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SEPARATE GROUP NON-FINANCIAL REPORT.

We are committed to responsible and sustainable management as part of our corporate culture and day-to-day business practice. We place great importance on fulfilling our legal and ethical responsibility as a company. Only by doing so can we be perceived as a trustworthy and reliable partner in the health care sector.

STRATEGY AND MANAGEMENT

As a health care Group with more than 300,000 employees, Fresenius plays an important role in society. For more than 100 years, our mission has been to preserve life, promote health and improve patients' quality of life – as defined in our company objective – better medicine for more people. The importance of modern and functional health care for society became particularly clear in 2020 as a result of the COVID-19 pandemic. Our employees worldwide have continued to work tirelessly and under sometimes difficult conditions – in clinics, dialysis centers, factories and logistics. In acute care, for example, we have significantly increased the number

of intensive care beds and ventilation stations. In addition, the dialysis centers were able to continue to provide safe treatments, even for kidney patients infected with COVID-19. We have consistently ensured the supply of our vital medicines, medical devices and services for critically and chronically ill patients.

For Fresenius, economic success is not an end in itself, but a means of continuously investing in medical progress. The patient's well-being always comes first. It is our point of reference for all business decisions. The common goal of all business segments is to improve health care quality and efficiency. In line with our commitment to the future – forward thinking health care to improve the lives of patients – we aim to provide innovative solutions and work proactively

to enable a growing number of people to have access to high-quality, affordable medicine. In conclusion, it is our goal to contribute to medical progress.

In our Code of Conduct, we commit to integrity in dealing with our business associates as well as to socially responsible behavior and transparent communication. The Fresenius Code of Conduct defines basic principles that apply to all employees, executives and the management of the Fresenius Group. It also sets out the framework for the relevant regulations of the individual business segments,



and defines our respective activity areas. Further information can be found in the section Compliance and Integrity on pages 154f.

- We take responsibility for our patients' well-being and are committed to the highest quality in our products, treatments and services.
- We want to do the right thing and comply with all applicable rules and laws. In addition to legal requirements, we adhere to high ethical standards and rules of good corporate governance.
- We largely owe our success and growth to the commitment of our more than 300,000 employees worldwide. Our aim is therefore to be perceived as an attractive employer to acquire talent, retain employees and allow them to develop their skills further in the long term.
- We think and act long-term in our business decisions. It therefore goes without saying that we protect nature as the basis of life and treat resources with care.
- We are committed to respecting human rights as defined by international standards, such as the Declaration of Human Rights of the United Nations.

We analyze the impact of our actions with the help of the 17 Sustainable Development Goals (SDGs) of the United Nations. A particular focus is on the goals of good health and well-being (SDG 3), high-quality education (SDG 4), and decent work and economic growth (SDG 8). In addition, we

align our sustainable actions closely to the United Nations Global Compact and the sustainability requirements of the capital market. Further information is available on our [website](#).

THE BUSINESS MODEL

Fresenius is a global health care Group and one of the leaders in the respective markets. The Fresenius Group comprises four independently operating business segments: Fresenius Medical Care is a worldwide leader in the treatment of chronic kidney failure. Fresenius Helios is Europe's largest private hospital chain with clinics in Germany, Spain, and Latin America. Fresenius Kabi provides lifesaving medicines, medical devices, and services for the critically and chronically ill. Fresenius Vamed specializes in health care facilities projects and service business. They are managed by Fresenius SE & Co. KGaA. The Group Management Report on pages 37ff. contains additional information on the Group's business model and ownership structures, on legal and economic factors, as well as key sales markets and competitive positions.

SUSTAINABILITY RISKS

The identification and assessment of potential sustainability risks (non-financial risks) initially takes place at both the Group level and in the four business segments via the existing risk management system. For this purpose, sustainability risks are assessed that are already covered by the existing risk catalogs and risk reporting of the Fresenius Group. In an additional step, potential sustainability risks are discussed

on a quarterly basis at Group level by the corporate functions Corporate Compliance, Group Controlling and Investor Relations & Sustainability of Fresenius SE & Co. KGaA and supplemented if necessary. In the reporting year, we identified potentially relevant sustainability risks that we would like to review regularly in the future, including climate change, water scarcity, and human rights violations, among other risks. In the future, we intend to record and assess sustainability risks across the Group in a more harmonized approach together with financial, legal and compliance risks. This will enable us to achieve an integrated view of our impact on the issues (inside-out perspective) on the one hand and the impact of the issues on Fresenius (outside-in) on the other. This allows us to assess their short-, medium- or long-term financial impact as well as their impact on society and the environment. In the area of human rights, we have already started to do this. Further details are provided on pages 164ff. of this Non-financial Report.

In 2020, we did not identify any material non-financial risks, taking into account risk mitigating measures (net risk assessment), related to our own business activities, business relationships, products or services that are very likely to have an adverse effect on the non-financial aspects mentioned above or on our business operations. The Group Management Report on pages 88ff. contains further information on opportunities and risks as well as a detailed presentation of risk management.

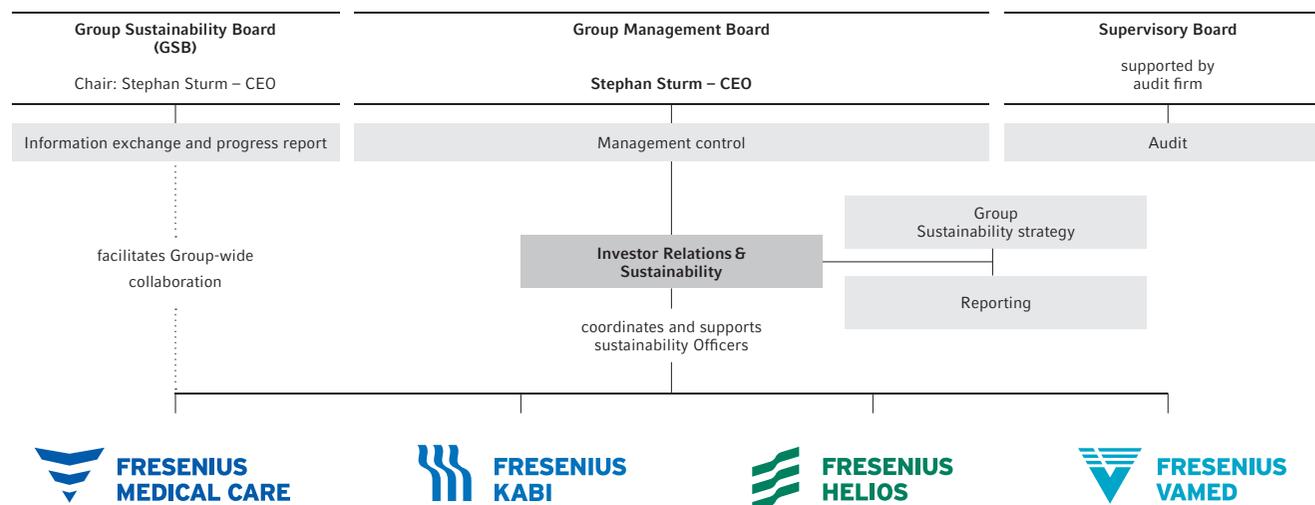
OUR SUSTAINABILITY GOALS

We pursue specific sustainability approaches at the level of the four business segments and Fresenius SE & Co. KGaA. To this end, the business segments each build their own sustainability programs and regularly review how they can further develop and optimize them.

Fresenius Medical Care's Global Sustainability Program reflects the growing requirements for sustainability management and the company's commitment to continuously improve its performance. It defines global targets for eight focus areas in the period from 2020 to 2022. These are derived from the results of a materiality analysis that Fresenius Medical Care carries out to identify the most relevant sustainability topics for its business. The eight focus areas are: patients, employees, anti-corruption and bribery, data protection and privacy, labor and human rights, sustainable supply, environment, and occupational health and safety. The overall objective of the program is to establish common global standards, goals, responsibilities, and key performance indicators for our sustainability performance.

Fresenius Helios, Fresenius Kabi and Fresenius Vamed are in the process of establishing and planning independent sustainability programs. Helios Germany developed its own sustainability initiatives in 2020 on the basis of material topics and requirements and followed a guiding principles process (see also [Sustainability Report Helios Kliniken](#) 2019). In the reporting year, Fresenius Kabi discussed on Management Board level how the company's sustainability efforts can be further improved.

FRESENIUS GROUP SUSTAINABILITY ORGANIZATION



At Group level, we discussed in 2020 the extent to which we can integrate sustainability into our Management Board compensation system. Our approach provides for the incorporation of sustainability targets and key performance indicators into the short-term variable compensation of Management Board members from 2021 onwards. We aim to systematically drive forward the core activity areas across the Group.

OUR SUSTAINABILITY ORGANIZATION

Sustainability at Fresenius is the responsibility of the CEO of Fresenius Management SE, as shown in the overview above. Fresenius Management SE is the general partner of

Fresenius SE & Co. KGaA. The Group Management Board is regularly informed about sustainability issues by the Investor Relations & Sustainability department of Fresenius SE & Co. KGaA. The Management Board and the Supervisory Board review the progress and the results of the sustainability management, which are then published in the separate Group Non-financial Report. The Supervisory Board is supported in this process by the auditor's limited assurance engagement. Investor Relations & Sustainability coordinates the implementation of sustainability guidelines and standards at operational level and is responsible for the non-financial reporting of the Fresenius Group. Corporate Compliance is responsible for our Code of Conduct and manages issues

MATERIAL CLUSTERS AND TOPICS IN ACCORDANCE WITH GERMAN COMMERCIAL CODE (HGB) SECT. 289C (3)

Social matters	Employee matters	Combating corruption and bribery	Human rights	Environmental matters
Well-being of the patient	Employees	Compliance & Integrity	Diversity	Environment
Access to health care and medicine	Working conditions, recruitment & employee participation	Compliance	Diversity and equal opportunities	Water management
Patient & Product safety	Employee development	Data protection	Compliance & Integrity	Waste and recycling management
Digital Transformation & Innovation	Occupational health and safety		Human Rights	Climate protection
Digitalization & Innovation				
Cybersecurity				
Supply Chain				

– Material aspects according to HGB ■ Material cluster □ Material topic

relating to human rights, supply chain, and compliance. Data protection and cybersecurity are independent areas of responsibility. The departments and functions on Fresenius SE & Co. KGaA level support the business segments in the development of guidelines and management concepts relating to these sustainability topics. The business segments have also defined departments and responsible persons – often in the form of sustainability officers who coordinate all

sustainability issues within the business segment. Fresenius Medical Care is itself a stock-listed company and has therefore established its own sustainability governance structure. The highest governing body for sustainability issues at Fresenius Medical Care is the Sustainability Decision Board. Co-headed by the CEO, it is responsible for integrating sustainability into the Company’s strategy and business. Together with the Sustainability Decision Board, the Management Board decides on strategic initiatives.

THE GROUP SUSTAINABILITY BOARD

In 2020, the first two meetings of the Group Sustainability Board (GSB), which was introduced in 2020, were held under the leadership of CEO Stephan Sturm. The Group Sustainability Board is composed of those responsible for sustainability at Group level and in the business segments and is scheduled to meet every two months.

The Board discusses the future sustainability strategy of the Fresenius Group. The overall goal of the GSB is to identify the most important sustainability issues for the Group and to strengthen intra-Group cooperation.

OUR MATERIALITY ANALYSIS

We identified our main topics in accordance with the HGB in a multi-stage process in the reporting year. Material in this respect are those aspects that are relevant for understanding Fresenius’ business performance, results of operations, and position, as well as for understanding the effects of its own business activities on the non-financial aspects. The key topics for the Fresenius Group are explained separately based on the way they are managed in the individual business segments. On topics such as data protection, cybersecurity, compliance, and human rights, we report Group-wide strategies.

MATERIALITY ANALYSIS RESULTS

As a result, we have identified six main topic clusters and 15 individual topics as illustrated on page 110. There are no major changes compared to the main topics of previous years, although they have been defined in more detail. The



structure of the chapters in this report reflect the main topic clusters. The various individual topics are assigned to the chapters according to their prioritization, and their management approach is described according to requirements the requirements of GRI and the German Commercial Code (HGB). The online report provides an expanded view with additional information.

STAKEHOLDERS AND PARTNERSHIPS

Fresenius is involved in a diverse network of stakeholder groups. We gain valuable insights from this exchange which we use to continuously develop our quality and sustainability management as well as our reporting procedures. In 2019, we reviewed and prioritized our stakeholders: to this end, existing corporate communication channels, the requirements of sustainability ratings and rankings, and frequent inquiries from investors were evaluated. Our main stakeholders are:

- Patients
- Employees
- Providers
- Private shareholders, institutional investors, analysts and rating agencies
- Political institutions and external organizations, e.g., in the fields of health care and patient care
- Suppliers or other business partners

In their non-financial reports, Fresenius Medical Care and Fresenius Helios in Germany and Spain also include a precise list of the stakeholder groups that are specific to their respective business activities: for example, Fresenius Medical Care includes science and research, while Fresenius Helios considers trade unions.

WELL-BEING OF THE PATIENT

People's life expectancy is rising – and the world's population is growing.¹ These developments make high-quality medical care increasingly important. Fresenius is committed to providing access to health care and medicine to as many people as possible worldwide.

ACCESS TO HEALTH CARE AND MEDICINE

Every year we assume responsibility for the well-being of millions of patients. We offer lifesaving and life-sustaining products and therapies in more than 90 countries. In developing and improving these products and therapies, we take into account different social and regulatory requirements and adapt them to different health care systems. This will enable us to meet the growing global demand for innovative, high-quality therapies.

Our products are often used to treat people who are suffering from serious or chronic diseases. Our task is to ensure the safety and quality of our products and services and to meet the highest safety and quality standards for all processes and therapies.

Our range of products and services includes a comprehensive network of hospitals, the availability of modern dialysis procedures and post-acute care – such as rehabilitation – and high-quality medical products. Our portfolio also includes digital health services, advanced therapies, and

the expansion of primary care in emerging and developing countries. The main focus is on the quality of our products and of the medical care we provide our patients.

