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Welcome to Danaher’s 2018 Sustainability Report. Since our first publication over five years ago, this report marks real progress in our pursuit of meaningful and measurable impact. Our Shared Purpose—Helping Realize Life’s Potential—continues to inspire us as we work for the good of our employees (whom we refer to as associates), customers, investors, communities and planet.

Innovation

The first pillar, Innovation, addresses the direct contributions we make each day to advancing health and safety around the world. When viewed through the lens of sustainability, our Core Value, Innovation Defines Our Future, drives us to improve the future for individuals and communities who face pressing health, safety and environmental challenges. Danaher’s products and services fight disease, protect water and air quality, and improve access to healthcare in underserved areas. You’ll read about a number of these groundbreaking efforts in the pages that follow.

People

The second pillar, People, focuses on our most valuable resource for delivering these world-changing, often life-saving innovations—our people. Through programs and initiatives that advance our associates’ safety, professional ambitions and personal growth, and strengthen the communities in which we live and work, we deepen our commitment to those who truly define our company. These efforts help us build stronger and more dedicated teams in the spirit of another Core Value, The Best Team Wins.

Environment

The third pillar, Environmental Impact, encompasses how we work to increase the use of sustainable materials and energy sources, and reduce our carbon footprint. Our dedication to efficient processes, inherent in the Danaher Business System (DBS) and exemplified by our Core Value, Kaizen is Our Way of Life, has served us well in these critical areas. Our goal here is to establish company-wide standards where it makes sense, while providing our operating companies with the flexibility to pursue environmental sustainability in ways that best fit the needs of their stakeholders.
FROM OUR CEO (CONTINUED)

Our new sustainability framework is designed to clearly articulate the areas where our strategy and sustainability goals align for maximum impact. It helps us prioritize, and it holds us accountable. And as always, we seek to conduct our work with the highest standards of integrity at every level of our organization, and we expect our business partners to maintain those same high standards.

We are proud of our progress since our last sustainability report, and we will keep challenging ourselves in the spirit of Our Shared Purpose, Helping Realize Life’s Potential.

Thank you, as always, for your continued support.

Thomas P. Joyce, Jr.
President & Chief Executive Officer
A global family of more than 20 operating companies, we drive meaningful innovation in some of today’s most dynamic industries. Comprising 4 business segments with footprints in more than 60 countries around the world, our groundbreaking technologies transform the way professionals approach their work in life sciences, diagnostics, dental care, and environmental and applied solutions.
OUR BUSINESSES

LIFE SCIENCES

Our businesses help scientists around the world work at a molecular level to understand chronic disease and infections, develop new therapies and test new drugs.

DIAGNOSTICS

We provide critical tools and software for clinicians to safeguard patient health and improve diagnostic confidence—in a range of healthcare settings, from family physicians’ offices to leading trauma, cancer and critical care centers.

ENVIRONMENTAL AND APPLIED SOLUTIONS

From innovative consumer packaging to drinking water purification, these businesses help protect precious resources and keep our global food and water supplies safe.

DENTAL

We help dental professionals provide the highest level of patient care by optimizing their work environments and enabling better clinical outcomes.

All data in this report are from continuing operations unless otherwise noted. Data from continuing operations includes all data from the Dental businesses that Danaher expects to spin off in 2019 and excludes the Fortive Corporation businesses that spun off in 2016, as well as the Communications business that Danaher split off in 2015.
## ANNUAL SALES

### GLOBAL SALES BY YEAR

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$14.4 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$16.9 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$18.3 billion</td>
</tr>
</tbody>
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### 2017 SALES BY SEGMENT

- **LIFE SCIENCES**: $5.7 billion
- **DIAGNOSTICS**: $5.8 billion
- **ENVIRONMENTAL AND APPLIED SOLUTIONS**: $4.0 billion
- **DENTAL**: $2.8 billion
These are the values that guide every element of our business, including our sustainability program.

OUR SHARED PURPOSE

Helping Realize Life’s Potential. Our Shared Purpose is our reason for being and what makes us excited to come to work each day. The impact of what we do is broad. In all that we do, we strive to help our customers, associates, partners and shareholders realize their fullest potential.

OUR CORE VALUES

Our Core Values inspire us to make every day better than the last, whether it’s supporting our customers, dreaming up tomorrow’s breakthrough innovations, or developing our teams.

DANAHER BUSINESS SYSTEM

For decades, the Danaher Business System has been our proven method for making those advancements. These evolving tools and processes help hone our focus, direct our actions and measure our results.

THE BEST TEAM WINS

CUSTOMERS TALK, WE LISTEN

KAIZEN IS OUR WAY OF LIFE

INNOVATION DEFINES OUR FUTURE

WE COMPETE FOR SHAREHOLDERS
We direct our long-term sustainability efforts toward:

HELPING SOLVE PROBLEMS THROUGH INNOVATION.
HELPING PEOPLE REACH THEIR POTENTIAL.
HELPING PROTECT THE ENVIRONMENT.

No matter where we work, we hold ourselves to the highest standard of Integrity. And we expect all those we work with to meet the same standard.

At the Board level, Danaher’s Nominating and Governance Committee has the authority and responsibility to consider matters regarding sustainability and social responsibility, as set forth in the committee’s charter. At the management level, Danaher’s Senior Vice President and General Counsel, who reports directly to our CEO, has general oversight responsibility with respect to matters of sustainability and social responsibility, and is responsible for reviewing and approving Danaher’s sustainability reports.
When we innovate, we help our customers achieve amazing things. Our technologies advance research, improve human health and protect the environment, enhancing quality of life today and setting the foundation for a better world for future generations. Our businesses make it all happen, but Danaher provides the support they need to react quickly to customer needs, solve challenges close to the source, and innovate with confidence.

