

## 2023 Fighting Against Forced Labour and Child Labour in Supply Chain Act Report

### Introduction

This document constitutes the inaugural Annual Report (the “**Report**”) pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Supply Chain Act**” or the “**Act**”) of the following entities each a member of the Drägerwerk AG & Co. KGaA corporate group (“**Dräger Group**”):

- Draeger Medical Canada Inc.; and
- Draeger Safety Canada Ltd.;

(each a “**Reporting Entity**” and collectively, the “**Reporting Entities**”, “**we**”, “**us**” or “**our**”) covering the financial year ended December 31, 2023 (the “**Reporting Period**”).

The Report has been prepared by the management of the Reporting Entities. At this time, the Reporting Entities do not currently have reporting obligations related to modern slavery<sup>1</sup> and more specifically to forced labour and child labour except under the Act.

This Report contains forward-looking information and should be read in conjunction with the cautionary statement on forward-looking statements contained in Dräger Group’s public disclosure document available on Dräger Group’s website at <https://www.draeger.com/en-us/Investor-Relations/Publications>.

### Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

This Report outlines the policies and procedures we have in place and the steps taken by us in Canada during the Reporting Period to reduce the risk that forced labour and child labour is used at any step of the production of goods in Canada or elsewhere by us or of goods imported into Canada by us or third parties supplying us.

“Technology for Life” is Dräger’s guiding principle. A commitment of this nature is only credible if top Management, Employees, and our Business Partners comply with the highest possible standards when it comes to integrity. Compliance with ethical, social, economic and ecological principles is the pre-condition of our company principles. These objectives apply not only for Dräger Group’s employees, but also for all our Business Partners<sup>2</sup> and throughout our entire supply chain.

Dräger Group’s Code of Conduct for Business Partners (hereafter called the “**Code of Conduct**”) represents the foundation for all cooperation. It is based on the principles of fundamental conventions and internationally recognized standards for responsible corporate governance.

In 2023, a new law for supply chain due diligence came into effect (the “**German Supply Chain Due Diligence Act**”) in Germany where our ultimate parent is located. In light of this, Dräger Group introduced a two-stage risk assessment for all Drägerwerk AG & Co. KGaA and Dräger

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<sup>1</sup> The term “modern slavery” includes slavery and slavery-like practices, servitude, compulsory, forced and child labour which all have in common a deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain.

<sup>2</sup> For the purpose of this Report, the term “**Business Partners**” shall include all third parties who act for, on behalf of, or together with Dräger and the Reporting Entities. These include, but is not limited to suppliers, consultants, service providers, sales partners, agents, sales representatives, sub-contractors, and other partners we work with.

Safety AG & Co. KGaA suppliers. It is expected that this two-stage risk assessment process will be adopted by the Reporting Entities in the near future.

Forced labour and child labour are contrary to our purpose, vision and values. We do not tolerate forced labour and child labour in our organization or in those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect our employees, contract workers and the directors of each Reportable Entity to act with integrity and to comply at all times with the letter and spirit of the laws, regulations and rules applicable to each Reportable Entity in the jurisdictions where we operate and in particular with respect to the Act. If instances arise where these expectations are not met, we will strive to respond in an appropriate manner.

The activities of the Dräger Group compliance function during the Reporting Period included providing advice and guidance on monitoring the further development of compliance issues at the Dräger Group level, in particular preparing for the implementation of the German Supply Chain Due Diligence Act and requirements concerning the protection of whistleblowers.

### **Our structure, operations and supply chains**

Dräger conducts its activities in Canada through the Reporting Entities both incorporated under the *Canada Business Corporations Act*. The head office of the Reporting Entities is located at 2425 Skymark Ave. Unit 1, Mississauga, Ontario, Canada L4W 4Y6.

As of December 31, 2023, the Dräger Group employed 16,329 people worldwide. In Canada, the Reporting Entities have collectively approximately 160 employees.

Dräger is an international leader in the fields of medical and safety technology. By doing so, we protect, support, and save the lives of people in hospitals, fire departments, rescue services, government agencies, mining, and industry around the world. We are family-run company founded in Lübeck, Germany, in 1889 and our world head quarters are still based there to this day. Now a global publicly traded group on the Frankfurt Stock Exchange, Dräger has been led by a member of the Dräger family for five generations. Dräger products protect, support, and save lives. To do this we operate under two (2) business divisions: (i) the medical division and (ii) the safety division.