In 2020, access to health care and medicine was hampered by the COVID-19 pandemic. In these challenging times, we have taken on our special responsibility as part of the health care system with extensive measures. Further information can be found in the Group Management Report on page 38 in this Annual Report 2020 and on page 114 of this report.

OUR APPROACH

Fresenius' long-term goal is to further develop the company's position as one of the leading international providers of health care products and services. In recent years, we have expanded our company along our value chain – increasing the global availability of our products and services.

The constant development of our products and services allows us to take advantage of growth opportunities. We guarantee our patients high-quality, comprehensive health care with our products and in our own facilities, allowing them to benefit from medical progress. Our core business focuses on ensuring that as many people as possible worldwide are able to participate in this progress. This ambition is also reflected in our commitment with regard to the society.

¹ Source: <https://www.un.org/development/desa/publications/world-population-prospects-2019-highlights.html>



Fresenius Medical Care

Providing access to health care is an important topic and covers a broad range of activities. Fresenius Medical Care supports the development of infrastructure for renal care and cooperates with authorities to offer affordable care to a growing number of patients. Innovative digital services and products also help improve access to health care services and flexibility for patients. In crisis and emergency situations, the business segment benefits from its vertically integrated organization to provide access to health care to patients in need.

Fresenius Kabi

Fresenius Kabi is committed to improving the quality of life of patients. Fresenius Kabi's product portfolio comprises a comprehensive range of I.V. generic drugs, infusion therapies and clinical nutrition products as well as the devices for administering these products. In the field of biosimilars, Fresenius Kabi focuses on autoimmune diseases and oncology. Within transfusion medicine and cell therapies, the company offers products for collection of blood components and extracorporeal therapies. These products and services are used to treat and care for critically and chronically ill patients.

With its comprehensive range of generics and its biosimilars products, Fresenius Kabi offers affordable alternatives and contributes to provide access to modern, high-quality and affordable therapies for patients.

Fresenius Kabi is in regular exchange with the [Access to Medicine Foundation](#), for example with regard to the Anti-microbial Resistance (AMR) Benchmark. In this Benchmark selected manufacturers of generic drugs are regularly evaluated in the categories Appropriate Access, Stewardship and Responsible Manufacturing. Fresenius Kabi scores consistently high and achieved third place in the latest AMR Benchmark 2020 among the companies evaluated in the category of generic drug manufacturers.¹

Fresenius Helios

Fresenius Helios' acute care hospitals offer the full range of medical services throughout Germany and Spain. Most people can reach a Fresenius Helios hospital in Germany within an hour. The hospitals in Spain and South America acquired in recent years also aim to improve and further expand access to health care in their markets. This international network enables Fresenius Helios to transfer knowledge between two European health care systems: the German system provides health care at a high level that remains affordable. The Spanish health care sector offers more integrated outpatient and inpatient health care, with very high standards of service and patient experience. Particularly in 2020, this network enabled us to learn from each other. For example, an intensive exchange of knowledge took place in the treatment of COVID-19 patients in order to improve treatment outcomes in both countries for the benefit of patients.

Fresenius Vamed

Fresenius Vamed is active worldwide in the planning and construction of health care buildings with the aim of serving patient health and improving access to health care services. Fresenius Vamed also provides worldwide operational management services and technical services with a focus on building, construction, and medical technology, sterile goods supply, information and communication technology, and infrastructure and business services worldwide. This enables us to provide access to high-quality medical care for a growing number of people.

Patient safety is directly dependent on the quality of the treatments or products used and also indirectly on the provision of operational management services. Fresenius Vamed's main goal which also represents an opportunity is to give people around the world access to health care services at all levels of care.

¹ Access to Medicine Foundation – Antimicrobial Resistance Benchmark 2020.



PROGRESS AND MEASURES 2020

Product portfolio

Demand for affordable health care products is growing in emerging markets. To facilitate access to dialysis treatment, Fresenius Medical Care has developed the 4008A dialysis machine which meets high therapy standards while reducing costs for health care systems. At the same time, it is designed to be easy to handle even in challenging infrastructures and remote locations. In 2019, the 4008A dialysis machine was successfully launched in Asian emerging markets, including India, Pakistan, Nepal, and Bangladesh.

Fresenius Kabi is constantly expanding its product range to provide high-quality and affordable health care to more patients. The company continuously expands the availability of its products in established markets as well as in new markets including emerging markets and has launched new products in 2020. Fresenius Kabi, for example, launched the Exilia infusion pump system in 2020, a system in high demand during the COVID-19 pandemic.

In 2020, Helios Germany acquired three Malteser hospitals and affiliated medical care centers in the German cities of Bonn, Duisburg and Krefeld, further improving accessibility to its hospitals. Helios Spain acquired hospitals in Colombia and in Spain the Hospital Nosa Señora dos Ollos Grandes in Lugo. A [comprehensive safety concept](#) consisting of ten combined measures ensured that patients, visitors and employees in the clinics were protected against infection in 2020, which was significantly impacted by COVID-19. To ensure safe access to the clinics, mask scanners were introduced in the entrance areas of all Fresenius Helios hospitals and the outpatient centers, which provide feedback

via a screen as to whether the mouth/nose protection is being worn correctly. Moreover, all Helios Spain Hospitals are certified as COVID-Safe by an outside certification entity.

Fresenius Vamed is one of the leading private providers of post-acute care in Central Europe, thus strengthening access to the relevant services, especially in the rehabilitation segment. In 2020, the expansion of outpatient rehabilitation services was driven forward. The new outpatient offerings are easy to access and enable in-service utilization of medically necessary rehabilitation services. In Germany, a total of 3 new outpatient rehabilitation clinics were opened in 2020, while in Austria the construction of 5 outpatient rehabilitation clinics continued despite the Corona crisis; these will open for patient operations in 2021. In Switzerland, the Zihlschlacht rehabilitation clinic was expanded with the commissioning of a 4-star superior private clinic for international patients and Swiss private patients.

Patient support in crisis and emergency situations

As a health care Group, we have to be crisis-proof and respond flexibly in all areas: it is our task to enable unrestricted access to our services and seamless care for patients even under difficult conditions. To ensure this, we have established high-performance as well as resilient emergency systems and programs in our business segments.

Fresenius Medical Care operates dialysis facilities in many regions of the world with diverse geographic, social and economic conditions. The business segment serves a vulnerable population of patients who need regular dialysis treatment multiple days a week. To ensure that patients receive their dialysis treatment, even in extreme conditions, Fresenius Medical Care has developed robust emergency response systems. For example, a system of regionally organized emergency response teams is in place to ensure business continuity. In addition to disaster response activities, Fresenius Medical Care repeatedly donates funds, dialysis machines and medical supplies to organizations that urgently require support.

Fresenius Kabi has a crisis team for emergency situations. The crisis team is set up at Management Board level immediately after an event that could lead to a crisis becomes known. The crisis team comprises members of the Management Board, key staff units, and other relevant functions of the business segment and initiates the necessary measures.

In the hospital sector, there are legal requirements for how care is to be organized in the event of an emergency. At Fresenius Helios, for example, emergency power generators ensure that operations or vital therapies, such as artificial respiration, can continue even in the event of a power failure. Fresenius Helios has developed contingency plans as part of its country-specific hospital infrastructure.



At Fresenius Vamed, a structured crisis management system takes immediate effect in crisis situations. It comprises the Management Board, key staff units and the management teams of the lead companies. The crisis team meets as soon as a crisis becomes known and initiates all necessary measures. Fresenius Vamed's facilities have emergency and outage concepts and crisis communication plans in place, which have been drawn up together with the local emergency units. These measures have increased the speed of response to individual COVID-19-related incidents and thus made it possible to provide facilities that were particularly affected with additional protective equipment.

Health care delivery during the COVID-19 pandemic

The COVID-19 pandemic posed major challenges to the global health care system in 2020. For Fresenius as a health care Group and as a company with a very large number of employees as well as patient contact, pandemic protection and prevention are essential. Emergency management plays a key role in this: it enables us to maintain the care of all patients in our health care facilities and ensure the supply of medicines. Based on the legal requirements and regulatory recommendations for the COVID-19 pandemic, our business units implemented numerous measures in response to the pandemic:

The COVID-19 pandemic presented Fresenius Medical Care with an extraordinary challenge in 2020. The business segment established strict safety protocols in its more than 4000 clinics to maintain the provision of essential treatments

while reducing the risk of infection for patients and staff. Measures included screening all patients and staff entering the clinics and providing them with personal protective equipment. Fresenius Medical Care also set up isolation centers for infected patients. Under these circumstances, the business segment treated more than 29,000 patients with COVID-19 in North America and rolled out an expanded telehealth platform to support social distancing for both home and in-center patients. Acute kidney injury is common in critically ill COVID-19 patients. Fresenius Medical Care provided hundreds of acute dialysis devices and other supplies to hospitals for emergency treatment. Despite the increased safety measures, Fresenius Medical Care was able to continue producing and delivering life-saving products, even when operations and supply chains were hampered by global restrictions.

Demand for some of Fresenius Kabi's drugs and medical devices has increased significantly due to the COVID-19 pandemic. Fresenius Kabi reacted to this demand early and switched production. This enabled the business segment to use all suitable capacities to expand production volume for these products. Despite the significantly higher production costs for essential drugs used to treat COVID-19 patients, Fresenius Kabi kept prices for these drugs stable during the pandemic.

The measures taken at our Fresenius Helios' hospitals were always carried out in close, continuous consultation with the respective crisis team at Group level and the crisis teams or task forces of the clinics as well as the central and local hospital hygiene departments. In several Helios facilities in Germany, emergency departments had to be closed briefly in 2020. There were also temporary admission suspensions at entire clinics in the reporting year due to frequent coronavirus infections among employees or patients – for example at Helios Klinikum Bad Saarow in October 2020. Apart from these exceptions, health care services were maintained. Scheduled elective procedures were completely suspended in the first wave of the pandemic in spring 2020 due to political requirements on hospitals. In the second wave in fall/winter 2020, hospitals made their own decisions about whether to maintain elective procedures, depending on utilization. In Spain, the emergency rooms were never closed, but scheduled activities were reduced or even suspended as ordered by the authorities. The number of intensive care beds in Germany in spring 2020 was increased from 900 to 1,500; in the fall, the number was increased again to a total of 2,300 beds. During the first wave, the Spanish hospitals temporarily duplicated the number of intensive care beds, and incremented the conventional hospital beds to respond to the elevated number of COVID-19-patients. Fresenius Helios also launched a COVID-19-hotline in Germany in 2020, offering 24-hour telephone advice from 30 experts and receiving around 18,000 calls during the first peak phase of the pandemic alone. Helios Spain uses its



[corporate social media channel](#) in Spanish language to provide written information or videos on most urgent questions, like hygiene, vaccines or even the impact on family life, as well as information on the impact of appointments in hospitals and the availability of COVID-19 tests in our centers. Further, two hotlines were created, one for general information and recommendations on COVID-19 and a second hotline to attend patients with suspected infection. In total, Helios Spain received around 13,000 calls.

Among other things, Fresenius Vamed created catalogs of measures in which the pandemic experiences of all health care facilities in Austria, Germany, the Czech Republic, the UK, and Switzerland were collected; these catalogs are updated regularly. The experience gained will continue to be incorporated into risk management in the future; it will help Fresenius Vamed to continuously improve its processes and responsible action. Furthermore, a 24/7 information hotline as well as comprehensive and continuously updated information on the Fresenius Vamed intranet “Corona Infocenter” are available to Fresenius Vamed staff for current questions on the pandemic.

Please refer to the Notes to the Consolidated Financial Statements on page 251 f. for further information on assistance programs provided by various governments in the form of reimbursement payments and funding in connection with the COVID-19 pandemic.

Social commitment

The ambition to provide access to health care for as many people as possible worldwide and to continuously improve it is also pursued by our business segments through their social commitment. Fresenius Medical Care’s social commitment focuses on regional and local initiatives that support the interests of kidney patients. This includes emergency aid in crisis situations, e.g. through donations of dialysis machines and medical supplies, as well as long-term measures such as [Kidney Kid](#), an initiative to educate children about kidney health at an early age. Fresenius Kabi and Fresenius Helios actively support social causes through donations or employee community engagement, among other things.

PATIENT AND PRODUCT SAFETY

OUR APPROACH

At Fresenius, our aspiration is: better medicine for ever more people. Our commitment to always strive for the highest quality in our products, services, and therapies stems from this. The most important non-financial aspect by which we measure our success is the well-being of our patients. In order to provide patients with the best possible care, we offer them medical treatments and products that meet our strict requirements for quality and safety.

We have established sophisticated processes in all business segments that are fully geared toward the safety of our patients and efficient processes. In the area of quality management, we focus on monitoring, managing and improving these processes by means of performance indicators. The individual business segments adapt their quality management systems to their respective business models and set priorities accordingly. Our quality management systems meet or are based on various standards. International standards such as ISO (International Organization for Standardization) and GMP (Good Manufacturing Practice) are particularly important for our production facilities. In our hospitals and health care facilities, we measure the quality of patient care using various indicators.

Organization and responsibilities

All Fresenius employees must ensure that the applicable quality and safety regulations are always observed in their areas of responsibility. The employees in the production facilities, outpatient centers, and hospitals have a special obligation to exercise due care. The organizational structures are adapted to the requirements of the individual business segments.

Policies and regulations

All four business segments comply with the applicable laws within the framework of quality management.

Our operations are subject to extensive governmental regulation in virtually every country in which we operate. This includes, for example, the EU legislation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), the Restriction of Hazardous Substances



(RoHS), the Medical Device Directive, the new Medical Device Regulation, and the Code of Federal Regulations (CFR) of the U.S. Food and Drug Administration (FDA).