<table>
<thead>
<tr>
<th>6.2%</th>
<th>13,207</th>
<th>5,384</th>
<th>1,050</th>
</tr>
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</table>

Ensuring Cleaner, Safer Water for Dialysis

Hach’s CM130 system helps dialysis providers ensure safe chlorine levels in pre-treatment water before it reaches their patients. During the development of the CM130, our scientists and engineers immersed themselves in dialysis environments to understand the needs of patients, technicians, staff and administrators. The resulting system delivers trusted results in an easy to use design, allowing clinicians to focus more on patient care. In the first 18 months after the U.S. Food and Drug Administration (FDA) granted 510(k) clearance, Hach CM130 systems have been delivered to over 25% of U.S. dialysis clinics, improving workflows for clinicians and safeguarding thousands of patients. It is also the latest example of how Hach partners with customers to go beyond simple measurement, providing actionable insight and decision support.
SAVING LIVES THROUGH EARLY DETECTION OF SEPSIS

**Sepsis** is an abnormal response to infection that contributes to more than 8,000 deaths and threatens the lives of over 27 million people worldwide each year. Despite efforts to mitigate this global health crisis, sepsis cases have increased significantly with hospitalizations and related costs doubling over the last 10 years in the United States alone.

**BECKMAN COULTER**

Beckman Coulter achieved the CE Mark and submitted a 510(k) for FDA clearance of its Early Sepsis Indicator, a hematology-based solution designed to alert emergency room clinicians to the risk of sepsis. This would be the first FDA-cleared early sepsis warning solution to be offered as part of a routine blood test, giving physicians a fast and easy diagnostics tool to help fight sepsis. The new test is commercially available in certain geographies outside the U.S. on Beckman Coulter’s recently launched DxH 900 hematology analyzer.¹

**RADIOMETER**

Hospital Universitario Doctor Peset in Valencia, Spain introduced Radiometer’s procalcitonin assay as a standard parameter in its sepsis screening protocol in 2012. This protocol has helped reduce the hospital’s mortality rate for sepsis admissions from 24% in 2012 to 17% in 2016. In the Internal Medicine Unit alone, spending on antibiotics declined by 30% over that period.

¹In this report, we describe certain products and devices which have applications submitted and pending for certain regulatory approvals.

ACCESS TO HEALTH

Our strategy for growth seeks to deliver breakthrough innovations that serve diverse populations around the world, and developing markets continue to be a significant opportunity for impact. We have dedicated significant resources to understanding the needs of customers and patients in these markets, developing products that address local requirements, and improving our commercial strategies and partnerships to expand local access to our life sciences, diagnostics, dental and other health-related and environmental products.

<table>
<thead>
<tr>
<th>PERCENT OF TOTAL DANAHER SALES ATTRIBUTED TO DEVELOPING MARKETS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
<tr>
<td>------</td>
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<tr>
<td>28.6%</td>
</tr>
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ACCESS TO HEALTH (CONTINUED)

AFRICA’S FIRST MEDICAL DRONES

*Fast diagnosis is critical to helping caregivers save lives and build healthy communities.* But in poor or remote areas, it simply takes too long to reach the lab, get results and start appropriate treatment. In 2017, HemoCue teamed up with Swedish drone service GLOBHE, to supply fast delivery of point-of-care blood tests and support people in hard-to-reach areas. HemoCue invested in the project by providing team support, as well as specially designed goods and packaging for transport by the drones. Initially launched by UNICEF and the government of Malawi, the humanitarian drone corridor is aimed at significantly improving efficiency and ability to deliver emergency services to areas in need.

ENDING EDENTULISM IN RAPA NUI

*A high rate of toothlessness (edentulism) severely impacts the quality of life of the indigenous population of Rapa Nui, also known as Easter Island.* In one of the most remote inhabited places on earth, Rapa Nui’s community of around 8,000 is served by just one resident dentist, and faces resource and financial restrictions when it comes to dental care. Nobel Biocare partnered with doctors and the Foundation for Oral Rehabilitation to combat this challenge. In April 2018, a team of dental professionals volunteered their services to treat Rapa Nui locals, armed with donated Trefoil systems from Nobel Biocare. The innovative Trefoil system treats the edentulous jaw with a fixed set of prosthetic teeth on the day of surgery, an efficiency breakthrough in dental implants.

CEPHEID AND THE EBOLA EPIDEMIC

*Ebola is a severe and highly contagious illness that disproportionately affects poor populations in several parts of the world, especially sub-Saharan Africa.* The fatality rate can be as high as 90%, though survival rates can improve dramatically with early supportive care. The recent global outbreaks of Ebola heighten the need for fast and accurate diagnostics. Cepheid’s Xpert Ebola test is fast, simple to use and highly sensitive, requiring only a few drops of blood from a finger stick or buccal swabs as sample input. It was designed to be easily distributed to affected areas and offers a rapid response solution that can help contain Ebola outbreaks. According to Mark Perkins, head of laboratory networks for the World Health Organization (WHO) Health Emergencies Programme, “Labs have been set up with two to three days’ notice in new transmission zones, whereas in West Africa it took months and months to get facilities up and running. It’s a remarkable change.” Xpert Ebola is approved for emergency use only by the FDA and is listed in the WHO Emergency Use Assessment and Listing Program.
We deploy common standards and controls across our medical technology operating companies to drive the safety and effectiveness of our products and services, including the following:

**CORPORATE AUDIT PROGRAMS**

Annually, Danaher’s corporate staff audits all Danaher sites registered with the FDA for compliance with the FDA’s regulations relating to Good Manufacturing Practices (GMP) (including product testing and supplier evaluation and monitoring), medical device reporting, recalls, FDA establishment registrations and device listings. Danaher’s corporate audit function also audits our businesses annually to help ensure their compliance with Danaher’s and operating companies’ policies regarding responsible marketing, advertising and promotional procedures and practices.

