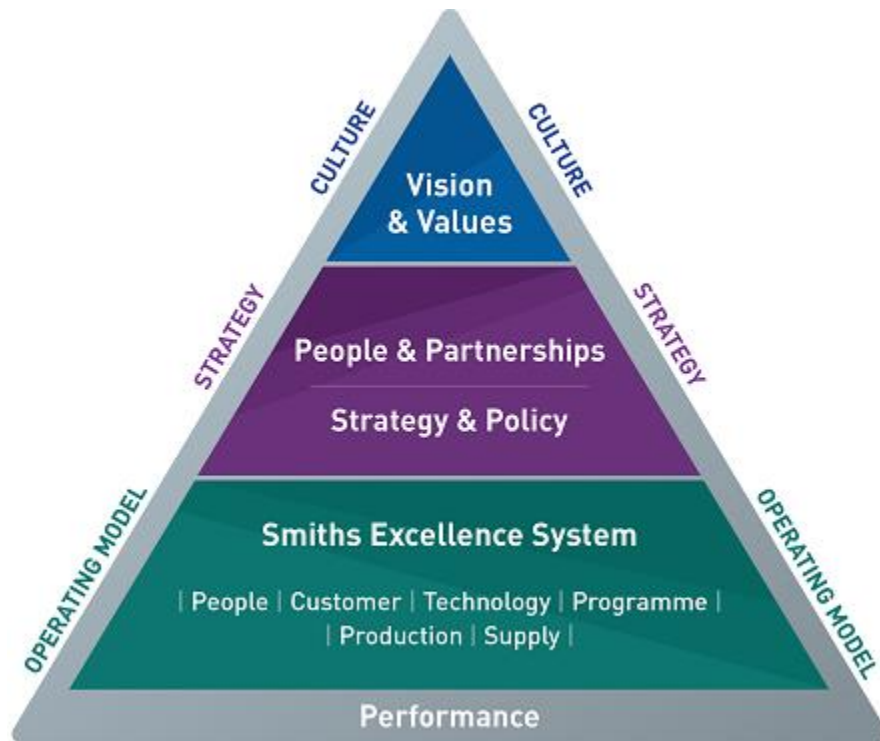


Smiths Way

The Smiths Way is about who we are and how we do things, built on a vision for growth and achievement, a shared set of values, a common approach to strategy, and commitment to excellence that unite us across the business, no matter where we are in Smiths. It's about establishing Smiths as one of the world's leading technology companies, helping us fulfil our potential and ambitions as an organization and as individuals.

We have a solid foundation to build on: a world-class team, market-leading positions, and ground-breaking technologies across a platform of well-run, well-positioned businesses. Our businesses are strong but the world is moving faster than ever around us and we need to stay ahead and become stronger and quicker.



To do that we need a more consistent approach to how we behave and operate. We need to work together as one united Smiths Group. And we all have a role to play in building that future together through the Smiths Way.

Think of the Smiths Way as a triangle, aligning our culture, strategy and operating model and positioning us to be even more competitive, efficient and focused than ever before. Through The Smiths Way, we are creating a more collaborative and open environment that encourages innovation, creates opportunities for the business and for each of us. It positions us for growth, creates opportunities for the business as well as for each one of us.

How will we know if we are successful in writing this next chapter in Smiths' history? We will be a bigger, stronger and more differentiated, we will grow sustainably and our people across the globe will want to stay and continue to thrive.

- We are innovative and pioneering, doing important work
- We do what's right for the customer
- We are growing. And that is good for Smiths and for me.

We are proud to be Smiths, pushing boundaries to deliver innovative solutions for the world's challenges.

Vision and Values

Our vision is our aspiration, it's who we want to be:

"We are proud to be Smiths, pushing boundaries to deliver innovative solutions for the world's challenges."

Our values define how we behave as individuals and as an organization to achieve our vision. They are at the core of our interactions with our colleagues, our customers, our suppliers, and our communities, and they bring out the best in each of us to create an even stronger Smiths.

Our values are:

Integrity – We do the right thing, every time

Respect – We respect each other, value different perspectives and cultures, and act inclusively

Ownership – We make and keep commitments

Customer focus – We are valued and trusted partners in all we do

Passion – We learn and innovate together to deliver excellence and win

Strategy

Our strategy defines the intentional choices we make to achieve our vision. It places our people and our partnerships at the very heart of our business. These relationships help create and drive our strategy - building meaningful connections with our customers, our suppliers, our product development partners. Our strategy also helps us to decide how we allocate our resources - including people and financial resources - to drive growth and to establish Smiths as a world-leading technology company. It includes the long-term planning, governance, resources and core capabilities that will enable us to grow.

We've taken an in-depth look at our portfolio to examine the markets we operate in and our competitive positioning within them. Becoming a bigger, better Smiths will depend on stronger growth, improved competitiveness, more robust and consistent execution and a better focused portfolio. To achieve this we will focus on two priorities – outperforming in our markets and achieving world-class competitiveness

Our two strategic priorities:

Outperforming in our chosen markets

This is about targeting the right segments within the right markets, the right geographies and the right customers to increase the value of the products and aftermarket services we supply.

We are targeting markets where we can build scalable, technologically differentiated, leadership positions. We want to sustainably be in the top 3 across all our markets.

Over the last year, we've been putting these principles into action with the proposed acquisition in Detection – our biggest in over a decade – and the divestments in Medical, Interconnect and John Crane.

All of this was designed to position us to reinvest and grow in a more targeted way, freeing up more than £330 million in financial firepower for investment in our target markets.

Achieving world-class competitiveness

The second part of our strategy is focused on achieving world-class competitiveness through consistent execution and better aligned processes.

It's not about cost-cutting initiatives, it's about improving the speed and efficiency of our business.

And a key part of achieving this is the [Smiths Excellence System](#) – our operating model

The Smiths Excellence System

The Smiths Excellence System (SES) is our operating model through which we will put our vision and strategy into action. It will provide a framework for continuous improvement and help us develop a shared culture of excellence across the organisation by both sharing best practices and developing new processes and ways of working.

It's about speed and efficiency, working and delivering in a consistent, streamlined and high-quality way that will benefit customers, suppliers, employees, shareholders and other stakeholders.

Our Smiths Excellence System focuses on six pillars:

People

- Focusing on building a learning organisation and developing the best ways to attract, retain, develop, engage and inspire colleagues across the business.

Customer

- Aiming to drive greater intimacy with our customers and strategic alignment with their needs to broaden and deepen the level of value we provide.

Technology

- Building a culture of innovation through technological differentiation, digital capabilities, improved research and development processes, and delivering new product introductions.

Programme

- Driving towards consistent, rigorous and flawless contract and programme execution ensuring we manage and meet all our internal and external commitments.

Production

- Developing new or improved production processes that reinforces a culture of Continuous Improvement and lean enterprise across Smiths.

Supply

- Creating value within our procurement and supply chain functions through improvements in sourcing, working capital, efficiencies and supplier management.

Smiths Excellence System work streams:

The Smiths Excellence System also encompasses the following work streams, each critically important and each underpinning all of the pillars:

HSE

- Ensuring Health, Safety and Environment are always at the forefront of our thinking in everything we do

Quality

- Focusing on driving towards world-class quality

IT Solutions and Data

- Ensuring we have the right systems and data to support the pillars and the business