In addition, the business segments have developed their own comprehensive guidelines. Furthermore, the business segments have voluntarily committed to complying with a wide range of industry obligations and international standards. For example, Fresenius Medical Care respects the industry initiative Kidney Disease: Improving Global Outcomes (KDIGO) foundation, the Kidney Disease Outcome Quality Initiative (KDOQI), the European Renal Best Practice Guidelines (ERBP) and industry-specific clinical benchmarks. Fresenius Kabi's quality management system also takes applicable national and international regulations into account, including Good Clinical Practice (GCP), Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), Guideline on Good Pharmacovigilance Practices (GVP), Medical Device Regulation (MEDDEV; MDR), the Code of Federal Regulations (CFR) of the U.S. Food and Drug Administration (FDA), and the ISO 13485 quality management standard for medical devices. Helios Spain is committed to patient safety and has 24% of the hospitals certified under the quality standard UNE 179003. Fresenius Vamed's facilities in Germany have joined the Qualitätskliniken.de initiative, and meet the requirements of the quality aspect of patient safety.

Fresenius Medical Care

Fresenius Medical Care is committed to delivering safe, high-quality care for patients with chronic illnesses. To live up to this commitment, the company continuously monitors and analyzes the quality performance of its products and services. The company also measures patient satisfaction and takes its patients' feedback into account to improve its services. Fresenius Medical Care is continuously working to expand access to high-quality health care for more patients and further improve the care the company offers. This also involves investing in innovations and new technologies and leveraging insights from scientific research and collaboration with partners.

Fresenius Medical Care produces and delivers a broad range of products for treating kidney disease. With its network of 44 manufacturing sites in more than 20 countries, the company takes care of the procurement, production, distribution, and supply of renal and multi-organ therapy products. The business segment manages the quality and safety of its product business over the entire product life cycle, from design and development, to operation and application.

Fresenius Medical Care's consolidated quality management system is certified according to ISO 9001 and ISO 13485. In addition, the business segment's plants are subject to regular external quality audits and reviews in accordance with local requirements. Of the production sites managed by the Global Manufacturing, Quality and Supply function, 21 sites are certified with ISO 9001/13485. Furthermore, 17 sites have been audited according to the Good Manufacturing Practice (GMP) or the Current Good Manufacturing Practice (cGMP) guidelines. Fresenius Medical Care also successfully completed the Medical Device Single Audit Pro-

gram (MDSAP) in 10 of its sites as well as for the company's consolidated quality management system. This enabled the company to reach a higher level of efficiency and reduce the cost per audit.

Organization and responsibilities

In 2019, Fresenius Medical Care established the Global Medical Office to coordinate its efforts to advance medical science and patient care. It is part of a network that drives scientific and medical progress worldwide. The Global Medical Office is led by the company's Global Chief Medical Officer, who was appointed to the Management Board in 2020. Key findings of the Global Medical Office are published on a regular basis.

Internal rules of conduct and guidelines

Two global functions are responsible for Fresenius Medical Care's product business: Global Research and Development and Global Manufacturing, Quality and Supply. Both functions report directly to the Management Board. They have jointly developed our Global Quality Policy, which describes our commitment to product and service quality. It also covers our obligation to comply with relevant regulations and maintain environmentally sound and efficient operations. The Global Quality Policy is the basis for regional quality

manuals and further detailed policies that describe aspects such as responsibilities, training, risk assessments, and audits. The Management Board is regularly informed about our global quality performance.

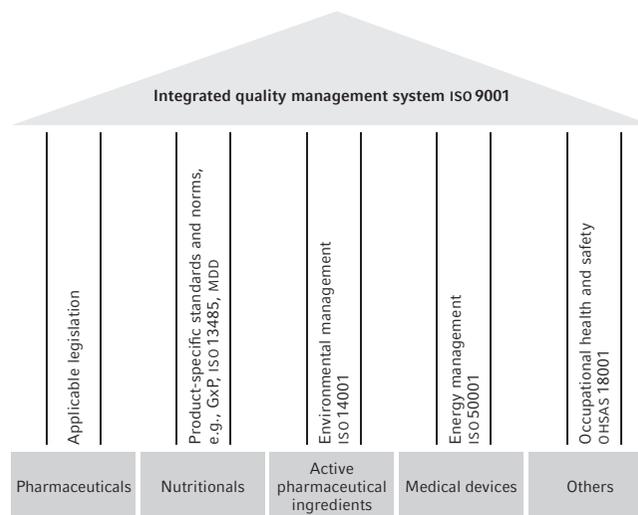
Fresenius Kabi

Fresenius Kabi's corporate philosophy "caring for life" describes the company's commitment to improving the quality of life of its patients. The quality and safety of its products and services is therefore of paramount importance to Fresenius Kabi. An important goal of the quality management at Fresenius Kabi is to monitor the applicability, efficacy, and safety of products and services, as well as the success of therapies, and their continuous improvement. To ensure this, the company has established an integrated quality management system, a monitoring and reporting system, and product risk management.

Fresenius Kabi's quality management system is organized in accordance with the ISO 9001 standard and is binding for all Fresenius Kabi organizations. Compliance with the standard is reviewed by TÜV Süd in annual audits at a global level and covers 115 Fresenius Kabi organizations through a matrix certification

Fresenius Kabi has a global quality management handbook including a global quality policy, as well as standard operating procedures. They are applicable globally and cover all sites. Fresenius Kabi uses a global electronic quality management system, KabiTrack, based on the Trackwise® software, for all quality management processes. The system supports the local implementation of centrally defined processes as well as global oversight.

INTEGRATED QUALITY MANAGEMENT FRESENIUS KABI



Organization and responsibilities

At Fresenius Kabi, the globally responsible quality managers report directly to the respective member of the Management Board. The members of the Management Board are thus directly responsible for quality management. They are regularly informed about quality management in quality oversight meetings and receive quality management reports on a regular basis.

Policies and regulations

Fresenius Kabi has defined the following principles for its quality management:

- Clear assignment of responsibilities
- Qualification and continuous training of employees
- Monitoring of product and patient safety
- Transparent and documented processes and procedures
- Fulfillment of regulatory compliance
- Continuous improvement
- Checking of quality management effectiveness

Fresenius Helios

Helios Germany has developed a quality management system based on three pillars: Measure, Publish, Improve. It is used in a similar form by around 500 hospitals in Germany and Switzerland. This quality management system is based on administrative data (routine data) from patient treatments: the hospitals document each treatment step precisely for later billing with the health insurance companies. For example, this routine data shows whether the healing process takes longer than expected, and whether complications or even a death occurred. It also indicates whether a treatment took a normal course; if mistakes were made, they are reviewed in specific audit procedures (peer reviews). Defined quality indicators (German Inpatient Quality Indicators – G-IQI) are used to measure and monitor the quality of medical outcomes. The outcomes are published. This data allows patients to see, among other things, how often

certain treatments are performed in Fresenius Helios hospitals. This gives patients important information on how much experience doctors have in this area and helps them make their own decisions about their treatment. Thanks to its quality and risk management, Helios Germany can continuously monitor key quality parameters and, if necessary, take countermeasures at an early stage.

Helios Spain gears its quality management toward the requirements of recognized international quality standards. All hospitals and centers are certified according to ISO Standard 9001. Further, the certification according to the most relevant international quality standards (Spanish Association for Standardization, UNE) was continued. In addition, hospitals are certified in accordance with of the Joint Commission International (JCI) and the European Foundation for Quality Management (EFQM) standards. In 2020, two further hospitals were awarded the international certification UNE 179003, which means that a total of 12 hospitals in Spain are certified in accordance with this standard. Regarding UNE 179006, the standard for infection control, eight hospitals are already certified. For 2021, we aim to include further three health centers in the JCI certification.

Organization and responsibilities

At Fresenius Helios, the medical director has direct responsibility for patient and product safety; further, the position of a Patient Safety Officer was created. Helios Germany's central medical services and medical specialist groups help to implement the appropriate measures. The leading physicians in a particular field from all Fresenius Helios hospitals

in Germany come together in these specialist groups. They ensure that the knowledge of their medical specialty is anchored in all hospitals and represent their respective medical fields internally and externally. They also advise and decide on the introduction of standard processes, sensible innovations, campaigns and the introduction of medical products.

The specialist groups of Helios Germany and Helios Spain exchange ideas and information on specific topics. For example, the German hospitals benefit from Helios Spain's close networking of outpatient and inpatient care – and can take advantage of these experiences.

Policies and regulations

In recent years, Helios Germany has introduced numerous measures to increase patient safety. Checklists are mandatory for all operations in Fresenius Helios' clinics. The "pre" checklist assesses the risks associated with the operation before it takes place. The "peri" checklist helps to avoid treatment errors immediately before, during, and immediately after the operation: this reduces wrong-side errors or surgical material left behind in the body to a minimum.

In 2020, Helios Spain appointed new members to the Corporate Safety Committee with the aim of involving further hospitals and generating new ideas. The committee has remained active throughout the pandemic, not only advising the hospitals in the COVID-19-management but also developing new strategic patient safety protocols. The Patient Safety Strategy developed by this committee was completed in 2020. It is based on the principles of international institutions such as the World Health Organization (WHO) and the JCI.

Fresenius Vamed

Fresenius Vamed aligns its internal processes to established quality standards such as ISO 9001, ISO 14001, and ISO 13485, as well as the EFQM standards. In addition, Fresenius Vamed has certified several health care facilities according to international standards such as JCI, ISO, and QMS-REHA®. These certifications form the basis for the continuous improvement of the processes at Fresenius Vamed.

Organization and responsibilities

In order to raise awareness of quality requirements among employees, Fresenius Vamed employs staff for quality and risk management. These employees report directly to the management. Other quality assurance officers carry out training courses in the various segments, thus integrating all employees in the quality management systems of their facilities. The quality assurance officers can thus ensure that the employees comply with their obligation to exercise due care. Fresenius Vamed informs its employees about its understanding of quality early in the initial training and introductory events. Guidelines are traceably communicated to the relevant areas and departments in writing (e.g. via work instructions from the respective management).

The VAMED International Medical Board (IMB) ensures the exchange of information between Fresenius Vamed physicians from Austria, Germany, the Czech Republic, the United Kingdom, and Switzerland. Within Fresenius Vamed, medical specialist groups and executive conferences coordinate on quality and safety.

Policies and regulations

Fresenius Vamed sets ethical standards through its mission statement as well as through codes such as the Code of Conduct, the Clinical Code of Conduct, and the Code of Conduct for Business Partners. Fresenius Vamed's internal guidelines are based on the regulatory requirements established throughout Europe, e.g. for rehabilitation. In addition to the statutory requirements and the requirements of the insurers, Fresenius Vamed also adheres to international standards such as ISO and EFQM, expert standards, and medical guidelines. All internal guidelines are regularly reviewed and updated as necessary. Employees can obtain information on the guidelines via the intranet.

Our ambitions

Quality targets are determined and reviewed in each business segment based on the defined quality parameters. Further information is provided on pages 121 ff.

In 2020, Fresenius Medical Care developed a global policy on patient care, including a chapter dedicated to patient experience surveys and related processes that are harmonized worldwide. The main goal in doing so is to strengthen the inclusion of patients' feedback. To achieve this, the business segment has set itself targets. In 2021, Fresenius Medical Care endeavors to further roll out its harmonized patient experience survey worldwide and also plans to implement a globally consistent process for making improvements in all countries in which the patient survey is rolled out.

Fresenius Medical Care has set itself the goal of implementing a global quality management system by 2024. As part of its initiative to harmonize our quality systems and processes worldwide, the business segment is planning to introduce a global electronic training system within the next three years.

The overarching goals of Fresenius Kabi's quality management are to ensure the well-being of patients as well as the quality and safety of products, services, and therapies, and to fulfill regulatory requirements.

Helios sets company goals using the E-IQI methodology in Spain and the G-IQI methodology in Germany, making use of comparative measurements, with the benchmark being the German national average as calculated by the Federal Statistical Office. The aim is to be better than the national average for each target. Further quality objectives in our hospitals in Spain relate to patient satisfaction.

Fresenius Vamed defines its quality goals annually with the aid of additional key performance indicators. The findings from complaint, case, and risk management are also incorporated. The goals are reviewed regularly.

PROGRESS AND MEASURES 2020

Clinical efficiency and hygiene management

Improved dialysis treatments

Continuous improvement is an essential prerequisite for enhancing the quality and safety of Fresenius Medical Care's products. Product improvement is defined as a change that focuses on at least one of the following: patient safety and quality, product performance, or customer service. Product improvements are evaluated from the patient's perspective. In 2020, the business segment implemented more

than 440 product improvements to its dialysis machines and is planning to extend this KPI to further product groups in 2021.

Fresenius Medical Care also carries out innovations with the aim of continuously improving its portfolio. To enable access to the latest technologies, the business segments invests in research and development and collaborates with external partners, including academic institutions. Fresenius Medical Care also invests in startups that develop products, technologies and therapies in the health care sector.

Hygiene management in hospitals

The aim of Fresenius Helios' hygiene management system is to avoid infections within the hospital and, as quickly as possible when they do occur, to prevent them from spreading. The main focus is on adequate personnel with hygiene specialists and doctors, infection and pathogen monitoring, control of antibiotic consumption, and training of physicians to become antibiotic stewardship (ABS) specialists. The planned antibiotic reporting for clinics in Germany was available for the first time at the end of 2020.

Hygiene management in rehabilitation and nursing care

One of Fresenius Vamed's tasks with regard to hygiene in rehabilitation clinics and nursing facilities is to ensure the highest possible protection for everyone – without restricting individual rehabilitation. Protecting patients from infectious diseases during their stay is a key topic for Fresenius Vamed. Newly established health care facilities follow systematic guidelines from day one to prevent infections breaking out or spreading. Clearly defined procedures are followed and compliance with hygiene regulations is strictly controlled.



Labeling and product and patient information

It is essential for the safety and well-being of our patients that we label our products appropriately, describe our services, and provide necessary further patient information. Each of the four business segments is subject to specific regulatory requirements and standards – depending on the business activity and the market.

