



Company principles

TRENDSETTING DRÄGER PUBLICATIONS



Company principles

Guidelines for our entrepreneurial activities



The brand

Elements of the brand: guiding philosophy, guiding principle, strengths, brand attributes



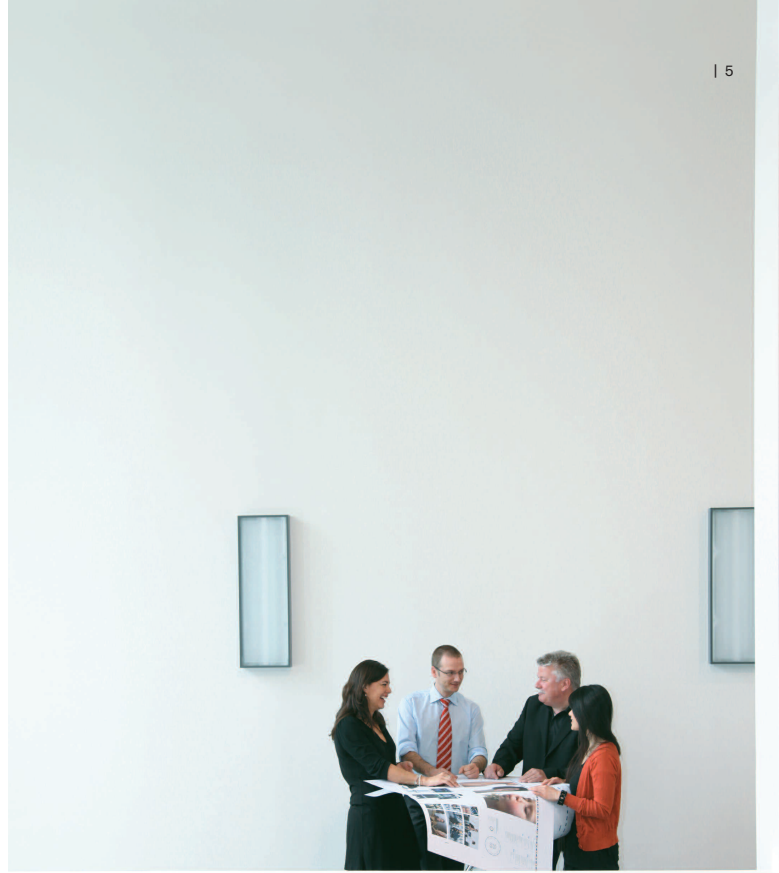
The Principles of Business and Conduct

Guidelines on complying with rules and regulations and our ethical standards



Quality and Environmental Policy

Guidelines for an effective management of quality and environment



Dear Reader,

You have in your hands the Dräger company principles. Before you start reading them more carefully, I would like to share a few things with you.

Dräger is a successful medium-size family-run company with headquarters in Lübeck. It is already over 100 years old and it was internationalized at an early stage. Although we may be a complex company, we have always proven our strengths in difficult times and situations.

Dräger has an unbelievable number of aspects, enormous potential and great employees. The people working here realize ideas hand in hand with our customers. What spurs them on is turning technology into “Technology for Life”. We give them the funding and the freedom to accomplish this. Even though we may often be complex and complicated, these many large and small aspects make us special.

Our development has been led by many different influences. Inventiveness coupled with engineering expertise, a human face and the will to save lives with the help of technology. Our development was driven in part by strategy but to some extent also by incredible coincidences and outrageous ideas.

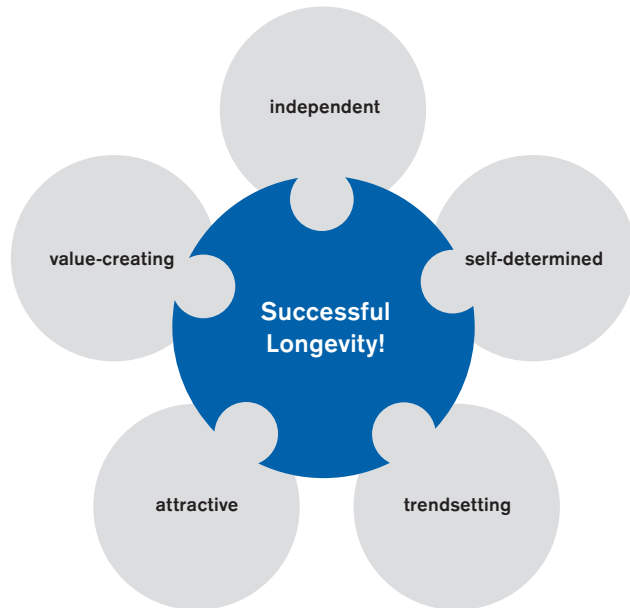
Every company takes its own route to success. And this applies to Dräger as well. That is why I wrote down our company principles which are the parameters for Dräger’s Successful Longevity. In a moment, you will become more familiar with our guidelines and be able to understand and appreciate our decisions and actions better.