**ANNUAL COMPLIANCE TRAINING**

The KPI and auditing controls described to the right are bolstered by GMP-specific annual training requirements. All associates employed by our medical technology operating companies, including senior management, are required to participate in annual training covering GMP compliance and compliance with laws governing off-label promotions.

**REGULATORY, QUALITY AND CLINICAL AFFAIRS KPIS**

Our medical technology operating companies follow the ISO 13485 standard for quality management system (QMS) compliance. We require these operating companies to track and report on a regular cadence key performance indicators (KPIs) designed to provide transparency, drive accountability, and measure the health of our QMS. These required KPIs focus on pre-market and post-market product and QMS performance, covering areas such as design verification and validation, global product registrations, complaints, recalls and corrective and preventive actions (CAPAs). KPI goals are established for each medical technology operating company, and we leverage our DBS tools to help us meet these goals. Danaher’s executive leadership reviews these KPIs on a regular basis, in addition to the established QMS reviews by our operating company leadership.
We are committed to attracting, developing, engaging and retaining the best people to help us sustain and build our company. We offer a unique and compelling career experience with opportunities spanning multiple high-impact industries, six continents and more than 20 global operating companies. We seek out associates who thrive in a performance-driven organization and who want to be part of a team that’s committed to making a real difference.

23,000
ASSOCIATES IN THE U.S.

+ 44,000
ASSOCIATES OUTSIDE THE U.S.

= 67,000
TOTAL ASSOCIATES WORLDWIDE

PERSONAL POTENTIAL

HEALTH & WELLNESS

Danaher provides health and welfare benefits that are supportive of and responsive to our associates’ well-being and needs. Danaher’s Wellness Program is designed to support our associates’ journey to better health. Whether that’s physical fitness, emotional resilience, financial stability, or a combination, associates can select programs that are meaningful to them.

37%
U.S. ASSOCIATES THAT ACTIVELY PARTICIPATE IN WELLNESS PROGRAM

35,659
INDIVIDUALS PARTICIPATING IN DANAHER DEFINED BENEFIT PLANS AS OF YEAR-END 2017

22,713
ASSOCIATES PARTICIPATING IN DANAHER DEFINED CONTRIBUTION PLANS AS OF YEAR-END 2017

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COMPENSATION

We are committed to offering competitive total rewards, tailored to geography, industry and experience. Danaher’s compensation programs and practices are designed to attract associates, motivate and reward performance, drive growth and support retention. In general, compensation at Danaher includes base salary and often some form of variable bonus or incentive opportunity. In addition, selected associates receive long-term compensation in the form of Danaher equity awards.

HOW WE COMPENSATE EXECUTIVES

The goal of our executive compensation program is to build long-term value for our shareholders. The program is designed to reward executive officers who build long-term shareholder value, achieve annual business goals and maintain long-term careers with Danaher. Our program’s emphasis on long-term equity awards, tied closely to shareholder returns and subject to significant vesting and holding periods, has been fundamental in attracting skilled executives, encouraging them to build long-term careers with Danaher, and motivating them to achieve sustainable, long-term operating and financial performance through a range of economic cycles. We provide our shareholders an opportunity to cast an annual advisory vote with respect to the compensation of our named executive officers, as disclosed in our annual proxy statement (the “say on pay proposal”). At Danaher’s annual meeting of shareholders in May 2018, 97% of the votes were cast in favor of the proposal.

PAID PARENTAL LEAVE

In 2018, Danaher began offering paid parental leave for its U.S. associates. New parents in the U.S. (including U.S. expatriates) are eligible to take up to eight weeks of 100% paid leave within the first year of a child’s birth, adoption or foster care placement. We believe that this new benefit positions Danaher at the forefront of family friendly policies among U.S. employers.

BUILDING A BOND FOR A LIFETIME

Michael, a regional sales manager at Beckman Coulter, and his wife were overjoyed to welcome a baby girl to their family in 2018. Michael’s job includes a great deal of travel, so Danaher’s paid parental leave enabled him to strike a healthy balance between work and family life in the important first year of his daughter’s life. According to Michael, “I was able to take two weeks off when my daughter was born, and used the rest of my parental leave in one week increments throughout her first year. I’m thankful to have had this bonding time with her, while not having to worry about making ends meet. I honestly can’t imagine being on this journey without parental leave.” Beckman Coulter encourages associates to take advantage of Danaher’s paid parental leave. Michael confirmed, “Deciding to take parental leave was easy thanks to the support from my manager and the leadership team.”
PERSONAL POTENTIAL (CONTINUED)

VOLUNTEER TIME OFF

Our associates are helpers in and out of the workplace. They know that time spent in the service of others provides the perspective, gratitude, focus and inspiration that makes them happier and more productive at work and at home. Danaher operating companies support their associates’ commitment to volunteerism in a variety of ways, including team volunteer days and volunteer time off.