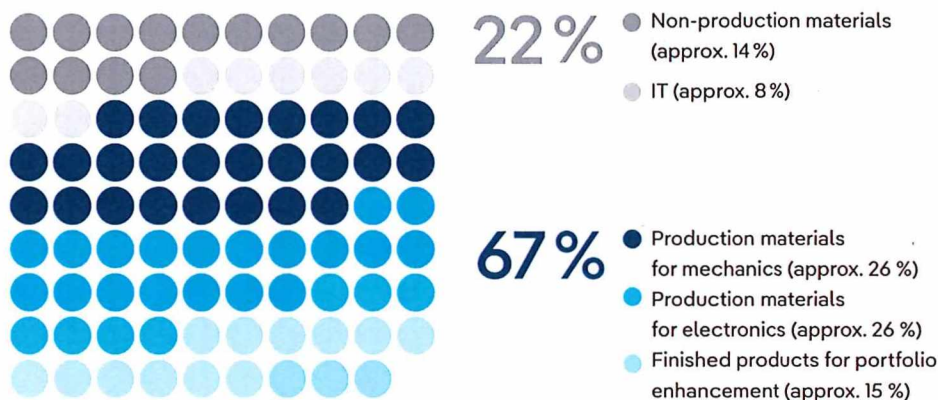
In the medical division, we develop and produce system solutions, equipment, and services for the acute point of care. Within the division, we have introduced business responsibility according to the five business units: Therapy (anesthesia devices and ventilators, as well as thermoregulation equipment), Hospital Consumables & Accessories (consumables and accessories), Workplace Infrastructure (supply units, lights, gas management systems), Patient Monitoring (patient monitoring), and Data Business (software applications, system products, and new services). The Research and Development, Supply Chain Management, and Production functions are integrated into the five respective business units alongside Product Management and Marketing. Quality & Regulatory Affairs manages quality-related activities and implements the regulatory requirements for medical products across all business units. Responsibility for the Service function in the medical division lies with the Executive Board member responsible for Sales and Human Resources (“CSO”), with the service strategy coordinated by the head of the division and the CSO in close collaboration. In 2023, the Data Business unit was integrated into the Patient Monitoring business unit.

The safety division develops and produces devices, system solutions, and services for personal protection, gas detection, and integrated hazard management. The division has three strategic

business fields: Manufacturing Industries, Processing Industries, and Emergency & Rescue Services. Research and Development, Production, Supply Chain Management, and Quality are organized on a cross-divisional basis and are active for all the named strategic business fields. Responsibility for the Service function in the safety division lies with the CSO, with the strategic orientation coordinated by the head of the division and the CSO in close collaboration.

For the Reporting Period the allocation of purchasing volume from all entities comprising the Dräger Group were as follows:

### Allocation of purchasing volume in 2023



### Policies, due diligence and controls

#### (a) Code of Conduct for Business Partners

The cooperation between each entity part of the Dräger Group, including the Reporting Entities, and their Business Partners<sup>3</sup> is based on a culture of trust, mutual respect and transparency. We expect from our Business Partners, in addition to their economic value contribution, to be in total compliance with the Code of Conduct. Under the Code of Conduct, our Business Partners:

- shall respect and support the protection of the fundamental human rights of every employee or contractor associated with them and must take all measures to avoid causing, contributing or being linked to any human rights violations;
- must reject using or supporting any form of child labour, as defined by the International Labour Organization (“ILO”) Conventions and applicable laws; and
- are prohibited from utilizing, being involved in, tolerating or obtaining an advantage from any forms of forced or compulsory labour, slavery or human trafficking;

<sup>3</sup> For the purpose of this Report, the term “Business Partners” shall include all third parties who act for, on behalf of, or together with the Reporting Entities. These include, but is not limited to suppliers, consultants, service providers, sales partners, agents, sales representatives, sub-contractors, and other partners the Reporting Entities work with.

- shall make the highest efforts to ensure that their own Business Partners comply with the Code of Conduct or, where applicable, their own equivalent code of conduct;
- shall keep applicable records to demonstrate compliance with the Code of Conduct and agree that Reporting Entities may verify such compliance using measures deemed appropriate by them. Such measures may also include announced examination of Business Partner conducted by Dräger Group's appointees; and
- shall reply in writing immediately upon request to any questions that may arise regarding their compliance with the Code of Conduct.

