info@primes.de or by phone at +49 6157 9878 0.

23. Closing words

We promote active and open communication of this Code of Conduct and its underlying values, rules and norms on the part of our employees, business partners and other stakeholders. They ensure that the Code of Conduct is implemented at their own companies.

Due to their role model function, our team leaders and managers must be measured against this Code of Conduct. They ensure that all employees are aware of this Code of Conduct and that they understand and apply it. Our managers are the first port of call in case of queries relating to the understanding or interpretation of individual regulations. Across the company, we stand for trusting and satisfactory co-operation between employees and managers, which is characterized by an open exchange of information, honest interaction with one another and mutual support. Retaliatory measures against employees who openly raise potential problems or suspicions of breaches will not be tolerated.