INTEGRATED DNA TECHNOLOGIES (IDT)

IDT, one of Danaher’s newest Life Sciences operating companies, has a long history of community involvement beginning with its founder, Joseph Walder, MD, PhD. IDT offers full- and part-time associates up to 16 hours of paid leave annually to volunteer in their local communities. In 2017, more than 500 associates took part in volunteer time off, donating more than 4,200 hours to 55 organizations.

BECKMAN COULTER

Beckman Coulter launched its volunteer time off program in the U.S., Europe and Canada in 2017, and Latin America and Japan in 2018. Eligible associates can apply to take time off from work to give back to the causes that mean the most to them. In 2017, Beckman Coulter had 1,531 submissions for time off and logged 9,384 volunteer hours.

ENGAGEMENT

Our engagement strategy focuses on developing the best workplace with the best leaders, and we conduct an annual engagement survey to measure the impact of our strategy. We are proud to report that our 2018 results reflect meaningful progress on this journey. In 2018, 92% of associates participated in the survey and Danaher’s score improved in each of the 53 survey areas.

IMPROVEMENT FROM 2013 TO 2018

15 PERCENTAGE POINTS IN ASSOCIATE ENGAGEMENT

13 PERCENTAGE POINTS IN DIRECT SUPERVISOR EFFECTIVENESS
PERSONAL POTENTIAL (CONTINUED)

ENGAGING OUR MINDS AND BODIES

Combining engagement and wellness, Danaher One Site in Mumbai India celebrated International Yoga Day with asanas, pranayama and meditation workshops for its associates.

DANAHER SCHOLARSHIP PROGRAM

The Danaher Scholarship Program helps reduce the financial burden of higher education costs for Danaher families. In 2018, we recognized the achievements of 69 students from a competitive pool of more than 420 applicants, with scholarships totaling $265,000. Each award recipient received between $3,000 and $5,000 to put toward their college education expenses. Scholarships are renewable for the duration of recipients’ undergraduate studies, as long as they remain in good academic standing and their parent continues to work with Danaher. The Danaher Scholarship Program has helped deserving students realize their potential for over a decade. To date, we’ve supported children of Danaher associates with more than $3 million in scholarship awards.
From individual contributors to managers and senior leaders, we help our associates realize their potential with meaningful career development opportunities. Our approach includes a mix of on-the-job learning, coaching, and leadership and DBS training. We call this our 70/20/10 model.

LEADERSHIP DEVELOPMENT CURRICULUM

We complement experiential learning with a robust leadership development and learning curriculum that is designed to provide our associates, managers and senior leaders with the skills and knowledge to succeed at Danaher. Select examples of Danaher’s Leadership Development curriculum include:

- **Leadership Essentials**: An introductory boot camp supporting new managers in developing winning teams.
- **Maximizing Leadership Performance**: A course designed to help mid-level leaders become more effective managers.
- **Accelerated Learning Program**: A course focused on developing high-potential leaders, their teams and their organization to drive future results.
- **Danaher Leadership Program**: A course to provide new-to-role General Managers and Presidents with foundational knowledge and skills framed around Danaher’s Core Value Drivers and leadership competencies.
- **Executive Champion Orientation and DBS Leadership Orientation**: Programs that immerse new leaders in the DBS culture through the introduction of DBS fundamentals and hands-on experience with DBS tools.

EXPERIENTIAL LEARNING

We believe that on-the-job, experiential learning provides our associates with the most impactful development opportunities.

CERTIFIED INSTRUCTION

Many of Danaher’s learning programs are facilitated by our own certified instructors, who go through formal train-the-trainer programs before receiving certification.
LEARNING DBS

Danaher Business System University (DBSU) helps associates develop specific DBS competencies and capabilities needed to drive results at Danaher. DBSU provides a wide variety of learning opportunities, both at physical locations around the world (U.S., China, India and Germany) and virtually. The DBSU curriculum and offering span formal classroom style training, peer best-practice sharing and engagement, and action learning through kaizens.

PALL AEROSPACE APPRENTICESHIP PROGRAM

Pall’s Aerospace Design Engineering Apprenticeship is a four-year work and study program aimed at developing skilled, early career talent. 16- to 17-year-old apprentices are set on a path of engineering growth when they join Pall’s Harborough and Redruth (UK) locations as permanent associates directly out of school. They simultaneously continue their education at Southampton Engineering Training Association, ultimately earning a Bachelor of Engineering degree and a long-term career with Pall. After six years, the program continues to pay off. Our apprentices have earned high academic marks and have significantly contributed to Pall in their years after graduation.

DANAHER GO

Danaher Go is our commitment to hiring from within, where possible, and growing careers. We seek to fill our open roles with our own great associates. Our internal policy champions this commitment by empowering associates to pursue intra-Danaher career moves with full support from their manager and senior leadership. At any one time there may be more than 1,000 open roles across Danaher.

PERFORMANCE FOR GROWTH

Our Performance for Growth process supports our performance-based rewards system, ensuring that high-performing associates are recognized for their contributions and encourages managers to provide ongoing, real-time performance feedback throughout the year to ensure associate success and development.
DIVERSITY & INCLUSION

A diverse and inclusive workforce strengthens Danaher and ensures the best team continues to win. We are working to support an inclusive culture in which every associate feels they belong. We believe that by building and maintaining a culture rooted in inclusive values, we maximize the unique perspectives and fresh ideas necessary to drive our innovation, fuel our growth, and ensure our technologies and products effectively serve a global customer base.