### ***(b) Whistleblower Policy and Duty to Report***

We encourage our employees to engage in discussions with their managers and colleagues on the subject of compliance and integrity, and to voice any concerns they might have with regard to a business transaction. Employees also have the opportunity to discuss their concerns with Dräger's compliance experts in special advisory meetings. Moreover, the Dräger Integrity Channel, a web-based whistleblower channel, is available to all employees and to third parties worldwide. As a result, it also meets the requirements of the German Corporate Governance Code (DCGK) and the new German Supply Chain Due Diligence Act.

If our Business Partners suspect or become aware of a breach of law or a breach of the Code of Conduct which may affect the business relationship to an entity of the Dräger Group, including the Reporting Entities, they shall report such breach to the Dräger Group by contacting the Dräger Group appropriate entity's Compliance Department or use the "Dräger Integrity Channel" without delay.

All employees, contractors or any other interested third party of our Business Partners shall permit and encourage the reporting of suspected or actual ethical or legal issues, including the use of forced labour and child labour, without fear of retaliation. Our Business Partners shall investigate the reports and take corrective action, if needed.

### **Risk Assessment Methodology and Results of Assessment**

Our supply chain plays a substantial role in our product manufacturing process. For this reason, we work in close cooperation with our suppliers and Business Partners to combine responsible management with economic success along the supply chain. We obtain a wide range of materials, products, components, and services from our suppliers for our production sites all around the world including at the Reporting Entities sites. To ensure that we fulfill our responsibility in this context, we conduct comprehensive risk management along our entire supply chain. All suppliers go through a comprehensive approval process. Important suppliers (who have purchasing volume with us of over EUR 50,000) are regularly assessed and audited. A separate team in Strategic Supply Chain Management ensures additional supply chain transparency as well as the more efficient organization of our procurement processes.

We draw a distinction between indirect and direct purchasing to meet the various requirements. The former is mainly responsible for the procurement of IT services, fleet management, as well as development services. The latter takes care of procuring production materials and is directly assigned to a specific product range in the different business units and divisions. This allows for the development of strategic expertise in regard to the corresponding product while simultaneously making the supply chain more efficient. The direct purchasing teams at Dräger

Group are responsible for the procurement of all materials and services at the production sites, from plastic and machining parts, electronics and sensors, to modules and complex mechatronic systems. Dräger's production has a mostly low (medical devices) to medium (medical components and safety technology) level of vertical integration. This means that most of our materials are purchased as semi-finished products or, as in Accessories & Consumables, to enhance our portfolio, as finished products as well. For the Dräger Group, total purchasing volume stood at EUR 1,223 million during the Reporting Period. In the Americas, which is the region where the Reporting Entities are located, 78 percent of the production materials and finished products is regionally sourced. We strive to source supplies for our production sites from regional providers wherever possible.

At Dräger, Business Partners and suppliers are subject to standardized processes with regard to approval, monitoring, development, and termination. At the heart of every partnership is a standardized contract that includes the Code of Conduct. Available in a variety of languages, the Code of Conduct creates a binding foundation for partnership. It is embedded within the supplier approval process and contains specific requirements on the following topics: • child labor • forced labor • discrimination • occupational health and safety • corruption. The Code of Conduct refers to the recognized guidelines of the ILO Conventions and of the Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises, among other standards. By the end of 2023, 605 suppliers have signed the Code of Conduct. The Code of Conduct combined with the expanded risk management in the area of supply chain sustainability and a sustainability assessment for high-risk suppliers constitute the three pillars of sustainable supplier management at the Dräger Group, including at the Reporting Entities.

Every new supplier of the strategic purchasing departments (located in the United States, the United Kingdom, China and Germany production sites) goes through a globally standardized approval process featuring an automated partner screening that checks potential business partners with regard to sanctions or criminal activities, to name a few examples.

Further steps towards approval are only undertaken if the supplier passes the test. The approval process is broadened to include an extensive supplier questionnaire if the partnership covers quality-relevant components or services—those that directly or indirectly influence the functionality of our products. It also contains questions on occupational safety and environmental protection, among other things.

In a subsequent audit, we review the information from the questionnaire and the available contract. The supplier receives final approval following a positive outcome, yet may be subject to restrictions and defined corrective measures.

In order to take sustainability criteria into greater consideration in our partnerships with suppliers, in 2023 we assessed all new Drägerwerk AG & Co. KGaA and Dräger Safety AG & Co. KGaA suppliers for production materials based on a risk analysis. The requirements from the German Supply Chain Due Diligence Act were analyzed in 2023 and some areas were anchored in corresponding processes with further adjustments planned in the coming years.

We subject every approved supplier to a standardized assessment according to qualitative and quantitative criteria with regard to factors such as quality performance, delivery performance, sales, and product characteristics. The regional classification or specific indications pointing to a failure to comply with applicable standards also play a decisive role in the quantitative assessment.