Listening to patients is also important when it comes to their choice of therapy. Fresenius Medical Care treats its patients across the full spectrum of chronic kidney disease with the aim of giving them a more informed choice and providing treatment options that best fit their life circumstances. In 2020, for example, Fresenius Medical Care offered home therapy to more than 44,000 peritoneal and hemodialysis patients who choose to be treated in a familiar environment and whose medical condition allows them to do so. In the U.S. alone, the company educated more than 50,000 people living with chronic kidney disease or end-stage kidney disease about home dialysis options with the help of more than 180 internal kidney care experts.

Fresenius Kabi's products are classified, e.g. as pharmaceuticals, nutritional products, active pharmaceutical ingredients, or medical devices, based on global and national regulations and standards. The marketing of these products is subject to various laws and regulations to ensure a complete and fact-based product information. Fresenius Kabi has a global policy and global standard operating procedures for its product information to ensure that they are in accordance with applicable laws and regulations and that the product information on correct use is clear, accurate, and not misleading.

Helios Germany provides information to its patients within its hospitals about the patient admission process with the help of the treatment contract, as well as special information flyers and privacy statements. The therapeutic objective is discussed and evaluated with patients during admission and discharge discussions with the treating physicians. Helios Germany communicates via its online magazine, its website, and in its communication campaigns. In addition, patient information events on specific medical topics are held in all hospitals.

Fresenius Vamed provides information to its patients in different ways – for example, in the patient information folder or in the treatment contract, via information brochures, privacy statements, the house rules, and the mission statement. Welcome lectures and training sessions are also offered. The website is available as a source of information before arrival. The goal of therapy is usually discussed and evaluated with patients during admission and discharge discussions.

Since Fresenius Vamed is also active as an accredited inspection body (ISO 17020) and as a manufacturer of medical gas supply systems (RL93/42 EEC), the business segment is subject to a labeling obligation and information obligation in accordance with RL93/42 EEC and MPG and/or ISO 13485. The accreditation authority uses external audits, for example, to check whether appropriate regulations exist and whether regulatory or normative requirements are complied with.

Training

Training courses for our employees, which guarantee the safety of our patients and products, are an important component of our quality management systems. For example, Helios Germany works with simulation centers to provide training for surgical crisis scenarios. By offering regular training on a global, regional, and local level, Fresenius Kabi ensures that employees are aware of those aspects of the quality management system that are relevant for their daily work. Helios Spain continuously provides training on patient safety, on its quality management systems and on topics which are essential in hospital routine. In 2020, 22 sessions were conducted in the hospital network.

Fresenius Vamed's quality management officers also regularly conduct legally required training courses and quality management training courses. In addition, Fresenius Vamed plans and conducts in-person and online training courses on a wide range of topics.

Further information on employee training can be found in the Employee Development chapter on pages 140ff.

Product complaints and recalls

Handling product complaints at

Fresenius Medical Care

Fresenius Medical Care strives to ensure compliance with legal requirements related to monitoring the adverse effects of drugs – also called pharmacovigilance – and product complaints. To this end, the business segment collects and reviews adverse events and product complaints. In addition to compliance with applicable legal requirements, the company has included the topic of reporting adverse events and product complaints in its Code of Ethics and Business Conduct.

Fresenius Kabi's monitoring and reporting systems

Fresenius Kabi interacts with patients, users, and customers not only in the delivery of products and services, it also monitors the applicability, effectiveness and safety of the products on the market. Fresenius Kabi therefore monitors and evaluates relevant information and feedback on the products, services, and therapies during their use. Fresenius Kabi has set up a monitoring and reporting system (vigilance system) and a product risk management system covering all regions worldwide, in order to be informed about product quality and patient safety issues in a timely manner and deal with them appropriately. These early-warning systems are designed in such a way that trained complaints and safety officers worldwide record complaints and side effects in IT systems and forward messages to experts for review.

Fresenius Kabi's product risk management

The global safety officers react promptly and appropriately to potential quality-related issues. They initiate and coordinate necessary actions on a global level, for example product recalls. With its early-warning system, Fresenius Kabi evaluates any quality-related information from various risk areas to identify risks at an early stage and take corrective and preventive actions. Information is obtained from databases for complaints and side effects, internal and external audits, and from key performance indicators used for internal control and optimization of quality processes. With these systems, Fresenius Kabi can evaluate the safety profile of any of its products at a global level.

Product recalls, for example, are initiated as a risk-minimizing measure in cooperation with the responsible regulatory authority. At the same time, the cause of the recall is analyzed. Where necessary, corrective measures are taken to prevent the cause of the recall in the future.

EVALUATION

Quality evaluation parameters

Quality analyses at Fresenius Medical Care

Fresenius Medical Care evaluates a set of medical indicators on an ongoing basis to measure the quality of care provided in its clinics. The company is currently harmonizing the quality reporting around kidney care to better understand geographic differences.

In 2020, Fresenius Medical Care aimed to maintain the clinical care environment as stable as possible during the worldwide COVID-19 pandemic. The impact of the pandemic was felt in all regions with the most vulnerable population of patients. However, the key clinical quality indicators showed a consistently high quality of care among Fresenius Medical Care's patients.

Fresenius Kabi's vigilance system

The monitoring of adverse reactions or events (side effects) associated with the use of medicinal products is referred to as pharmacovigilance (drug safety). The statutory pharmacovigilance commitments relate to our medicinal products for human use. Similar regulations exist for medical devices. Fresenius Kabi has established various standard operating procedures for the continuous monitoring of the benefit risk ratio of its own products and assesses their successful implementation on the basis of specific indicators.

- Fresenius Kabi collects and assesses reports about individual side effects and reports them to health authorities worldwide according to regulatory requirements. Fresenius Kabi claims to submit all safety reports in accordance with the applicable regulations and therefore strives to report 100% of the Individualized Case Safety Reports (ICSRs) to the authorities in time. For 2020, the worldwide compliance rate was 99.9% (2019: 99.9%). In Europe, in 2020 99.5% (2019: 99.6%) of all adverse reactions were reported to the European Medicines Agency (EMA) in due time.

- In addition, Fresenius Kabi regularly evaluates the benefit-risk ratio of its products based on safety-related information from various sources (e.g. adverse event reports, medical literature). The results of these analyses are submitted to authorities as periodic safety reports. Fresenius Kabi aims to submit all periodic safety reports worldwide to authorities in due time. For 2020, the compliance rate was 99.6% (2019: 99.1%). In Europe, 98.6% of all periodic safety reports were submitted in due time to the European Medicines Agency (EMA) in 2020 (2019: 97.5%).
- According to regulatory requirements, Fresenius Kabi as a pharmaceutical company is obliged to describe its vigilance system in a Pharmacovigilance System Master File (PSMF). Fresenius Kabi uses a global database to collect and evaluate vigilance data on a quarterly basis from all local marketing and sales units. These are compiled in the PSMF. The goal is to receive timely data from all marketing and sales units worldwide. This is documented in the company's vigilance system. For 2020, the compliance rate was 100% (2019: 100%).

Fresenius Kabi's products are subject to labeling requirements. The labeling of the products is checked as part of the regular pharmacovigilance activities and updated if necessary. For example, product labeling is updated if competent authorities, e.g. the Pharmacovigilance Risk Assessment Committee (PRAC) of the European Medicines Agency (EMA) publish relevant information. Fresenius Kabi uses an electronic management system for product labeling to manage the information necessary for labeling and to ensure correctness.

FRESENIUS MEDICAL CARE: QUALITY PARAMETERS BY OPERATING SEGMENT¹

Description	Possible impact	North America		Europe, Middle East, Africa		Latin America		Asia-Pacific	
		2020	2019	2020	2019	2020	2019	2020	2019
Kt/V ^{2,3} ≥ 1.2	Effectiveness of dialysis: measures how well the body is cleaned of uremic toxins More days spent in hospital; increased mortality	97%	97%	93%	94%	91%	91%	94%	95%
Hemoglobin ^{4,5,6} = 10 – 12 g/dl	Hemoglobin is responsible for transporting oxygen around the body Indicator for anemia	71%	71%	82%	82%	48%	50%	52%	56%
Calcium ^{3,8} = 8.4 – 10.2 mg/dl	Measures the patient's nutritional status and mineral balance Marker for increased mortality	81%	81%	78%	79%	73%	76%	72%	74%
Albumin ^{7,8} ≥ 3.5 g/dl		80%	81%	90%	89%	89%	91%	91%	87%
Phosphate ^{3,8,9} ≤ 5.5 mg/dl		59%	60%	80%	80%	76%	76%	64%	63%
Patients without catheter (after 90 days) ¹⁰	Measures the number of patients with vascular access More days spent in hospital	79%	81%	77%	78%	78%	79%	81%	83%
Days in hospital per patient year ¹¹	Result of complications during dialysis Restrictions in quality of life	9.7	10.3	7.7	7.5	4.0	4.3	3.5	2.6

¹ The numbers for 2020 are based on quality parameters of 90% of our dialysis clinics worldwide. This includes 80% of our clinics in EMEA and 46% of our clinics in Asia-Pacific.

² Kt/V provides information about the effectiveness and efficiency of dialysis.

³ Kidney Disease Outcomes Quality Initiative guidelines.

⁴ The hemoglobin value in patients' blood should be kept within a defined range. Hemoglobin is the component of red blood cells that transports oxygen within the human body. An insufficient level of hemoglobin in the blood indicates anemia.

⁵ Kidney Disease: Improving Global Outcomes and European Renal Best Practice guidelines.

⁶ EMEA data includes patients with Hb > 12 g/dl without erythropoiesis-stimulating agents (ESA).

⁷ Certified reference material for human albumin based on specifications from Joint Research Centre of the European Commission (#ERM-DA470k) was obtained to ensure consistent results over time.

⁸ Calcium, albumin, and phosphate levels in the blood are indicative of a patient's general nutritional status and point to disorders in the mineral and bone metabolism of patients with chronic kidney disease.

⁹ Phosphate specified as mg/dL of phosphorus.

¹⁰ Catheters are associated with a serious risk of infection and an increase in the number of days spent in hospital. Fresenius Medical Care records the number of patients who do not need to use a catheter as a vascular access for dialysis. Where we as the care provider are directly responsible, the proportion of patients with permanent vascular access serves as an indirect quality indicator.

¹¹ The number of days patients are hospitalized over a 365-day dialysis treatment period per patient. This is relevant for determining the quality of care because more days spent in hospital significantly reduce the quality of life for dialysis patients and are particularly cost-intensive for health care systems.

Relating to the fourth quarter of the respective year

With the help of its vigilance activities, Fresenius Kabi ensures that the patients' safety of its products is always guaranteed, and that the company is able to identify any changes in the benefit-risk ratio at an early stage and react in a timely manner.

Evaluation of the quality of outcomes at Fresenius Helios

For Fresenius Helios, the quality of medical outcomes is key. It is measured in Germany using the German Inpatient Quality Indicators (G-IQI). Data from the Federal Statistical Office for all hospitals in Germany serves to provide comparative values. Helios Germany has defined specific targets for 45 key G-IQI quality indicators, including, for example, the frequency of interventions and their results. Helios Germany's results are expected to be better than the German average. The year 2020 was exceptional for the hospital landscape and was primarily determined by the pandemic and the treatment of COVID-19 patients.

In Germany, Helios achieved a total of 40 of its 45 Group targets. This corresponds to a quality target achievement of 89% (2019: 96%). In 2020, there were around 13% fewer patients in the clinics than in the previous year, but some of these had a significantly higher degree of illness compared with 2019. Many patients stayed at home, first, because of the nationwide lockdown and the overall stop of surgeries in hospitals in spring, and second, because people overall avoided postponable treatments under the impact of the pandemic. Against this background and despite these effects, Helios nevertheless succeeded in achieving high medical quality results.

Helios Spain has introduced quality indicators that correspond to Germany's G-IQI. For this purpose, numerous indicators have been selected based on the most relevant and common diseases and a cooperation with the Fundación IDIS (Instituto para el Desarrollo e Integración para la Sanidad) was entered into. The aim is to use the Spanish routine medical data to determine the E-IQI (Inpatient Quality Indicators Spain) and to compare it with publicly available

HELIOS QUALITY INDICATORS

Germany	2020	2019	2018	2017	2016
Key indicators, total	> 1,500	> 1,500	> 1,500	> 1,500	> 1,500
G IQI targets	45	46	46	45	46
Targets achieved	89%	96%	89%	98%	93%
Peer Reviews	8	60	55	69	58

Further information (German language only): <https://www.helios-gesundheit.de/qualitaet/>

data. The results are also compared with the goals of the IQM network. Each hospital publishes its results quarterly in a central IT system. This allows individual hospitals to check whether they deviate from the standards set.

Personalized and individually tailored rehabilitation goals at Fresenius Vamed

Fresenius Vamed uses modern, resource-oriented approaches, such as the ICF concept (International Classification of Functioning, Disability and Health) or the computer-based evaluation system CHES (Computer Based Health Evaluation System). This enables patients to achieve the best possible, evidence-based functional improvement to increase activity and participation in all areas of life, even after severe illness.

In addition, the findings on treatment quality are published, for example, by Fresenius Vamed Germany on the website [Qualitätskliniken.de](https://www.qualitaetskliniken.de). This allows patients to find out about key quality parameters of the various clinics before they are admitted there.

Patient grievance processes

Grievance mechanisms are another way to get patients' feedback and understand their needs. Fresenius Medical Care has established patient grievance processes in all regions to address topics raised by patients in a timely manner. In 2020, the company harmonized the patient grievance process globally. The harmonization is included in a dedicated chapter of the patient care global policy. Fresenius Medical Care offers patients various channels through which they can express their suggestions and concerns, such as dedicated hotlines and email addresses, complaint and suggestion boxes as well as a web form on the company's website. Patients and their representatives have the option to raise these suggestions and concerns anonymously. Fresenius Medical Care's policies ensure that grievances can be filed without fear of reprisal or denial of services.

Fresenius Helios uses reporting systems for critical events and near-misses in all hospitals. Fresenius Vamed also uses such reporting systems in its health care facilities. In addition, Fresenius Vamed uses systems for suggestions for improvement, material vigilance (material safety), and pharmacovigilance (drug safety).



