

ENVIRONMENTAL SOCIAL GOVERNANCE

SUSTAINABILITY STRATEGY





Environmental, social and corporate responsibility, also known as Environmental Social Governance (ESG), is a fundamental element of our business. We stand up for these values and want to make our contribution towards a sustainable and just society.

To live up to this responsibility, we at PRIORIT incorporate ESG considerations into all our decision-making processes, both for internal and supply chain related business decisions.

Our values

As a medium-sized, innovative manufacturing company, it is important to us to meet the high expectations of our customers*, employees, suppliers and all others involved in our success.

We see this as an essential part of our long-term growth, as we believe that only sustainable business models are viable in the future. Accordingly, we embody the values of our ESG strategy.

To give this statement a defined expression, we have decided to align ourselves with the ten principles of the UN Global Compact. This is the world's largest corporate sustainability initiative and provides a global standard.

The aim of the initiative is to align corporate strategies and business activities with the principles of human and labour rights, environmental sustainability and anti-corruption.

PRIORIT sees these values and defined goals as a fundamental orientation for its sustainability strategy and related ESG activities.

* For better readability and simpler technical implementation, we have decided to generally use the masculine form (generic masculine). This is to be understood as gender-neutral in the sense of linguistic simplification. This form of language is value-free and does not imply any discrimination against other genders.

Our orientation

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT



Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. ensure that they are not complicit in human rights abuses.



Work

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination with respect to employment and occupation.



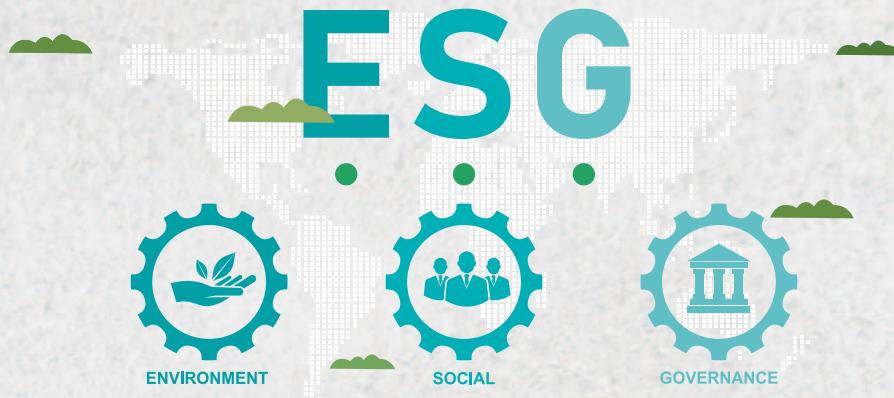
Environment

7. Businesses should support a precautionary approach to environmental problems;
8. take initiatives to promote a greater sense of environmental responsibility; and
9. encourage the development and diffusion of environmentally-friendly technologies.



Fighting corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.



Environmental



The basis of our product range is our non-combustible fire protection panel. On the basis of this panel, we manufacture fire-resistant components with decorative surfaces and thus offer a wide range of possibilities for harmonising safety and design aspects.

Our references range from office and administrative buildings, hospitals and hotels to high-rise buildings and listed buildings. A large number of these buildings in which our products have been installed have received DGNB or LEED certification.

Resource use

Natural resources, especially raw materials, are central factors within a production operation.

The increasing consumption of raw materials represents a major challenge from both an economic and an ecological perspective. For this reason, the careful and at the same time efficient use of natural resources is a central issue for us when it comes to the environment.

The raw panels are always produced in consistent quality from natural components that are available in unlimited quantities and consist of ingredients without any questionable additives.

The extraction of the raw material as well as the production of the panels takes place exclusively in Germany, as do the subsequent processing and manufacturing of the finished fire protection products. The areas mined for the extraction of raw materials are carefully recultivated. All in all, these measures ensure conservative use of resources and optimised utilisation of the raw materials extracted from our natural world. After the product life cycle, the untreated raw panel can be recycled.

Since laminates are used as composite materials in most cases, it is possible to reuse the surface-treated panels following a manual process, i.e. ablation of the surface.

Supply chains

From business partners with whom we collaborate, we expect responsible, sustainable and conscious behaviour within their corporate activities. In order to meet our responsibility for supply chains, we source our supplier products exclusively through European suppliers who are committed to high environmental standards. Production, processing and supply chains within Europe ensure short transport routes.

Further processing of the raw panels takes place at our own production site in Germany. The material for the surface coating is sourced from a supplier based in Germany and certified in accordance with ISO 45001 and ISO 14001.

Energy consumption

As a company with its own production facilities, energy consumption is an important issue that we work on continuously. To reduce consumption, we have consistently replaced all luminaires in our production company with energy-saving LED lamps. High-speed doors combined with efficient heating control serve to optimise our energy consumption.