Whoever you may be, dear reader, one of our customers, an employee, an interested party, a supplier, a job candidate, a shareholder or a neighbor. We want you to get a feeling for what is important to us at Dräger, what motivates us and how we plan to continue our story of success.

I hope you enjoy reading this, discovering and understanding things you didn’t know about us.

Best regards,
Stefan Dräger

Successful Longevity!



IN 2030:

DRÄGER WILL BE AN INDEPENDENT COMPANY

- We will be a family-run company.
- Our brand will be held in high regard by all stakeholder groups.
- “Technology for Life” will be our guiding philosophy.

OUR COMPANY IS BUILT ON:

- **Technology and innovation**
Using existing technologies, we develop innovative solutions for our customers.
- **Customer intimacy and application knowledge**
Maintaining close contacts to our customers is very important to us. It helps us know exactly the fields of application for our technology, so we know what our customers need.

Successful Longevity!

“Our main goal as a family-run company is Successful Longevity. For me, this means that when the time has come I would like to pass this company on in an even better state to those who follow.”

Stefan Dräger

OUR REQUIREMENTS

Our work has a deeper meaning: We are dedicated to turning technology into “Technology for Life”. This goal drives us to achieve our best. And that's something to be proud of.

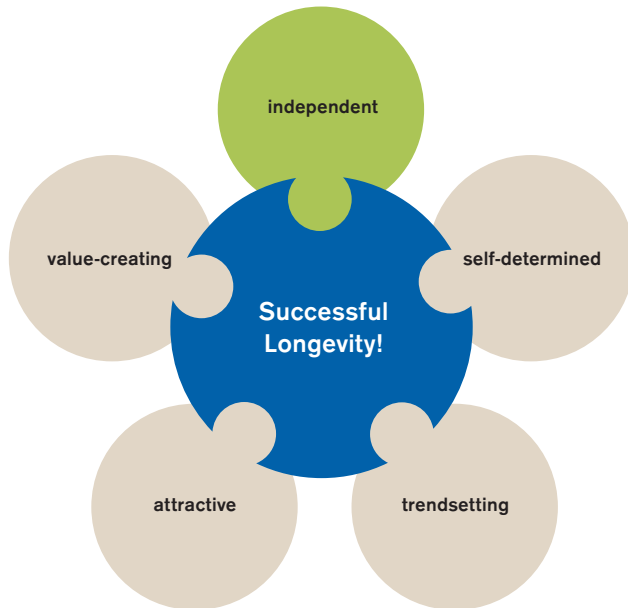
OUR EMPLOYEES

Our employees strengthen the character of Dräger as a family-run company. Their personalities and approach to company values are crucial for the future of our company.

OUR BRAND

Our brand and market positioning are important values. For this reason, our everyday conduct reflects this belief: We deal with customers, employees and the environment in a responsible way. Our Principles of Business and Conduct are important for us.

independent



DRÄGER – A FAMILY-RUN COMPANY: OWNER-MANAGED AND LISTED ON THE STOCK EXCHANGE, BECAUSE ...

... this dual principle ensures that the owner is guided by corrective forces monitoring his actions and decisions. The owner is required to make his decisions transparent and cannot rule over the company.

BEING MANAGED BY A CEO, WHO IS A MEMBER OF THE OWNER'S FAMILY AND ALSO A MAJORITY SHAREHOLDER ...

... means that the CEO's decisions do not just affect the entire company, but also him or herself.

... ensures high identification of the owner with the company and gives the CEO a large degree of authority.

... provides clarity and promotes quick decision-making and changes, even if they are sometimes uncomfortable.

... prevents the owner and CEO from avoiding responsibility.

independent

- ... requires the owner to be active on a personal level with customers and when acting on the capital market.
- ... means that the CEO represents both his or her own interests and those of external investors in mindset and actions.

THE FAMILY AS THE OWNER ...

- ... takes on a protective role, preventing third party involvement that might use or have a negative impact on our company, such as a hostile takeover.
- ... holds as much influence as possible in its role as majority owner and keeps a large buffer between its share and that of other minority shareholders, who should be as numerous as possible – this is possible with a suitable shareholder structure on the capital market.
- ... ensures that we remain an independent company. The family decides the fate of the company. External parties do not have a major influence.
- ... is aware that the good of the company always comes first.

BEING A LISTED COMPANY ...

- ... lets us raise equity to finance our growth.
- ... means that we maintain our listing and presence on the capital market as part of our corporate governance efforts to prevent arbitrary action.
- ... means that if the family is no longer able to take on its protective role, the best alternative for sustaining the company is already prepared with a broad distribution of ownership on the capital market.

self-determined



WE WILL NOT ALLOW ...

... anything or anyone to limit our capacity to change.
We need to be able to change in order to remain successful in the future.

self-determined

WE OURSELVES DECIDE ...