Patient satisfaction surveys

Surveys of patients are a meaningful and important tool for Fresenius: They enable us to measure, monitor, and improve the quality of our services and patient care.

Patient surveys at Fresenius Medical Care

Fresenius Medical Care measures patients' feedback using patient experience surveys as part of its global patient experience program. Overall responsibility for these surveys lies with specialized regional teams in cooperation with the Global Medical Office, which provides global guidance. The company conducts patient experience surveys at least every other year. The survey results are reviewed to identify strengths as well as opportunities. Fresenius Medical Care's aim is to derive measures to enable more personalized care and improve the quality of services.

Fresenius Medical Care measures patient experience and customer loyalty using the Net Promoter Score (NPS). In 2020, the NPS was 67. The NPS reflects the customer's overall satisfaction with the company's services. In the reporting year, 75% of Fresenius Medical Care's patients answered that they would highly recommend the company's services to a friend. By learning about its patients' willingness to recommend Fresenius Medical Care, the company can compare the services provided by its clinics and turn insights into action. In addition to the NPS, Fresenius Medical Care tracks survey coverage and response rates.

Satisfaction measurement at Fresenius Helios

Helios Germany uses the Helios Service Monitor to measure the satisfaction of inpatients in its hospital locations once a week. Employees at the hospitals conduct short interviews with patients on care and service. The information is collected anonymously. The management of the hospital and other authorized persons receive the monthly survey results. This makes it possible for necessary improvements to be introduced quickly. The Service Monitor is used to reach a total of around 50% of inpatients. The three hospitals acquired in 2020 will introduce the Service Monitor from 2021. In addition, Helios Germany publishes the results of patient surveys, further data on medical treatment quality, and hygiene figures on its corporate website www.helios-gesundheit.de (German language only).

In Spain, Fresenius Helios uses the Net Promoter Score (NPS) to get specific feedback from patients who have been treated as inpatients, outpatients, or in emergencies. In 2020, it has been extended to radiology and laboratory. 48 hours after a hospital stay, an e-mail is sent to patients asking if they would recommend the hospital and its services. The results are analyzed centrally for Helios Spain and at a hospital level by type of treatment and treatment area. The goal is to continuously improve the NPS results. The global NPS score has increased over recent years. Due to the COVID-19 pandemic, it was decided to stop the survey process from the end of March to June 2020. Therefore, the NPS in 2020 remained at the previous year's level.

In 2019, Helios Spain identified waiting times and lack of information as the main causes of dissatisfaction among patients. Therefore, the company has implemented a "15/15" target in all hospitals. A patient must get an appointment

within 15 days, and the waiting time before the appointment starts must be under 15 minutes. In emergency departments, the maximum waiting time should not exceed 30 minutes.

Measurement of patient satisfaction at Fresenius Vamed

Fresenius Vamed measures patient satisfaction in its health care facilities in a continuous and structured process. The company collects data for this purpose, evaluates it internally, and implements appropriate measures.

Audits

We use different systems to check our quality management systems, depending on the business segment and business activity. All units are subject to regular external and internal audits. Peer reviews in hospitals are carried out if the internal quality targets are not met.

Audits at Fresenius Medical Care

Fresenius Medical Care has defined key performance indicators that help monitor its quality objectives and prevent adverse events before they occur. The company discloses the audit score, which measures its performance in certification audits, and indicates the ratio of major and critical findings to the number of external audits. In 2020, more than 60 certification audits were performed at manufacturing sites



that are managed by the Global Manufacturing, Quality and Supply function. The audit score was 0.2 (2019: 0.2).

Fresenius Medical Care has set the target not to exceed an audit score of 1.0 per audit to ensure the effectiveness of its quality management systems and certifications. All findings are documented and escalated depending on how critical they are. Fresenius Medical Care determines and implements appropriate corrective and preventive measures.

Audits and inspections at Fresenius Kabi

Fresenius Kabi regularly conducts internal quality audits to ensure the effectiveness of the quality management system and compliance with internal and external standards and requirements. Suppliers of Fresenius Kabi related to manufacturing of products are subject to a qualification process based on the relevance of the delivered material or service. The qualification of suppliers, as well as their recertification, includes regular audits. Inspections by regulatory authorities and audits by independent organizations and customers are performed along the entire value chain at Fresenius Kabi. Whenever these inspections reveal weaknesses or deficiencies, Fresenius Kabi promptly takes steps to deal with them.

In 2020, 59 audits and inspections (2019: 64) were performed at Fresenius Kabi by regulatory authorities or certifying bodies, and 42 global internal audits (2019: 60) were carried out. The external audits and inspections comprised a total of 21 inspections (2019: 24) regarding Good Manufacturing Practices (GMP) by the U.S. Food and Drug

Administration (FDA), the Australian Therapeutic Goods Administration (TGA), European regulatory authorities, and Quality System audits from TÜV Süd (notifying body for ISO 9001).

Based on the respective observations, an audit and inspection score is calculated. The score is calculated by addition of the number of critical and major observations identified during GMP inspections by the authorities mentioned above and the number of non-conformities identified during TÜV Süd ISO 9001 audits divided by the overall number of inspections and audits; critical observations, if any, are weighted with a multiplier compared to major observations. The audit and inspection score was at 1.3 in 2020 (2019: 1.5).¹ Observations have been and will be addressed by corrective and preventive actions (CAPAs) and effectiveness checks have been and will be defined. The observations did neither impact the GMP certification nor the ISO 9001 certificate.

In 2020, no events with a material adverse impact were recorded that conflict with our quality management goals.

Peer reviews at Fresenius Helios

Helios Germany analyzes the cases – including treatments and medical routines – in hospitals that fail to meet individual targets, in order to identify and implement improvements. Particularly important are the specific audit procedures in the medical and nursing sectors, the peer reviews – expert discussions of cases. In Germany, specially trained physicians from the hospitals of Helios Germany and from the IQM network cooperate in the peer review. They question statistical abnormalities and search for ways to identify improve-

ments. Their insights are translated into concrete recommendations for action in the hospital with the aim of increasing patient safety. In 2020, Helios Germany conducted a total of 8 peer reviews (2019: 60), due to the impact of the COVID-19 pandemic and the resulting restrictions on hospital operations.

Due to the pandemic, Helios Spain was able to perform only 2 peer reviews online by the end of 2020 (2019: eight). Internally, 23 ISO 9001 audits were conducted at all Helios clinics in Spain. In 2020, Fresenius Helios was the first hospital operator in Spain to certify that the organizational measures and protocols it had implemented were used to prevent and control COVID-19.

Audits and recertification at Fresenius Vamed

To ensure adherence to quality standards, Fresenius Vamed also performs regular internal audits as well as external recertifications. This is done in the certified health care companies as well as in the other facilities of Fresenius Vamed. Quality management audits are carried out there once a year in accordance with the ISO regulations. Internal audits are carried out systematically and cover all business segments and at a minimum those topics that are required by the certified standards – i.e., all quality management processes.

¹ For the calculation of the audit and inspection score, Fresenius Kabi takes into account all information on findings from audits and inspections received by the company before December 31, 2020.



DIGITAL TRANSFORMATION AND INNOVATION

DIGITALIZATION AND INNOVATION

Digitalization plays an increasingly important role for Fresenius – whether in health care facilities or in production. It is a driving force behind the implementation of innovative technologies and treatment concepts and can help us to find solutions to many challenges in the health care sector. For us, the focus is on the opportunities offered by digital solutions. Through innovative, safe, and user-friendly products and systems, we can further improve the quality and efficiency of treatments.

OUR APPROACH

In order to drive digitalization and innovation at Fresenius, we take different approaches in the four business segments – from independent R&D strategies to active innovation management, as described on page 43 in the Group Management Report. We also involve external partners such as research institutions and start-up companies in this work. One of our priorities is developing innovative products that not only meet stringent quality requirements, but also affordability requirements. In doing so, we are responding to the growing demand worldwide for high-quality yet cost-effective products and services. In response to the COVID-19 pandemic, we continued to drive the Group's digital transformation through new processes and solutions implemented at short notice.

Many of our stakeholders, especially our patients and our employees, are directly affected by the changes resulting from progressive digitalization. Our research and development activities are closely linked to digitalization and are an integral part of our growth strategy. Our aim here is to improve products and processes as well as to develop innovative therapies and integrated health care services; however, we do not conduct fundamental research.

All new or improved products and services are subject to our internal quality requirements as well as external regulations and regulatory requirements. In the case of digital developments, we pay particular attention to the requirements of the General Data Protection Regulation (GDPR) of the European Union (EU). We also observe European directives such as the EU Medical Devices Directive (MDD) in the medical technology sector. We address possible risks, such as hacker attacks on sensitive data and systems, by implementing comprehensive cybersecurity concepts, as described in the section on Cybersecurity on pages 129 ff.

Fresenius Medical Care

In order to grow continuously in its core business and move into new business areas, Fresenius Medical Care works with a global R&D strategy and a network of external partners; in particular, the business segment invests in young start-up companies. Among other things, Fresenius Medical Care is developing new technologies for home therapies and is committed to advancing the development of telemedicine applications. These offer great potential for providing patients with clinical care between visits to their doctors and avoiding unnecessary hospital stays. Fresenius Medical Care attaches great importance to carefully addressing ethical issues in all its R&D activities.

Fresenius Medical Care manages worldwide R&D activities centrally in the Global Research and Development (GRD) business segment.

Fresenius Medical Care will focus on shaping the future of health care for chronically and critically ill patients across the entire spectrum of kidney disease. In 2020, for example, Fresenius Medical Care strengthened its position in acute dialysis. The U.S. Food and Drug Administration (FDA) approved Novalung® a cardiopulmonary support system for the treatment of acute lung and heart-lung failure. Fresenius Medical Care also strives to continuously identify new opportunities in value-creating technologies and approaches, for example through the Fresenius Medical Care Ventures Fund.

Fresenius Kabi

As a global health care company that offers lifesaving medicines and technologies for infusion, transfusion, and clinical nutrition, digitalization and innovation are of great importance to Fresenius Kabi. The digitalization of processes is a cornerstone in the development of innovations and an important aspect in effective care for critically and chronically ill patients, as well as in compliance with regulatory requirements on a future-proof basis. Fresenius Kabi develops devices and applications in various medical fields to support its customers' ongoing digitalization.

Fresenius Kabi's development expertise includes all related components, such as the drug raw material, the pharmaceutical formulation, the primary packaging, the devices



needed for application of drugs and infusions, and the related production technology. In the field of biosimilars, Fresenius Kabi focuses on autoimmune diseases and oncology.

Fresenius Kabi has standard operating procedures for the development and design of products and for cybersecurity of its devices. The responsibility for innovation and development is anchored in the divisional organizations of the company. Fresenius Kabi continuously addresses advancing technological changes. Employees work together in cross-organizational and cross-functional teams to develop innovative solutions for medical needs.

Fresenius Helios

The potential of digitalization is key for Fresenius Helios to ensure the sustainability of its hospitals and to improve the quality of health care and the service provided to patients.

In 2020, the business segment introduced a new process for managing digitization projects in Germany and established the Helios Digitization Board to manage and centrally evaluate proposals for digitization projects. To this end, ideas are being collected in the clinics and outpatient facilities of Helios Germany and in the Fresenius Group. A clearing function and other committees at Fresenius Helios review the proposals. The Digitization Management Board (DIGI Board) then makes the strategic classification of the digitization projects and, with the help of specialist working groups, the so-called DIGI-AGs (working groups), decides what will be implemented. All digitization projects, including rejected project ideas, are published in the "Helios.Digital" project database via myHelios. The degree of digitalization at hospitals in Germany is measured using the Electronic Medical Record Adoption Model Score (EMRAM Score).

Helios Spain's IT and process strategy aims to further improve patient interaction by digital means, such as video conferencing rounds and chats, at which patients can present their medical history, as well as protocols and automated tests for specific diagnoses. To ensure that the IT strategy is implemented gradually, the business segment has introduced a competence model called "Digital Stars" at Spanish hospitals. This model is based on three pillars: Digital Customer (patients), Digital Professional (employees) and Digital Organization (administration). For each of the three pillars, key figures have been established to indicate progress in digitalization and acceptance thereof, which, for example, sees data collected for the number of patients making use of digital medical consultations, the number of electronic prescriptions issued by employees, and the number of invoices automatically generated. The business segment evaluates the data on a monthly basis and can thus compare the evolution of digitalization in the various hospitals in Spain.

Fresenius Vamed

Having established Digitalization as a strategic business area, Fresenius Vamed is now undertaking numerous initiatives and projects in this area. For example, patient services for digital assistance systems that support ambient assisted living (AAL) and digital rehabilitation services are being developed. To this end, Fresenius Vamed has set up pilot projects that are being evaluated on an ongoing basis. In the project

business, digital solutions known as virtual Building Information Modeling (BIM) concepts are used to simulate and optimize the entire life cycle (planning, development, construction and operation) of a health care facility during the planning phase. Additionally, Fresenius Vamed is also undertaking internal digitalization projects in the areas of project business, high-end services and general operations management. The management of the Digitalization strategic business area regularly reports progress to the Management Board.

PROGRESS AND MEASURES 2020

Digital health care

Connectivity is a key element of Fresenius Medical Care's development strategy to support the expansion of home therapies. Patients who are in close contact with their clinicians are less likely to be hospitalized. As more patients are treated at home, it is essential for to optimize workflows for clinicians and reduce the burden for patients.

To this end, Fresenius Medical Care launched its Kinexus™ Therapy Management Service ("Kinexus"), a cloud-based home patient management solution, in Chile and the U.S. in 2020. Its features include remote dialysis monitoring, treatment workflow management, personalized prescription programming, and daily treatment reporting to clinicians. Kinexus allows Fresenius Medical Care to improve patients' home therapy experience and support those caring for them, with the goal of keeping them at home for longer.