Our state-of-the-art CNC-controlled machining centres ensure a reduction in the consumption of material and energy by optimising cutting processes. For us, the aspect of durability is also part of the energy- and resource-saving design of our product range. Our products are designed for a long service life of over 40 years.

Environmentally-friendly mobility

The transport of our products, which we arrange, is carried out exclusively by a logistics company with a high level of environmental awareness and ecological standards. This is reflected, among other things, in the choice of location, the use of modern vehicles with Euro 6 standard as well as in the optimal combination of transport modes.

We actively support our employees in reducing emissions by offering flexible working options such as working from home and flexible working hours, business trips by public transport, bicycle parking and making sure all new additions to our vehicle fleet have an environmental badge. In addition, we actively encourage participation in webinars and video conferences.

Social



A modern working environment, performance-related remuneration, further training opportunities as well as attentive interaction and constantly promoting and encouraging diversity are among the central ESG topics for us.

PRIORIT AG employs more than 150 people. We are aware that our employees contribute significantly towards the success of the company and are our most valuable asset.

Employer attractiveness

Employees' expectations of companies and the working environment have changed fundamentally in recent years. We support this development and attach great importance to responding to the changing needs of our employees.

We believe that work should be challenging and fun, and we are convinced that the right corporate culture is the best basis for good, innovative ideas. Successful teamwork as well as outstanding individual performance are the focal points that make up our overall success. Our employees are motivated people with diverse backgrounds and an open-minded, modern view of work.

Our company is guided by a general policy of treating men and women equally, without distinguishing or discriminating on the basis of origin, gender, nationality, age, ideology, religion, disability, marital status, pregnancy, sexual orientation and identity or any other characteristic protected by local law.

The interaction between young and older people of different nationalities, personal inclinations and professional skills is what makes our team so successful. We foster this diversity to support individuality and create a diverse environment with equal opportunities that meets the needs of all people. With us, every person, regardless of their origins, is welcome, and fair and respectful treatment of each other is a matter of course.

In an informal atmosphere and with an "open door" mentality, ideas can arise not only in meetings but also during an encounter in the kitchenette. Ideas that are taken up and ideally quickly put into practice.

The expertise and commitment of our employees are crucial to the success of our company. That is why we provide a framework that enables excellent performance in a safe environment. This includes a balanced relationship between working hours and free time, good health and the targeted promotion of individual personalities.

Flexible, individual organisation of working hours and location, autonomous areas of responsibility, honesty and appreciative interaction characterise the working environment. This includes location-specific models and a wide range of training and development opportunities as well as options for working from home, flexible working hours and flexitime. Appropriate, performance-related remuneration as well as bonuses and allowances are an important sign of appreciation for our employees.

In addition to collective bargaining and employee representation, we offer our employees a wide range of benefits such as meal vouchers, capital-forming benefits, company pension scheme, free drinks, company-owned parking spaces, state-of-the-art work and communication equipment as well as personal development and promotion opportunities.

Regular staff events such as kick-off events, barbecues or sporting activities such as participation in charity runs provide an ideal environment for interdepartmental exchange and collegial interaction.

Occupational health and safety

The well-being of our employees is very close to our hearts. That is why we devote all the necessary attention and energy to ensuring our employees are safe, take pleasure in their work and stay in good health.

By manufacturing in Germany, we offer very good and, of course, fair manufacturing and working conditions. For example, the user-friendly production facilities offer employees a working area that is very well illuminated by means of the most advanced LED lighting technology, with an ergonomic working height, a full-room enclosure and an extraction system. Annual health and safety instruction is just as much a matter of course as continuous training on the CNC machining centres.

Ergonomic office chairs, standing workstations and work tables adjustable to ergonomic working heights can be provided.

We met the challenges of the coronavirus pandemic with a comprehensive package of measures. This included individual offices or home offices, high-quality air purifiers in all meeting rooms, free masks, rapid tests and sanitiser, and working time credits for visiting rapid test centres.

We are aware that the environment and people's health are interdependent and are what ultimately matters most.

Product safety and quality

PRIORIT develops and produces fire protection products exclusively in Germany. To ensure quality standards, production is subject to production site monitoring. Regular material reserves, unannounced external inspections and production audits ensure very high product quality.

CE and GS marking ensure compliance with European legislation on safety, health and environmental protection, as well as compliance with international and German safety standards, e.g. in accordance with the Equipment and Product Safety Act.

Governance



Our managers act as role models and bear special responsibility for a fair corporate culture. At PRIORIT, we believe that long-term corporate success is inextricably linked to our corporate culture.

Compliance

Value awareness and responsible action begin at the top of the company. We are determined to make the right decisions at all times. This includes forward-looking decision-making processes with a clear, sustainable, strategic orientation, without evasive or circumventive solutions, as well as fair competition that focuses on product quality and safety.