PARTNERS IN DIVERSITY

To help expand our funnel of talented, high performing associates, Danaher partners with diverse professional organizations, including:

ASSOCIATE RESOURCE GROUPS

In 2018, Danaher launched our first Associate Resource Groups (ARGs) in the U.S. to help further strengthen inclusion within our culture. Beginning with Women & Friends and African Descent & Friends, with a plan to include additional dimensions of diversity in the near future, Danaher ARGs are sponsored networks for associates, across all operating companies, to come together, share, learn and develop with each other. They help our associates realize their full potential and increase the representation of high-potential diverse talent at all levels of the organization.

HUMAN RIGHTS CAMPAIGN

For the fifth year in a row, Danaher has been named one of the “Best Places to Work for LGBTQ Equality,” as assessed by the Human Rights Campaign Corporate Equality Index (CEI). The CEI evaluates LGBTQ-related policies and practices including non-discrimination workplace protections, domestic partner benefits, transgender-inclusive health care benefits, competency programs, and public engagement with the LGBTQ community.
DIVERSITY & INCLUSION (CONTINUED)

BUILDING INCLUSIVE TEAMS AND LEADERS

Launched in 2017, this program helps associates and managers gain the awareness and tools they need to be a part of and lead diverse teams, create an inclusive workplace, and serve global customers. Since launch, we’ve trained more than 3,000 managers around the globe.

OUR COMMUNITIES

Being a good steward of the communities in which we live and work reflects the value we place on teamwork and continuous improvement. Danaher and our operating companies routinely support our communities’ causes by engaging in charitable partnerships, team events, local fundraisers and more.

CORPORATE PARTNERSHIPS

Through the Danaher Foundation, we provide direct financial support to organizations that advance our vision of improving quality of life around the world. We focus on four areas: STEM Education, healthcare research and discovery, diversity, and disaster preparedness and community engagement. In this reporting period, some of our partners have included:
OUR COMMUNITIES (CONTINUED)

DANAHER CHINA ADREAM

Danaher operating companies in China have banded together to support Adream, an organization focused on improving access to quality education for children in remote parts of China. In 2017 and 2018, associates and leaders raised over $65,000 to establish three multimedia classrooms to support students from Chongqing Dianjiang Chengbei Primary School, Guizhou Qibo Primary School and Shanghai Pudong Educational Middle School. In addition to the financial contribution, our associates support enrichment activities for these children, including a family day, health walking, school visits and more.

SCIEX TEAM UNITES FOR CANCER PREVENTION

SCIEX mass spectrometers enable cancer research around the world, but that is not the only way the SCIEX team supports the cause. For the past few years the SCIEX team has supported the World Cancer Research Fund, a global organization focused on cancer prevention research related to diet, weight and physical activity. Through virtual races, associate engagement initiatives and more, SCIEX has contributed approximately $30,000 to the organization since 2015. SCIEX donations support research to improve diagnostics and treatment protocols, and the development of online lifestyle and health assessment tools for the public.

PROTECTING WHAT MATTERS AFTER HURRICANE MARIA

In 2017, Hurricane Maria’s direct hit on Puerto Rico left Pall’s Fajardo facility and its almost 600 associates without power, water, phone service, or access to transportation and outside resources. In accordance with Pall’s motto, Protect What Matters, Pall associates from around the world went to extreme measures to support their colleagues and the Puerto Rican community when they needed it most. Pall associates purchased, packaged and shipped 90,000 pounds of essential items (food, water, batteries, flashlights and diapers) and 400 home generators to support associates without power. Financial contributions from our associates poured in and, together with Danaher and Pall’s matching donations, totaled approximately $85,000 in additional support.

VIDEOJET FEEDS NEIGHBORS IN NEED

In Videojet’s home state of Illinois, 1.4 million people struggle with hunger, including almost half a million children. As a marking and coding industry leader with customers that include major food and beverage brands, the Videojet team decided to tackle this challenge in a way that reinforces the work they do every day. In August 2018, 165 associates and their children came together for a “Feed the Funnel” event that involved packaging thousands of healthy meals from dry ingredients. At the end of the day, Videojet delivered 40,000 meals to the Northern Illinois Food Bank to help their hungry neighbors in need.
Associate safety is deeply embedded in our culture. Our emphasis on workplace safety seeks to ensure our associates feel good about coming to work, and that they leave safe and healthy at the end of every shift. We are proud that workplace safety consistently achieves high scores in our annual Associate Engagement Survey. Our safety score consistently exceeds the average score of our survey administrator’s global clients and has increased every year since our survey began in 2013.

OUR 4E TOOLKIT

Our operating companies have robust processes in place to protect our associates and facilities from fire and natural hazards. We have also invested to further safeguard our existing facilities against fire, wind, flood and earthquake hazards. Our emphasis on improving crisis management and business continuity plans helps ensure the wellbeing of our associates and their families during extreme weather events and other emergencies.

PROTECTING OUR FACILITIES

Property Risk Engineering best practices are a standard element of our facility design, construction and modification processes. In addition, each major facility has an action plan to reduce property risk and sustain past improvements. Senior operating company and Danaher leaders assess our levels of facility risk several times each year and set goals for continuous improvement.