Digital product innovations

For Fresenius Medical Care, modern analytical tools open up new opportunities for enhancing and automating the end-to-end delivery of dialysis treatments. They can be used to determine the optimal treatment for individual patients and to automate the respective treatment sequence. Moreover, these tools make it possible to not only evaluate the vital parameters of patients but also to monitor and optimize the functional state of machines or related services. Fresenius Medical Care Data Solutions Care GmbH is working on these approaches and solutions with the aim of allowing physicians to focus even more on patients and the course of the disease itself.

In 2020, Fresenius Kabi introduced radio frequency identification technology (RFID) smart labels for drugs in the United States. Since the fourth quarter of 2020, these RFID smart labels have been used on the market. The smart label enables hospitals to automatically identify, locate, and manage their inventory.

In the area of device products, the company works on solutions for interoperability between pump devices, infusion-specific systems and hospital IT systems in order to improve efficiency and effectiveness in the treatment of patients. Furthermore, devices are constantly being improved with regards to new cybersecurity requirements and insights.

Also, in the area of transfusion medicine and cell therapies, Fresenius Kabi is constantly developing its systems for collecting blood components and using new technologies to increase the efficiency and effectiveness of the systems. They are continuously optimized to support the processing

of technical information. In addition, the applications for data management of the networked devices will be expanded to support customers in their digital transformation initiatives.

Digital patient files

A digital file with doctor's letters, findings and complete clinical imaging is available at almost every workstation in the clinics and creates added value for treatment providers and patients. As one of the pioneers in the German health care market, Fresenius Helios has set up a patient portal that now enables patients in around 50% of clinics to access treatment documents, book appointments online, and have video consultations from home. By 2022, other medical data such as nursing documentation and medication will also be available in the digital patient file.

The digital patient file will make many processes more efficient and improve medical quality. One example here is e-medication: electronic prescriptions can be uniquely assigned and tracked by all parties involved – e.g., medical practices and pharmacies – and can also be sent digitally, such that they are not easily lost. Integrated software solutions issue warnings when there are possible interactions with other drugs, which increases patient safety. Patients can make their own decisions on the distribution of information, since they receive key parts of the patient record themselves and can thus maintain an overview.

Online services for patients

TheHub, mycompanion and Telehealth at Fresenius Medical Care

In the United States, Fresenius Medical Care launched its connected health platform TheHub at the end of 2019. This improves collaboration between patients, care teams, and providers via an app. In 2020, more than 1.7 million sessions in the app were documented. In various countries in Europe, Africa, Asia-Pacific and Latin America, Fresenius Medical Care is using the mycompanion app as a new channel to reach our patients. During the COVID-19 pandemic in 2020, telehealth also played a critical role in reducing the exposure risk for patients and health care workers. By enabling virtual contact, Fresenius Medical Care minimized the risk of infection on both sides. At the same time, digitization raises the bar when it comes to protecting patient data.

The Helios patient portal

2019 saw the Helios Patient Portal introduced at Helios Germany hospitals for the first time. It is currently available in 38 of the 86 hospitals and will be available at all sites by the end of 2022. The portal enables patients to view medical letters and reports (among other things) outside of hospital and outpatient department opening hours. There is also the option to go online to book appointments at hospitals and medical centers. Patients can reach the portal via the hospital websites.

Almost three million users already access Helios Spain's patient portal. All Spanish hospitals are connected, with the exception of Hospital Miguel Dominguez, Hospital Costa de la Luz and Son Veri. The connected hospitals benefit from a central data repository and from improved data transmission and coordination. Via the digital portal, patients of Helios



Spain can track the progress of their own clinical treatments and view recommended therapeutic measures. They have direct access to radiological 3D images and can contact their responsible specialists on this basis and interact via web forms. In addition, it is possible to digitally request an appointment for most available examinations as well as to read up on the risks associated with an examination. Before a procedure, patients can also sign a consent form electronically via the portal.

Digital support for treatments

All Fresenius Helios health care facilities have the necessary technical set-up to conduct video consultations, with some hospitals already offering these kinds of appointments on a regular basis, e.g., polyclinic Berlin-Buch, where around 70 Fresenius Helios doctors routinely check in with patients online. 1,800 video consultations have already taken place in Germany. In Spain, Helios has conducted 4,500 video consultations and answered 15,000 chat inquiries. Fresenius Helios has also started online consultations in the pre-out-patient sector. The business segment also plans to introduce digital measures to shorten waiting times and ensure continuity in follow-up care. These will enable specialists from Fresenius Helios to accompany patients digitally throughout their treatment path – regardless of whether they are at the hospital or being treated at an outpatient center. Clinical

sessions are held online within the network of all Helios Spain hospitals, including Colombia and Perú. In 2020, a total of 22 sessions were held.

Fresenius Vamed is making rehabilitation and after-care services widely accessible to patients with its digital solutions. Telemedical services allow more flexibility, including in terms of location. Fresenius Vamed is making a contribution to improving health care, especially in regions with weak structures, for example. The company has developed digital treatment pathways, evaluated technical solutions and launched pilot projects in the area of digital tele-post-acute aftercare services.

Online boards for digital exchange

Experts at Helios Germany have been using online conferences, referred to as tumor boards, to review oncological findings collectively across locations and disciplines and thus improve medical quality during cancer treatment. This exchange allows them to discuss treatment for cancer patients. Experts from Helios Germany also discuss pathological findings in the context of digital pathology.

EVALUATION

Each Fresenius business segment has its own approach to digitalization and innovation. We are currently developing key performance indicators (KPIs) for digitalization. At Helios Germany, for example, the DIGI Board will carry out testing and assessment using the degree of digitalization measured via EMRAM in the future. Fresenius Vamed, as another example, regularly reviews its management approach using standard controlling processes. In addition, the Digitalization strategic business area collects data and reports regularly on the status of the respective initiatives and projects in the business segment.

Overall, the digitization of processes was driven forward throughout the Fresenius Group in 2020.

CYBERSECURITY

OUR APPROACH

At the Fresenius Group, we pursue a holistic concept for the management of cybersecurity. We bring decision-makers of the Group, i.e., the persons responsible for cybersecurity in the respective departments or business segments, together to develop a common approach, aligned with our strategic goals. We align our strategy with the security requirements of our four business segments and the analysis of cyber risks. This approach is reflected in all security guidelines that are applicable throughout the Group. In 2017, the Management Board of Fresenius Management SE initiated the Cybersecurity Approach, Roadmap and Execution (CARE). Starting in 2018, CARE has served as a holistic cybersecurity program that exists alongside the organization and bundles initiatives. The focus is on strengthening our resilience to

prevent and defend against cyber attacks. In addition, with CARE, we ensure a consistent level of security throughout the Group. At the beginning of the reporting year, the Management Board of Fresenius Management SE, as a part of CARE, enacted a Group-wide cybersecurity policy. With this policy, we define the structural and operational organization for global cybersecurity governance in the Fresenius Group, which, among other things, forms the framework of CARE. In this way, our cybersecurity policy ensures that cybersecurity is organizationally anchored throughout the Group.

The Opportunities and Risk Report contains further information on cybersecurity and cyber incidents at Fresenius in 2020, on pages 101 ff.

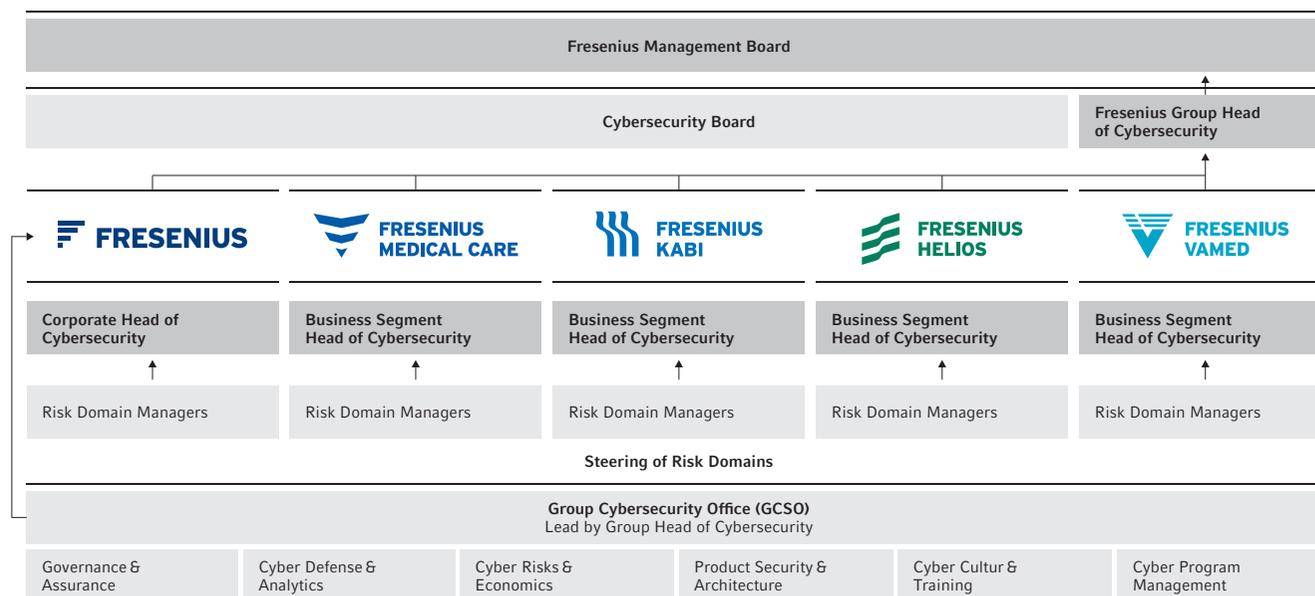
Organization and responsibilities

The organizational structure

In 2020, we reorganized numerous roles and responsibilities for cybersecurity as part of the implementation of the new Cybersecurity Policy. Since May 2020, the Group Cybersecurity Office (GCSO) is the central organization for managing cybersecurity within the Fresenius Group. It ensures that relevant cybersecurity activities are organized and implemented with individual approaches at the business segment level, monitored and coordinated from a Group perspective. If necessary, the divisions are advised and supported in their activities.

The GCSO is divided into six functions: Cyber Governance & Assurance, Cyber Risk & Economics, Products Security & Architecture, Cyber Defense & Analytics, Cyber Culture & Training and Cyber Program Management. The Cyber Defense & Analytics function is of particular importance:

CYBERSECURITY ORGANIZATION



it analyzes cyber threats and defends cyberattacks. It also investigates incidents and develops recommendations for preventive measures to avoid potential cyber incidents in line with risk management.

The Group Head of Cybersecurity leads the GCSO. He has overall responsibility for the governance of cybersecurity within the Fresenius Group. In the business segments, the respective Business Segment Heads of Cybersecurity are responsible for the activities in their area of responsibility. At the level of Fresenius SE & Co. KGaA, the Corporate Head of Cybersecurity is responsible for the individual corporate

functions. The Group Head of Cybersecurity defines the Group-wide cybersecurity strategy and coordinates this strategy with respective cybersecurity heads in order to ensure a common approach across all business units.

Fresenius has identified five cybersecurity risk domains throughout the Group: Enterprise IT, Manufacturing IT, Medical Devices, Health Facilities, and People. The risks identified include, for example, interruption to manufacturing or quality management systems, the unauthorized disclosure or manipulation of patients' health data, and the interruption or integrity loss of core enterprise IT systems.



Each risk area is managed by its own Risk Domain Manager – both at Group level and in the four business segments. Among other things, they define cybersecurity requirements and coordinate risk management activities. The Risk Domain Managers are in contact with each other and promote the use of best practices and the exchange of expertise and knowledge across all cybersecurity risk-domains.

At the operational level, the four business segments are responsible for their cybersecurity management. The business segments establish and report on strategic objectives and appropriate strategies for addressing risks. The objectives are based on the Group-wide cybersecurity strategy and are defined independently by the Business Segment Heads of Cybersecurity. They are responsible for implementation in the business segments.

In addition, the cross-divisional Cybersecurity Board meets at least once a month. It consists of the Group Head of Cybersecurity, the Corporate Head of Cybersecurity, and all Business Segment Heads of Cybersecurity. It ensures the exchange of information on the Group-wide cybersecurity strategy between the business segments and Group functions, defines criteria for evaluating and monitoring the development of cybersecurity across the Group, and reviews the progress and results of cybersecurity measures and initiatives. In addition, the Cybersecurity Board monitors the adoption and implementation of the Group-wide cybersecurity policy.

Those responsible for cybersecurity usually have many years of experience in cybersecurity management. They have extensive knowledge and appropriate professional certifications.

The reporting structures

The Group Head of Cybersecurity reports directly to Rachel Empey, Management Board member of Fresenius Management SE. She is informed about cybersecurity-related topics on a weekly basis and as required. The Chief Financial Officers of the business segments, for Fresenius Vamed the member of the Management Board responsible for the service business, meet quarterly in the CARE Steering Committee to organize regular reporting across the business segments. The Risk Domain Managers report to their respective Head of Cybersecurity. The Business Segment Heads of Cybersecurity submit technical reports to the respective member of the CARE Steering Committee. In the future, the Business Segment Heads of Cybersecurity will additionally report to their business segment Management Board on a quarterly basis; the reporting processes are currently being established. In addition, the Data Protection, Enterprise Risk Management and Compliance Departments regularly exchange information on cybersecurity issues.

Guidelines and regulations

Our Cybersecurity Policy Framework consists of a set of policies, requirements and procedures. It forms the foundation for cybersecurity in all business segments and Group functions. Within this framework, we define confidentiality, integrity, and availability as our central objectives for protecting data, technologies, and systems. It was approved by the Management Board of Fresenius Management SE and the management committees of the four business segments.

The new cybersecurity guideline is based on the Fresenius Code of Conduct and follows internationally recognized standards and best practices. It defines the overarching policy structure for cybersecurity in the Fresenius Group. In addition, the GCSO, in cooperation with the four business segments, defines further guidelines for the five cyber risk domains Enterprise IT, Manufacturing IT, Medical Devices, Health Facilities, and People. They establish Group-wide minimum security standards for these risk areas. The four business segments also have specific minimum security standards for cybersecurity management, which take into account specific regulatory requirements or local legislation. Minimum security standards already established in the four business segments are leveraged as Group-wide standards where appropriate.