- ... that Lübeck will remain our headquarter and a key site in the future. This is from where we will stay competitive in the face of global competition.
- ... where we earn our money and also where we spend it.
- ... that we will achieve profitable growth through our own mechanisms: like the sales contribution margin (profit minus product-related costs and all local costs) and Dräger value added (profit factoring in the cost of capital).
- ... that we can hold a portfolio which encompasses around 30 different market segments under one roof.
- ... how the market segment portfolios should be appropriately managed and expanded, even if they do not have their own profit and loss statements.
- ... that we retain control in all business relationships exceeding typical customer-supplier-relations.
- ... that acquisitions should primarily relate to purchasing technology and not shares in the market.
- ... that profits will be retained for the most part and not distributed.

trendsetting

**WE SET TRENDS, BECAUSE ...**

... we listen to our customers and develop our portfolio for them with both our own and external technologies. Our innovations also create customer demand.

→ The interplay**Market Pull**

means that customer needs determine product development and technology.

Technology Push

means that technological innovations are the driving force for product development and the market.

trendsetting

WE ARE ALWAYS THINKING ONE STEP AHEAD, BECAUSE ...

- ... we consciously search for innovative technologies and procedures and adapt them to the needs of our customers. We support cooperation with universities and research institutions.
- ... we actively employ our core technologies to find new fields of application for our existing and for future customers.
- ... we combine our broad knowledge of technology with selected expert know-how in our core technologies. We are dedicated to continually expanding this expert know-how.
- ... we use the same technologies in a number of different market segments.
- ... we know exactly how our customers work. Combined with our technical expertise, we generate real added-value for them.
- ... as a manufacturer we always opt for a high level of production depth in selected areas.

WE BUILD ON COOPERATION WITH OUR SUPPLIERS BY ...

- ... letting them add components to our portfolio that we have chosen as the best available in the field.
- ... incorporating their technical know-how. This makes us faster and more effective, safeguarding our competitive edge.

WE HAVE FURTHER CHARACTERISTICS OF A HIDDEN CHAMPION, BECAUSE ...

- ... we know our customers well and are highly familiar with the challenges they face on a daily basis. We support them in carrying out their tasks by providing innovation and quality in our tailored products and solutions.
- ... direct sales are typical for our markets. They are essential for placing our products and solutions that require explanation in markets with high entry barriers.
- ... we aim to take on a leading position in our market segments in every way: in terms of quantity, net sales and margins. We particularly strive to be First Choice for customers.

attractive

**FOR US, BEING ATTRACTIVE MEANS BEING
FIRST CHOICE FOR ...**

- ... our customers who are convinced that they are getting the best the market has to offer.
- ... our employees who like to work with us and contribute a lot of energy, know-how, experience and motivation.
- ... our investors who ensure the long-term financing of our growth.
- ... the general public who show their appreciation.

attractive

ATTRACTIVE FOR CUSTOMERS, BECAUSE ...

- ... we cover the entire range of business from equipment and services to systems.
- ... our brand stands for innovation and quality. It provides security for our customers and increases their prestige in their fields of business and with their customers.

ATTRACTIVE FOR OUR EMPLOYEES, BECAUSE ...

- ... they take responsibility for turning technology into "Technology for Life".
- ... honest feedback promotes personal and professional growth, providing the foundations for every individual's contribution to our shared success.
- ... changes pave the way for personal development and promotions.
- ... management provides direction and creates the conditions for successful and enjoyable work.

ATTRACTIVE FOR THE CAPITAL MARKET, BECAUSE ...

- ... we generate sustainable value.
- ... we are active in markets with a very promising future.
- ... decision-makers and investors have congruent interests.

ATTRACTIVE FOR THE GENERAL PUBLIC, BECAUSE ...

- ... we take responsibility for the environment and the local areas near our sites.

value-creating

**VALUE CREATION SECURES THE FUTURE
OF THE COMPANY. THAT IS WHY ...**

- ... we aim to record faster organic growth in our market segments than the market as a whole, and in doing so expand our position.
- ... we are driven by relationships and not transactions. Value is created over the duration of the relationship. That applies to all stakeholders.
- ... we protect our competitive edge with active intellectual property management (such as patents or licenses).
- ... we avoid risks that could put the existence of the company in jeopardy.

value-creating

KEY PARAMETERS FOR OUR VALUE CREATION

EFFORTS INCLUDE ...

- ... stable financial value development, which is worth more than growth at any price.
- ... returns, which are currently ROS >10 percent and ROCE >20 percent.
- ... an equity ratio, which is ≥ 35 percent.
- ... expert consulting services for our customers, allowing them to make the most of the efficiency of our products.
- ... employees that take an entrepreneurial approach to work, are passionate about their work and are highly professional.
- ... our personality which is based on a down-to-earth, reliable, independent, expert, customer-driven and passionate approach to work.