Over the past three years, we have expanded and refined our “4E” portfolio of Environment, Health and Safety (EHS) risk management tools. Launched in 2015, this DBS-based framework empowers our associates with methods to identify, assess and control hazards related to the four Es: ergonomics, energetics, exposures and environment. In 2016, we introduced layered EHS self-audits and the use of kamishibai, a DBS visual tool that helps sustain operational safety improvements. In 2017, we introduced leading EHS indicators, such as “near misses” and safety observations, into our daily management process. The use of leading indicators, self-audits and kamishibai, reduce the level of hazard in our workplaces.
**ENVIRONMENT**

**Helping Protect the Environment**

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We’re focused on finding the places where environmental considerations can reduce environmental impact, reduce cost of operations, increase uptime and improve efficiency for us and our customers. While Danaher has recently embarked on a more programmatic approach to addressing our environmental impact, our operating companies have a long history of independently pursuing environmental sustainability programs and other green initiatives.

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**ENVIRONMENTAL METRICS**

Quantifying the impact of our operations on the environment helps inform where best to deploy our DBS energy and waste tools. Beginning in 2018, Danaher has begun centrally tracking energy usage, greenhouse gas emissions, waste generation and water usage for our operating companies. We intend to report these metrics in our next Sustainability Report.

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**OUR SUSTAINABILITY LEADER**

Danaher has established a director-level position dedicated to energy and environmental sustainability, currently led by a licensed professional engineer with a PhD in environmental engineering. This corporate role supports our operating companies in reducing energy usage and waste generation.

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**DANAHER ONESITES AROUND THE WORLD**

Danaher operating companies are increasingly joining together to form “OneSite” locations in key geographic areas around the world to improve environmental and operating efficiency, and to boost opportunities for collaboration.

In 2017, Leica Biosystems and Leica Microsystems joined Pall in their sustainably-engineered Buccinasco, Italy facility. The move benefits customers, facilitates collaboration with more common areas and work spaces, improves quality and safety, and lowers costs due to synergies and building efficiencies.
The Danaher Business System is always evolving to serve the needs of our businesses and customers. In 2018, we deployed the first environmental sustainability tools in our DBS toolkit. Our initial tools, focused on reducing energy use and waste generation, have been designed for use by associates with no specialized environmental knowledge.

**OUR ENERGY TOOL**

Our Energy Tool helps our facilities improve energy efficiency, yielding cost savings and lower greenhouse gas emissions by:

- Enabling associates to identify and prioritize opportunities,
- Guiding associates in developing action plans, and
- Tracking energy performance and charting progress in a simple way.

**OUR WASTE TOOL**

Our Waste Tool provides qualitative and quantitative guidance to prioritize waste reduction and recycling efforts by:

- Allowing customized, quantitative tracking for a facility’s specific needs,
- Providing resources for recycling programs, and
- Sharing resources for team building and stakeholder involvement.

**REMOTE CALIBRATION HELPS CUT CARBON EMISSIONS**

Calibration is standard preventive maintenance for many diagnostic machines, but trips to customer sites and shipping boxes can take a toll on the environment. To reduce the energy consumed on packaging production and fuel, Cepheid looked for a more sustainable solution. The Cepheid team can now evaluate the calibration of internet-connected devices remotely. Based on product and packaging weight, we estimate the reduction of module transportation will reduce CO₂ by 215 million kg each year.
KIPP & ZONNEN DUSTIQ

As solar energy farms take root around the world, Kipp & Zonnen is taking steps to keep the power flowing efficiently. Our DustIQ sensors continuously report the solar energy lost due to dust and dirt buildup on solar panels, providing actionable insight so the solar farms can operate at maximum performance. By alerting plant operation and maintenance staff when a critical threshold of light absorption is reached, DustIQ helps prevent power loss in real time. DustIQ needs no maintenance and is cleaned in the same way, as the panels around it.

TROJAN UV PROTECTS HUMAN AND ENVIRONMENTAL HEALTH

With more than 10,000 municipal UV installations, Trojan treats ~ 33% of all wastewater in the U.S. and ~ 20% of all wastewater in China. Every day, our UV systems displace the use of more than 285 railroad tanker cars of liquid chlorine for disinfection. In 2017 alone, our technology was used to reduce total carbon emissions equivalent to what 800,000 cars and trucks would produce on an annual basis.

Trojan’s story is similar when it comes to protecting our drinking water. In its New York City drinking water installation, Trojan’s high-output, low pressure lamp reduces CO₂ emissions by approximately 13,700 tons annually compared to traditional lamp technology. Over 20 years, this equates to 274,000 fewer tons of CO₂, making the TrojanUV Torrent an environmentally friendly solution for NYC.

IDT BOLSTERS BIODIVERSITY RESEARCH

IDT’s nucleic acid products help scientists around the world understand biodiversity loss, environmental threats to plant life, and the influence of the microorganisms on human health. The IDT Sustainability Award Program is part of IDT’s ongoing commitment to science advocacy and sustainability. Open to researchers in academic, non-profit, and government labs in the U.S. and Canada, the program awards more than $50,000 each year for novel research projects that have the potential to make a global impact in the area of biodiversity. This year’s winning projects are from the University of Arkansas and Auburn University on endangered species; the University of California, Berkeley on landscape genomics; and Yale University on the human microbiome.
Without a strong foundation, Danaher’s three sustainability pillars—Innovation, People and Environment—would lack the strength and stability needed to succeed. Our sustainability program and, in fact, our entire business, rests upon a bedrock of integrity and sound governance.