Our ambitions

The objective of our cybersecurity program CARE, which covers all risk domains, is to increase the maturity level of our cybersecurity capabilities, strengthen our resilience to cyber attacks and continuously reduce our cyber risks. We evaluate the ever-changing threat landscape, define minimum security standards for our cyber risk domains, and implement appropriate security measures in a targeted, risk-based, and cost-effective manner. The Cybersecurity Board annually develops Group-wide and business-unit-specific operational objectives and measures to safeguard the confidentiality, integrity and availability of our data – and to continuously enhance the cybersecurity of our IT infrastructures,

manufacturing, health facilities and medical devices. These are coordinated via the Group Head of Cybersecurity and submitted to the CARE Steering Committee established at management board level, and are reported on regularly.

PROGRESS AND MEASURES IN 2020

Risk analysis

In 2020, the GCSO conducted a cyber risk analysis of our business processes. Each business segment identified specific cyber risks. The cyber risks of Fresenius Medical Care and Fresenius Kabi are closely related to production: this includes possible failures of and disruption to central systems, e.g. of manufacturing and quality management systems. Another key risk is the theft of intellectual property, trade secrets, and strategic documents. At Fresenius Helios and Fresenius Vamed, the focus is on patients and medical devices: risks include the potential failure of systems to protect patients and their health information. Other risks include the disclosure or manipulation of patient data, failures in patient treatment due to business disruptions, and the interruption of systems that store and process health data. Based on this cyber risk analysis, we continuously develop our security measures. Our Risk Report contains extensive information on the effects of cyber risks on risk management, see page 101 ff. in our Annual Report 2020.

Security concept

To minimize cyber risks, we have implemented security architectures and concepts that include preventive and detective measures. We are able to detect cyber threats at an early stage by monitoring our networks as well as our endpoints such as desktops, servers, and mobile devices. The security of applications that handle sensitive patient or personal data is regularly reviewed by what are known as penetration tests, which simulate targeted attacks. Critical systems, such as central communication or clinical information systems, are subject to dedicated protection concepts, which can, for example, deal with the failure of a system.

We continuously monitor existing and potential threats using the latest security technologies. Recurring analysis and defense processes are automated in order to be able to react even more efficiently to incidents.

Training

In 2020, we launched the Cybersecurity Training & Awareness Program (CTAP). The goal is to raise the awareness of all Fresenius employees on cyber threats and attacks. In addition to mandatory training on data protection and information security, CTAP offers various courses, games, videos, and other cybersecurity learning content. For example, we use the digital CTAP learning platform to provide information about cyber threats. We regularly simulate phishing attacks to check the effectiveness of the training and to provide users with information on an appropriate response if phishing is suspected. With phishing attackers use websites or e-mails, e.g., to gain access to user data. We calculate a personal risk score for employees based on their behavior in phishing tests and the number of cybersecurity training sessions they have completed. All CTAP activities are tailored toward Fresenius' specific risks and are available in several

languages. Participation is currently voluntary. The success of the CTAP measures is measured using predefined success criteria.

The phishing tests carried out in the reporting year 2020 have shown that the intensive training activities have raised security awareness of employees and resulted in a significant increase in the number of reported phishing cases.

In addition, we continuously inform our employees through various channels about current cyber risks and new types of cyber threats. We also organize a Cybersecurity Awareness Month in October each year.

Reporting paths

If Fresenius employees suspect cyber threats, they can contact CERT@Fresenius.com, CyberAware@Fresenius.com, and any cybersecurity employee. Early warnings and alarms via the monitoring mechanisms are automated. In addition, our internal Cyber Emergency Response Team (CERT) investigates possible attacks on our IT infrastructure, manufacturing, and health facilities, suspected violations, as well as reports from affected persons and regulatory authorities.



EVALUATION

Audits and monitoring

Our cybersecurity management is subject to random checks at regular intervals by the Internal Audit department. We continuously monitor and improve the effectiveness of our measures. Our networks, systems, and devices are regularly and comprehensively checked for weaknesses by independent auditors in the course of penetration tests. In addition, various certification authorities such as the U.S. Food and Drug Administration (FDA) or German TÜV, as well as various auditing companies, are involved in the review processes of our cybersecurity management. For security reasons, we cannot make any statements about specific review processes.

EMPLOYEES

The commitment of our more than 300,000 employees worldwide forms the basis of our success. Their achievements, skills, and dedication help our business segments to hold leading positions in their respective markets.

Reporting in this chapter encompasses three categories that we deem essential:

- Working conditions, recruitment, and employee participation
- Employee development
- Occupational health and safety

Further, diversity has been identified as material to our company as well, and is therefore presented on pages 151 ff. of this report.

The importance we attach to personnel issues is also expressed in our structure: the Group Management Board member responsible for law, compliance, insurance, and personnel is responsible for the interests of employees. This Management Board member also holds the position of Labor Relations Director. The business models of each of our four business segments set different operational requirements for the management of key matters. In the following section, we will therefore report on Group-wide as well as segment-specific personnel concepts and measures.

WORKING CONDITIONS, RECRUITMENT, AND EMPLOYEE PARTICIPATION

OUR APPROACH

Working conditions

As an international health care Group, we create various incentives for employees, depending on the country and location. These include flexible working time models or the chance to participate in the company's success via variable compensation models. Particularly in the case of working time models, challenges remain with regard to an employee's function or the local markets. Further information is included in the business segments' reporting.

In recent years, we have established various dialog formats to strengthen communication between management and employees – both at Group level and in the individual business segments. This allows the Management Board to provide employees with information on important issues personally. In addition, we promote our feedback culture and constructive exchange of ideas. We describe our variable compensation models in detail on pages 305 ff. of the Notes.

Recruitment and candidate communication

In order to meet our future demand for qualified specialists, we use a variety of different tools to recruit staff. We monitor our working environment and competitive surroundings closely to identify potential. Furthermore, we are increasingly using digital personnel marketing, organizing our own recruitment events, and presenting the company at career

fairs. In recent years, we have significantly broadened our range of personnel marketing activities and expanded our global careers website. In 2020, the market research institute Potentialpark named Fresenius the German company with the best online offering for applicants for the ninth consecutive year.

Employee participation

Exchange with employee representatives

Trust and cooperation between management, employees, and employee representatives is well-established at Fresenius and an integral part of our corporate culture. An open and ongoing dialog between management and employee representatives, as well as unions, is important to us.

Fresenius acts responsibly toward its employees. This includes the commitment to comply with international labor and social standards, which are contained in our Code of Conduct and in the Human Rights Statement. For more information, see pages 164ff.

Employees liaise with their supervisors, but they can also turn to their human resources or compliance officers, as well as to the works council, their union representatives, or other employee representatives, for assistance. In Europe, about 77% of our employees are covered by a collective bargaining agreement. In some European countries, Fresenius is subject to industry-related collective agreements, e.g., in France, which are binding by law due to the industry to

which we are affiliated. If this is not the case, country-specific collective bargaining agreements can be negotiated with local trade unions or comparable social partners.

In European countries, workplace representation bodies are organized according to national law. The business segments have overall responsibility for dealing with local employee representatives and trade unions at country or site level. Our discussions with these representatives focus on local and regional circumstances. Together with the employee representatives, we aim to find tailored solutions to the challenges in the different locations.

Fresenius has also reached an agreement with the European Works Council, making provisions for a structured dialog with the international trade union associations; collective meetings are subsequently held once a year between representatives of the business segments and representatives of the international trade union associations.

Dialog at European level

Fresenius SE & Co. KGaA has a European Works Council (EWC) comprising 20 employee representatives from 13 countries as of December 31, 2020. These individuals come from the EU and EEA (European Economic Area) member states in which Fresenius employs personnel.

The EWC is responsible for the participation of Fresenius employees in cross-border measures, insofar as these have a significant impact on the interests of Fresenius personnel and affect at least two countries within their area of responsibility, such as the relocation or closure of companies or collective redundancies. For example, the management informs and consults with the EWC on the following: the structure and economic and financial situation of the Group,

its anticipated growth, employment situation, investments, organizational changes, and the introduction of new work and production processes. The EWC meets once a year, while its executive committee convenes three times a year, in 2020 in hybrid form due to the COVID-19 pandemic. The European trade union federations IndustriALL and the European Federation of Public Service Unions (EPSU) attend the meetings at the invitation of the EWC. The focus topics of the EWC in the past fiscal year were projects in the Group's business segments for reorganization, e.g. in the area of global human resources management, the digital transformation, and compliance matters relating to the Group's human rights declaration. Another focus was on the impact of the COVID-19 pandemic on Fresenius' employees. To this end, an exchange of information took place on the situation in the individual countries. Against the backdrop of the COVID-19 pandemic, and for a limited period of time, an agreement was reached with the EWC on the digital performance of its tasks.

The EWC elects six employee representatives to the Supervisory Board of Fresenius SE & Co. KGaA, to include at least one representative of the trade unions. In order to ensure equal terms of office for all members of the Supervisory Board of Fresenius SE & Co. KGaA, the EWC resolved on a corresponding agreement.



Fresenius Medical Care

Fresenius Medical Care's worldwide team is key to its success as the world's leading dialysis company. In line with its business objectives, the business segment updated its Global People Strategy in 2020. Fresenius Medical Care's aim is to provide an engaging, fair, and trusting work environment for all employees to support their growth and contribution to the company's success. With this background, the Global People Strategy has four priorities: (1) Engage employees; (2) ensure that the right capabilities are available to support our business goals; (3) continuous advancement of the organization; and (4) excellent global human resources (HR) management practices.

Fresenius Medical Care continuously develops its employment standards and HR policies to achieve consistency and transparency in working conditions and provide equal opportunities for its employees. One key element for this is a unified global HR system that supports the business segment's global and local business needs and new ways of working.

Organization and responsibilities

Fresenius Medical Care's global HR function is responsible for the People Strategy and reports directly to Fresenius Medical Care's CEO. The function manages the further development of human resources policies and processes and drives the alignment of HR across all regions and functions.

Policies and regulations

Fresenius Medical Care acts responsibly towards its employees. It is also part of the company's commitment to comply with applicable social and labor standards. Fresenius Medical Care has defined this commitment in its Code of Ethics and Business Conduct and in our global statement on Human Rights, Workplace Rights and Labor and Employment Principles.

Fresenius Kabi

Fresenius Kabi aims to be perceived as an attractive employer around the world in order to attract qualified and motivated talent to the company. It is particularly important to understand regional and local characteristics of the markets and to take these into account when addressing talents on the basis of job profiles. Fresenius Kabi is continuously developing its processes for recruiting employees further and fosters the collaboration between the human resources departments and the divisions. In 2020, Fresenius Kabi adapted its recruiting processes to the particularities of the COVID-19 pandemic and increasingly carried out application and selection processes virtually. In addition, Fresenius Kabi uses social networks to address potential candidates with the close involvement of the communications department. In the past fiscal year, we were able to fill our vacancies as planned.

The company continuously works to offer its employees a modern working environment. The COVID-19 pandemic has accelerated the changes that have already been initiated regarding mobile working and the use of digital communication methods.

Organization and responsibilities

A Center of Expertise Leadership & Talent, Talent Acquisition & Employer Branding, Organizational Development, Diversity & Inclusion (CoE TLO) was set up in 2020 in the global human resources department, which reports directly to the head of global human resources. The Center of Expertise aims to further develop talent acquisition, personnel and organizational development, and talent management, and to strengthen a company-wide learning culture and corresponding structures and offers for promoting talent at Fresenius Kabi.

Policies and regulations

As the basis for the shared understanding of collaboration, Fresenius Kabi has defined company values that have been introduced worldwide. The company values are anchored in both the Code of Conduct and the Quality Management Handbook. They are embodied in the corporate environment and employees maintain a culture of cooperation across national borders, as well as functions and hierarchies.



Fresenius Helios

Helios offers its employees in Germany and Spain the opportunity to work part-time. Unlike many other industries, hospitals need to work around the clock, 365 days a year to ensure patients are cared for. Against this background, flexible working hours do therefore pose certain challenges and require, among other things, that shift systems be redesigned. In addition, Helios Germany offers employees other incentives: e.g. the Helios Plus Card, a private supplementary health insurance for Fresenius Helios employees in the event of inpatient treatment at a Helios clinic, in-house and external training courses, development programs for managers, health prevention programs, access to the Helios Central Library, and employee discounts at fitness studios, among other benefits.

Helios Germany also has to deal with a specific challenge posed by Germany's Ordinance on the Minimum Requirements for Nursing Personnel in Hospitals (Personaluntergrenzen-Verordnung – PpUGV), which has increased the need for nursing personnel, of whom there is a shortage on the labor market, in some areas. The focus of the search for employees is on three areas of action: training of qualified personnel internally, advertising to skilled workers who are not actively looking for a new employer, searching the international labor market. Helios Germany participates in government-led campaigns to recruit personnel on the international labor market, as well as supporting people who have qualified as nurses abroad in their applications or in their searches for language schools.

Helios Spain aims to further expand its position as a leading private provider of health care services. To do so, it needs to attract new employees, retain them, and develop them further. In its human resources policy, Fresenius Spain states that the company's success depends to a large extent on its employees. The guideline also defines the objectives of human resources work: these include transparent internal communication and the development of a program for the ongoing training of employees.

Organization and responsibilities

At Helios Germany, the Central Service for Personnel Recruitment and Development is responsible for recruiting employees. The Central Personnel Management and Collective Bargaining Service is responsible for structuring working conditions under collective agreements and improving the service for employees. Affiliated with this is the Helios supplementary pension fund, which enables Fresenius Helios employees in Germany to invest some of their remuneration in their company pension plan via deferred compensation. The Helios supplementary pension fund is a company-owned pension institution.