Responsible handling of assets, innovations, products and operating resources is just as much a matter of course as is the protection of confidential information and intellectual property. Business and personal interests kept separate at all times and business decisions are always made objectively and in the best interests of PRIORIT AG without any potential personal gain.

PRIORIT is committed to the international fight against corruption and money laundering. We see this as an essential element of fair competition and expect the same from our partners. We do not accept, offer or receive any gifts, payments, invitations or services that can reasonably be assumed to go beyond the scope of ordinary hospitality, influence monetary transactions and decisions or are prohibited by law.

Data protection & quality management

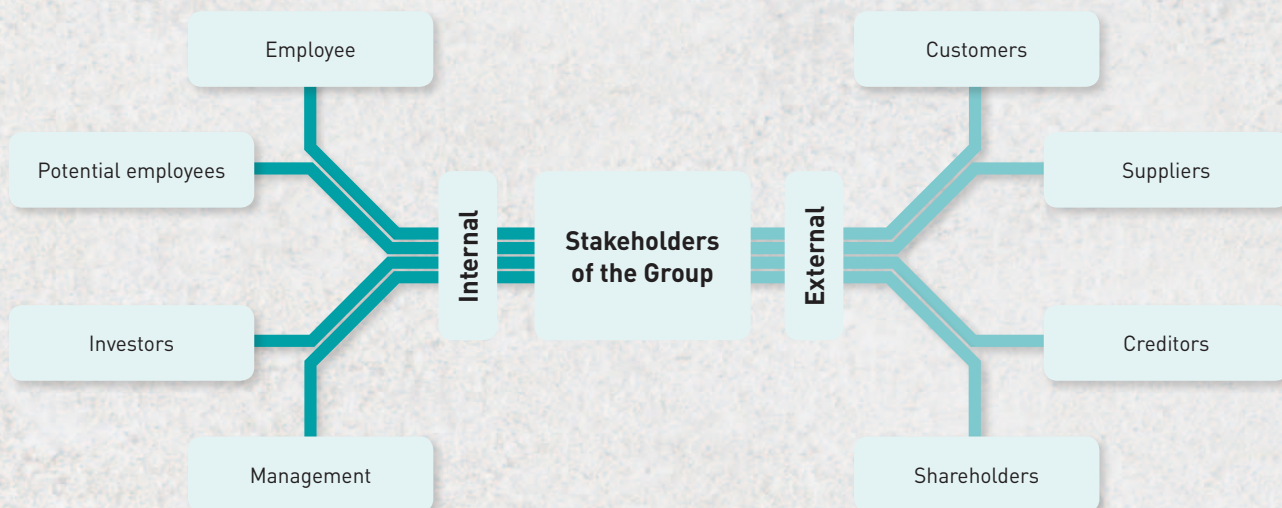
PRIORIT's key governance issues include data protection and quality management. The company is committed to complying with all applicable national data protection laws including the EU General Data Protection Regulation (GDPR, Regulation 2016/679). PRIORIT has introduced numerous data protection, safety and quality guidelines, including the introduction of a quality management system with ISO 9001 certification.

Stakeholder dialog

PRIORIT attaches great importance to open communication with its stakeholders.

Due to our responsibility towards the environment and society, we always try to include all perspectives in the decision-making process and actively involve key stakeholders.

In our view, PRIORIT's most important stakeholders are employees, potential employees, customers, suppliers, investors and lenders. We are in active contact and regular dialogue with all groups. Stakeholder feedback enables us to identify further important issues for our company and to further develop our ESG strategy. Through actively stimulated discussions, surveys, direct talks and a fully embodied open-door policy, our employees are directly involved in the further development of the company.



Through direct contact with our field staff and our customers, feedback, complaints or suggestions for improvement are promptly received and incorporated. When it comes to our suppliers, we make sure that our partners have an excellent reputation in terms of sustainability.



Perspectives

PRIORIT considers itself to be on the right track with its ESG strategy. As a manufacturing company, we will continue to focus on the use of resources and employee satisfaction in the future. In addition, all significant ESG factors will be kept in mind and the strategy will be adjusted as necessary in order to achieve the best possible results and fulfil our responsibility.

ESG Officer

In order to actively drive the ESG strategy forward in the long term, PRIORIT has appointed Dr. Sascha Claudius as ESG Officer. Dr. Sascha Claudius is Chairman of the Executive Board of PRIORIT AG. He is responsible for ensuring that the ESG strategy is implemented, reviewed, improved and revised as necessary.

Production and safety

The ISO 9001 certification ensure safety. All processes in the development and manufacture of PRIORIT fire protection products comply with internationally recognised rules. You can rely on that! That is safe!

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