Danaher is committed to doing business with integrity. Our corporate ethics and compliance function has established the Danaher Code of Conduct and related policies and programs to govern how we interact with customers and business partners and market our products. This corporate function also oversees and monitors the implementation of these policies and programs at our operating companies.

All Danaher associates must comply with our Code of Conduct, Global Anti-Corruption Policy and related policies, as well as all applicable laws and regulations, and we reinforce these expectations with annual training requirements for all Danaher associates. Our customer-facing new hires are required to complete mandatory Code of Conduct and anti-corruption training as part of their orientation process and on an annual basis thereafter.
ETHICAL BUSINESS CONDUCT (CONTINUED)

DISTRIBUTOR COMPLIANCE PROGRAM

We also support and monitor third-party distributors through our distributor compliance program, which we enhanced in 2018 by launching a new Channel Partner Code of Conduct. Pursuant to this program:

- Distributors, dealers and certain other third parties are required to complete our anti-corruption training, which is a condition to Danaher entering into or renewing a contract.
- We conduct due diligence to assess the potential for corruption before entering or renewing any channel partner contract.
- Our contracts require channel partners to comply with our Channel Partner Code of Conduct.

RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

Each Danaher operating company is responsible for making sure its products are promoted accurately and appropriately in line with industry guidelines and applicable laws and regulations. We require all associates who market directly to healthcare providers to follow Danaher’s Code of Conduct as well as the Advanced Medical Technology Association’s (AdvaMed) Code of Ethics on Interactions with Health Care Professionals.

ETHICAL INTERACTIONS WITH HEALTHCARE CUSTOMERS

We promote integrated healthcare systems by working with customers to develop innovative solutions. Our Code of Conduct emphasizes that our interactions with customers must be founded on achieving the best outcomes for patients and avoiding conflicts of interest.

We support industry initiatives to make information about payments to customers publicly available. A number of countries also require disclosure of the payments we make to physicians and teaching hospitals; in the U.S., this information is published on the U.S. Centers for Medicare and Medicaid Services Open Payments website.

ETHICAL WORKPLACE

Well-established, Danaher-wide policies and programs (including the Code of Conduct) reinforce our culture of integrity within the workplace. These include the ethics and compliance systems described herein and the use of data analytics to identify and mitigate risks. We look to industry best practices and benchmarks to track our performance against our peers.

Every Danaher associate is personally accountable for compliance with our ethics and integrity policies. Models Humility, Transparency and Integrity is one of the five Leadership Anchors that guide performance reviews at Danaher, and managers numerically score associate performance with respect to this element annually. We may withhold recognition, awards and/or monetary bonuses from, or terminate, associates who do not meet our expectations with respect to integrity and compliance.

ENGAGING ASSOCIATES IN ETHICS AND COMPLIANCE

Our Code of Conduct guides our everyday actions and interactions with internal and external stakeholders. The Code is available in 20 languages.
ENGAGING ASSOCIATES IN ETHICS AND COMPLIANCE (CONTINUED)

Each year, all associates in business, technical, professional, management and executive career categories are required to take Code of Conduct training and certify their understanding of the Code and all its requirements (we also provide multilingual training on the Code for new associates and those joining Danaher through acquisitions):

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Associates</th>
<th>Percentage of Associates</th>
<th>Percentage of New Associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>37,413</td>
<td>98%</td>
<td>100%</td>
</tr>
<tr>
<td>2016</td>
<td>54,013</td>
<td>99%</td>
<td>100%</td>
</tr>
<tr>
<td>2017</td>
<td>50,424</td>
<td>97%</td>
<td>100%</td>
</tr>
</tbody>
</table>

We also provide live Code of Conduct training for our shop floor, manufacturing and field sales staff.

CENTRAL OVERSIGHT

A robust corporate ethics and compliance function reinforces our commitment to integrity. The responsibilities of our corporate ethics and compliance function include:

- Developing and facilitating ethics and compliance training
- Leveraging data analytics to identify and mitigate key ethics and compliance risks
- Managing our confidential reporting hotline, Speak Up!
- Leading investigations into alleged misconduct
- Supporting operating company compliance teams and leaders
- Developing and overseeing implementation of programs and campaigns that increase associates’ ethical awareness
- Reporting quarterly to Danaher’s Audit Committee and at least annually to Danaher’s Board of Directors on matters of ethics and compliance

INTERNAL AUDIT SUPPORT

Danaher also has a robust internal audit function tasked with validating that proper accounting, and accounting-related controls, exist throughout Danaher. The internal audit function regularly conducts extensive internal audits to ensure that Danaher’s externally reported financial statements are properly prepared according to U.S. Generally Accepted Accounting Principles and to validate the effectiveness of the company’s internal controls over financial reporting. Internal audit also coordinates with Danaher’s corporate ethics and compliance function to quantitatively rank the company’s business locations from a risk perspective, using a set of established risk criteria that takes into account the location’s finance leadership, geographic location and historical internal audit performance, among other factors. The internal audit and compliance functions meet regularly with the company’s senior finance leadership and use this risk-based ranking to conduct a prioritized review of the company’s locations and implement risk mitigation actions as required.

REPORTING CONCERNS

We encourage associates to seek guidance on ethical issues and require them to raise concerns about possible legal or ethical violations. Concerns can be raised through numerous channels, including managers, Human Resources, Legal or Compliance department representatives, Danaher’s Board of Directors, or the Speak Up! Hotline.