The sum of these factors and figures leads to an overall evaluation. When working with potentially high-risk suppliers, we agree on specific measures such as an intensification of monitoring, an additional audit, or the amendment of our contract with such supplier.

### **Risks of forced labour and child labour in our operations and supply chains**

During the Reporting Period, to the best of our knowledge, the Reporting Entities have not identified risks of forced labour and child labour in their respective operations and supply chains. Our risk assessment process is reviewed annually with the goal of identifying possible gaps in our assessment.

### **Remedial Action Taken the Reporting Period**

Since the Reporting Entities have not identified any forced labour or child labour in their activities and supply chains, they have not taken any remediation measures.

### **Our remediation processes**

Under our Whistleblower Policy described above, all employees, contractors or any other interested third party of our Business Partners shall permit and encourage the reporting of suspected or actual ethical or legal issues, including the risk of the use of forced labour and child labour in our supply chain, without fear of retaliation. Our Business Partners shall investigate the reports and take corrective action, if needed.

Compliance with the requirements set out in the Code of Conduct is an essential component of every audit. Deviations may lead to a variety of consequences. We usually set deadlines for the supplier to correct their shortcomings, the implementation of which is monitored by the relevant auditor. In the event of major deficiencies, the supplier can be blocked.

### **Our remediation actions for the loss of income to the most vulnerable families that results from any measure taken to eliminate forced labour and child labour from our operations and supply chains**

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains during the Reporting Period.

### **Our training**

Understanding and complying with the Code of Conduct is a condition of working at any Reportable Entity, and employees and contract workers must complete the Code of Conduct training course and acknowledgment annually. We leverage this mandatory annual course to train all employees and applicable contract workers to look for indicators of possible violations of human rights. Each Reportable Entity works to identify, investigate and report potential cases of forced labour and child labour as a predicate offence.

### **Assessing our effectiveness**

We intend to continue to assess and refine key performance indicators to measure our success in operationalizing the commitments to reduce and prevent the risk of forced labour and child labour in our operations and supply chains and continuously improve our approach to human rights. The effectiveness of a Reporting Entity's industry-specific due diligence process is

regularly evaluated to confirm it remains current and aligned with business activities, regulatory developments, industry standards and best practices. By doing so, each Reporting Entity adheres to all applicable laws and regulatory requirements in the jurisdictions where it operates, including guidance on risk related to forced labour and child labour.

We conduct ongoing screening of all suppliers, which allows us to baseline a supplier's risk profile and subsequently flag and assess any activities that would violate our Code of Conduct. We discuss any instances where corrective actions are required with the supplier and track these issues from beginning to completion. No instances were raised for review in 2023, and there were no forced labour or child labour incidents related to our suppliers identified through our supplier monitoring procedures.

To assess the effectiveness of our approach to risks, we consider input from relevant internal and external stakeholders, including investors, clients, civil society and community representatives.

## **Approval**

This Annual Report was approved by the board of directors of each Reportable Entity pursuant to Subsection 11(4)(a) of the Act on May 29<sup>th</sup>, 2024.

## **Conclusion**

Respecting human rights plays an instrumental role in our corporate social responsibility. We show zero tolerance towards child labour or forced labour, as well as any form of modern slavery or work facilitated by human trafficking. This applies as much to our own companies as it does to our contractual partners and supply chains.

Each Reportable Entity remains committed to preventing forced labour and child labour from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures and practices periodically to determine any enhancements we can make to help prevent forced labour and child labour and any other forms of human rights abuse.

With our "Technology for Life", we protect, support, and save lives all over the world. This gives our work a deeper meaning and lends our business model a sustainable component. We are proud to have been awarded for our sustainability activities, but this does not mean that we can or will rest on our laurels. We are aware that we need to improve in many areas—and this is something we will continue to work on.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, hereby attest that I have reviewed the information contained in the report for the entities listed below. Based on my knowledge, and after having exercised reasonable due diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of each of Draeger Medical Canada Inc. and Draeger Safety Canada Ltd. and on behalf of the respective Board of Directors and not in my personal capacity.

Dated this 29<sup>th</sup> day of May, 2024

### Dräger Medical Canada Inc.

Per:



Rob Clark, Director  
I have the authority to bind Dräger  
Medical Canada Inc.

### Dräger Safety Canada Ltd.

Per:



Rob Clark, Director  
I have the authority to bind Dräger  
Safety Canada Ltd..