Danaher’s corporate ethics and compliance function tracks and oversees all reported concerns from investigation to resolution. In 2017, we received and investigated more than 750 reports. Where appropriate we took disciplinary action, including coaching, changes in job responsibilities or title, discussion in performance reviews, adverse impact on paid incentive compensation or termination of employment.
OUR BOARD OF DIRECTORS AND MANAGEMENT TEAM

Our Board consists of eleven members, including two women. We have separated the positions of Chairman of the Board and CEO and because our Chairman is an executive officer, our Board has appointed a Lead Independent Director to chair meetings of the independent directors and act as a liaison, as necessary, between the independent directors and the management directors. The Board’s Audit Committee, Compensation Committee and Nominating and Governance Committee each consist entirely of independent directors.

STRUCTURE AND RESPONSIBILITIES

Our Board of Directors and Its Committees:

- Together with management, determines Danaher’s long-term strategy,
- Evaluates the performance and sets the compensation of our CEO and other executive officers;
- Is responsible for CEO succession planning,
- Oversees Danaher’s internal controls over financial reporting, and
- Oversees our risk assessment and risk management program.

BOARD SELECTION, COMPOSITION AND REFRESHMENT

Nominees for Danaher’s Board may be suggested by our directors, members of management, shareholders or, in some cases, by a third-party search firm. Our Board believes that it should collectively embody a diverse set of skills, knowledge, experiences and backgrounds appropriate to the Company’s needs, and takes into consideration the diversity of the Board, with respect to race, gender and national origin, when considering director nominees.

Our Board also actively considers Board refreshment. Using our Board skills matrix as a guide as well as the results of our annual Board and committee self-assessment process, the Nominating and Governance Committee evaluates Board composition at least annually and identifies for Board consideration areas of expertise that would complement and enhance our current Board. In considering the Committee’s recommendations, the Board seeks to balance the knowledge and experience that comes from longer-term Board service with the fresh ideas, energy and new domain expertise that can come from adding new directors.

| DIVERSE BACKGROUNDS ON OUR BOARD |
|---------------|-----------------|
| ACCOUNTING / FINANCE | 2 |
| BRANDING AND MARKETING | 2 |
| GOVERNMENT | 1 |
| INTERNATIONAL | 4 |
| LEGAL | 1 |
| LIFE SCIENCES / HEALTH TECHNOLOGY | 3 |
| M&A / CORPORATE FINANCE | 8 |
| PUBLIC COMPANY CEO AND/OR PRESIDENT | 5 |
| TECHNOLOGY / INNOVATION STRATEGY | 6 |

This graph illustrates the diverse set of skills, knowledge, experiences and backgrounds represented on our Board.
CEO Succession Planning

The foundation of our Board’s CEO succession planning process is a CEO development model consisting of two dimensions: leadership behaviors and development experiences. The Board uses the development model as a guide in preparing candidates, and also in evaluating candidates for the CEO and other executive positions at the Board’s annual talent review and succession planning session. At the annual session, the Board evaluates and compares candidates using the development model, and reviews each candidate’s development actions and progress over time, as well as business performance. The candidate evaluations are supplemented with periodic 360-degree performance appraisals, and the Board also regularly interacts with candidates at Board dinners and lunches, through Board meeting presentations and at the company’s annual leadership conference.

Risk Oversight

While risk-taking is essential to growing a business, we recognize that prudent risk management is necessary to deliver long-term, sustainable shareholder value. The Board’s role in risk oversight is consistent with Danaher’s leadership structure: management has day-to-day responsibility for assessing and managing Danaher’s risk exposure and the Board and its committees oversee those efforts, with emphasis on our most significant risks. Annually, each of our operating companies’ inventories, prioritizes and implements appropriate countermeasures for its key risks, while our senior management reports on our risk management process to the Audit Committee and on the results of that process to our Board of Directors. The strength of our risk management program lies in the autonomy we give our operating companies to think broadly about the risks they face and determine how best to mitigate them. We know that those who are closest to gemba—the physical location where work gets done—are best positioned to identify and mitigate our most significant risks.

Shareholder Engagement Program

We actively seek and highly value feedback from our shareholders. During 2017, in addition to our traditional Investor Relations outreach efforts, we engaged with shareholders representing approximately 25% of our outstanding shares on our governance and executive compensation programs and sustainability initiatives. Feedback received during these meetings is shared with our Nominating and Governance Committee and Compensation Committee to inform their decision-making.

Managing Potential Conflicts of Interest

The Nominating and Governance Committee reviews and, if appropriate, approves all related person transactions (defined as transactions required to be disclosed under Item 404(a) of Regulation S-K promulgated under the U.S. Securities Exchange Act of 1934, as amended), prior to consummation whenever practicable. Related person transactions of an ongoing nature are reviewed annually by the Committee.

Communication with the Board

Shareholders and other parties interested in communicating directly with our Board, or with individual directors, our Lead Independent Director or the non-management or independent directors as a group, may do so by addressing communications to the Board of Directors, to the specified individual director or to the non-management or independent directors, as applicable, c/o Corporate Secretary, Danaher Corporation, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.
Participating in the political process is not part of our corporate culture. Danaher has followed a long-standing policy against using its funds or assets to support political parties or candidates, political committees, 527 or 501(c)4 organizations, ballot measures, or any public communication that advocates the election or defeat of any political candidate. Details of this policy are disclosed on the Corporate Governance section of our public website. In addition, we belong and pay dues to certain trade and industry associations, and our policy is that each such association may use no more than $25,000 of our dues in any calendar year for political purposes.