Policies and regulations

All Fresenius Helios hospitals are bound by collective agreements, including those in Germany, which are linked to the Helios Group collective agreement, the collective agreement for public service (Tarifvertrag für den öffentlichen Dienst

TVöD), or company-specific collective agreements. In Germany, all Fresenius Helios clinics are subject to the current Working Time Act, which in some cases provides for wage reopener clauses for supplementary tariff regulations. The Works Constitution Act, which grants the works councils co-determination rights and control, also has a regulatory effect. The situation with regard to working hours for the individual companies is regularly agreed by the respective company parties on-site.

In Spain, we apply the statutory rate for hospital employees. This ensures attractive working conditions and fair remuneration for employees in line with the market. To tailor our personnel management more efficiently to the needs of our people, we started a company-wide employee survey and expect first results in 2021. Further information can be found on page 138 of this report.

Fresenius Vamed

Fair working conditions are part of Fresenius Vamed's mission statement. Fresenius Vamed's corporate culture is characterized by the diversity of unique people, open dialog, mutual appreciation, respect, caring, clear goals and decisive leadership. The company values, strategies and goals should manifest themselves through open, intensive, and direct communication. The Fresenius Vamed business model is very broad in nature, which places special demands on the recruitment of personnel. The recruiting process is tailored to the individual requirements of the individual positions.



Organization and responsibilities

Human resources work at Fresenius Vamed's entities is managed by the business segments' Human Resources division. Since the general conditions in the individual countries in which Fresenius Vamed is active are very different, the division ensures those responsible in the local countries are actively involved.

Policies and regulations

Fresenius Vamed has put detailed guidelines and standards in place regarding working conditions and working hours. Compliance with these requirements is continually checked. In 2020, new regulations were adopted because of the COVID-19 pandemic, for example, for working from home, for hygiene at the workplace, and for business trips.

PROGRESS AND MEASURES 2020

Flexible working conditions and digitalization

In 2020, Fresenius Kabi expanded the options for flexible working and promoted digital collaboration with the company-wide implementation of additional IT applications. In addition, at its Bad Homburg location, for example, the company began to introduce a new office concept in selected areas that supports flexible and digital work. The work environment of around 100 employees will be redesigned for this purpose. The German Fresenius Kabi subsidiaries developed flexible working time models at the company level and created extended parental leave schemes for which an employer/works council agreement "New Ways of Working" has been concluded in 2020.

In choosing the Loga system, Helios Germany has opted for integrated HR management software that standardizes and digitalizes many HR processes in Fresenius Helios hospitals, be it recruiting, personnel management, payroll accounting, or other processes. All employees have access to this system via an employer self-service portal. This enables them to view digital paychecks and also to plan business trips or similar activities in the future.

Introduction of a uniform scheduling system has already begun in all units. In addition to important improvements to planning and reporting options for Helios Germany, employees gain more transparency on their care schedules, and approval processes have also been simplified, e.g., vacation approval.

Helios Spain currently develops a company-wide dashboard to manage, evaluate and improve the most important personnel KPIs. The dashboard is available to all clinics and enables them to conduct benchmark comparisons. The goal is to provide transparency for all clinics on the most relevant KPIs and enable best-practice sharing on how to improve personnel management in our Spanish hospitals.

Induction of new employees

In our business segments, the induction processes for new employees are in some cases standardized centrally, and are supplemented at the sites by locally relevant measures.

In 2020, Helios Germany further standardized the process used for induction of new employees, and further developed the process for new managers. The aim is to reduce early turnover to a minimum. In what is known as the pre-

boarding process, all new employees receive a digital information booklet about the company. In 2021, new standards will be established, such as an onboarding mentor, structured familiarization concepts, and feedback discussions during the probationary period. Since 2019, new managers have undergone a three-stage program within two years of taking up their posts to analyze and deploy their leadership potential. Another key component of this process is the integration of employees from abroad. This includes language courses and programs to familiarize them quickly with the day-to-day work processes in German hospitals, as well as supporting measures for social integration together with local employees.

Dialog and feedback formats

Fresenius Medical Care

Fresenius Medical Care values the contribution of its employees and adapts its processes to include their feedback on a continuous basis. The company's global employee engagement surveys are tools to identify strengths as well as opportunities to improve its work environment. Fresenius Medical Care conducts one full employee engagement survey every two years and pulse checks in the years in-between. The company uses the survey results to define and initiate global and local measures, with the aim of further improving engagement levels in the long-term. Based on the results of the 2019 global engagement survey, Fresenius Medical Care initiated various follow-up measures on a



global and regional level. The company intensified global communication on this topic and worked out dedicated action plans, among others.

In 2020, the company conducted a pulse survey with more than 16,000 employees worldwide, which revealed that 64% of the participating employees are actively engaged. The employee engagement score is based on three aspects: stay (speak positively about Fresenius Medical Care), stay (intend to stay at Fresenius Medical Care), and strive (make an extra effort to promote Fresenius Medical Care). Compared to 2019, the engagement rate improved by eight percentage points. Fresenius Medical Care is planning to conduct the next full global engagement survey in 2021 to further facilitate and build on this feedback.

Fresenius Kabi

Dialog across hierarchical levels is fostered, for example, with the Global Town Hall Meeting. Hosted by Fresenius Kabi's CEO, the event, which is broadcast to the locations around the world, is regularly used to provide information about current company-related developments. As part of the event, employees have the opportunity to address their questions directly to the CEO. A Global Town Hall Meeting was held in 2020. An event planned for the second half of the year could not take place due to the COVID-19 pandemic and was replaced by a video message from the CEO and the invitation to dialog. In addition, a CEO blog that was set up in fiscal year 2020, supports the exchange between the

CEO and employees. In 2020, numerous articles on current topics appeared on this blog and reactions from employees have been received. For example, in 2020 a blog post about integrity, respect and diversity was published. Reactions to this were taken as an opportunity to continuously address these topics in the United States. An initiative is being launched to further raise awareness for these topics among the workforce in the United States.

To gain valuable insights into business processes, and to increase employee loyalty to the company, Fresenius Kabi uses regional employee surveys to sustainably increase employee satisfaction. On-site employee surveys are an integral part of local human resources work, and the results of these surveys are important for the company, as they provide it with valuable information that helps to develop a stable and appreciative work environment for employees and to promote their engagement. In the reporting year 2020, the company conducted an employee survey in the United States; the analysis with regards to resulting measures has not yet been completed. Furthermore, in 2020, Fresenius Kabi started preparing a global employee survey, which is envisaged to be carried out in 2021.

Fresenius Helios

Helios Germany generally offers appraisal interviews to all employees. From these employee discussions, as well as from other dialog formats, it became evident how important it is for employees in the nursing division for well-functioning, integrated teams to be maintained. This aspect should be taken into account in cases of internal restructuring in particular. Fresenius Spain, meanwhile, conducts employee satisfaction surveys. In 2020, a project was initiated in Spain to conduct a company-wide survey. The aim is to use a standardized questionnaire to monitor employee satisfaction at all sites in a structured manner. The survey will take place anonymously. Due to the impact of COVID-19, the schedule has been delayed. The survey has now been launched in January 2021.

Fresenius Vamed

Appraisal interviews are an essential part of Fresenius Vamed's management culture. In addition to essential insights and measures for further successful cooperation, the necessary training and further education requirements also result from the detailed discussions. These are summarized in a training plan, on the basis of which the corresponding training and continuing education program is drawn up. This ranges from specialist training in the health care sector and personality-building seminars to customized language training and IT seminars.

EVALUATION

At the end of the 2020 fiscal year, the Fresenius Group had 311,269 employees. That was 17,135 or 6% more than in the previous year (December 31, 2019: 294,134). In terms of FTE (full-time equivalents), this also represented a 6% increase at the Fresenius Group.

The regional distribution is as follows: About 31% of employees are employed in Germany, 25% in the rest of Europe and 24% in North America.

Our distribution of employees by function remained largely unchanged in 2020: about 14% of the workforce was employed in the production sector, and 71% in the services sector. Our personnel structure was thus stable in terms of development. The high proportion of service personnel is mainly due to the large number of nurses in our health care facilities.

The rate of new hires^{1,2} in relation to the overall number of employees in each business segment is evidence of our efforts within recruitment.

The length of service within the Group can vary with acquisitions in the business segments. In 2020, the average was 8.2 years and remained close to the previous year's level of 8.1 years on average.

In 2020, the proportion of employees who voluntarily left the company^{1,3} was 9.8% (2019: 11.0%) Contributing to this development were, on the one hand, the uncertainty in the labor market associated with the COVID-19 pandemic, but also the measures taken in recent years to retain employees. Further information can be found on page 135 ff. of the Group Non-financial Report.

EMPLOYEES (FTE) BY BUSINESS SEGMENT

	2020	2019	2018	2017	2016
Fresenius Medical Care	125,364	120,659	112,658	114,000	109,319
Fresenius Kabi	39,032	38,264	36,423	34,923	33,476
Helios Germany ¹	57,143	53,423	51,429	57,719	56,596
Helios Spanien	39,753	34,634	31,094	29,087	n. a.
Fresenius Vamed	15,364	14,770	13,665	7,215	6,909
Corporate/Other	1,166	1,154	1,060	969	889
Total (FTE) as of Dec. 31	277,822	262,904	246,329	243,913	207,189

¹ FTE: Number of employees converted to the full collectively agreed working time on monthly average (Vollkräfte)

EMPLOYEES (HEADCOUNT) BY REGION

	2020	2019	2018	2017	2016
Europe	174,835	165,862	158,939	154,172	119,434
thereof Germany	96,915	91,014	88,086	86,613	84,165
Europe excl. Germany	77,920	74,848	70,853	67,559	35,269
North America	75,837	74,894	72,672	75,083	72,803
Asia-Pacific	27,805	27,457	25,575	24,381	22,441
Latin America	30,871	23,998	17,610	17,709	16,283
Africa	1,921	1,923	1,954	1,904	1,912
Total as at Dec. 31	311,269	294,134	276,750	273,249	232,873

NEW HIRES^{1,2}

in %	2020	2019	2018	2017	2016
Fresenius Medical Care	23.1	24.7	21.7	n. a.	n. a.
Fresenius Kabi	13.5	17.1	16.9	19.8	19.0
Helios Germany	14.3	15.4	16.0	19.8	14.2
Helios Spain	25.5	20.1	27.6	n. a.	n. a.
Fresenius Vamed	18.4	17.8	22.5	11.0	n. a.
Corporate/Other	6.1	11.2	12.5	9.7	9.6

¹ Fresenius Medical Care's 2017 data reflects country data representing 96% of all employees. Helios Germany's data for 2016 and 2017 includes the post-acute care business in Germany. Fresenius Vamed's data for 2017 also includes temporary staff and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. The data from Helios Spain does not yet contain the recently acquired hospitals in Latin America.

² Calculated as the number of external hires in a business segment within the reporting period, relative to the number of employees at year-end.

³ Calculated as the number of employees who left the organization voluntarily in relation to the number of employees at the end of the year.



The proportion of female employees in the Fresenius Group remained unchanged at 68% as at December 31, 2020. The proportion of females in services or care is higher than in the area of production. This is reflected in the proportion of female employees in our business segments. The number of female participants in the Group-wide Long Term Incentive Plan (LTIP 2018) is a good indication for the share of women in management positions worldwide. According to this, the ratio of women among the 1,700 top executives was 32% as at December 31, 2020.

The average age¹ of Group employees was 41.6 years (2019: 41.0 years). The majority (55%) of our employees are between 30 and 50 years of age. We aim to maintain a well-balanced age structure within our Group. The distribution reflects the demand for a high proportion of skilled and experienced employees in our business segments.

EMPLOYEE DEVELOPMENT

OUR APPROACH

We offer our employees the opportunity to develop professionally in a dynamic international environment. Our four business segments use different concepts and measures for personnel development – depending on their own customer and market structure. They constantly adapt their approach to current trends and requirements. In addition to Group-wide mandatory training courses on the respective Codes of Conduct, there are mandatory training courses on quality management, environmental management and occupational health and safety in the business segments. Digitalization is also playing an increasingly important role in the daily work done by our employees, which we explain on pages 126 ff.

AVERAGE LENGTH OF SERVICE¹

in years	2020	2019	2018	2017	2016
Fresenius Medical Care	7.3	6.8	7.1	7.0	n. a.
Fresenius Kabi	7.9	8.6	7.5	7.4	7.6
Helios Germany	10.3	10.6	10.8	10.5	10.8
Helios Spain	8.2	8.4	8.2	n. a.	n. a.
Fresenius Vamed	7.7	6.9	7.8	6.1	6.0
Corporate/Other	7.5	7.3	7.3	7.6	7.6
Total	8.2	8.1	8.2	8.1	8.4

VOLUNTARY TURNOVER^{1,2}

in %	2020	2019	2018	2017	2016
Fresenius Medical Care	11.9	14.3	13.2	12.2	n. a.
Fresenius Kabi	7.1	9.2	9.4	11.3	10.7
Helios Germany	8.3	9.1	6.9	6.0	5.3
Helios Spain	9.8	7.6	3.8	n. a.	n. a.
Fresenius Vamed	7.8	7.6	9.5	8.0	n. a.
Corporate/Other	1.7	3.5	3.8	2.7	2.5
Total	9.8	11.0	9.8	9.9	10.4

FEMALE EMPLOYEES

Dec. 31	2020	2019	2018	2017	2016
Fresenius Medical Care	69%	69%	69%	69%	69%
Fresenius Kabi	50%	50%	50%	51%	51%
Fresenius Helios	75%	75%	75%	76%	76%
Fresenius Vamed	62%	63%	64%	56%	56%
Corporate/Other	38%	39%	39%	39%	39%
Total	68%	68%	68%	68%	68%

¹ Fresenius Medical Care's 2017 data reflects country data representing 96% of all employees. Helios Germany's data for 2016 and 2017 includes the post-acute care business in Germany. Fresenius Vamed's data for 2017 also includes temporary staff and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. The data from Helios Spain does not yet contain the recently acquired hospitals in Latin America.

² Calculated as the number of employees who left the organization voluntarily in relation to the number of employees at the end of the year.

Segment-specific talent management and individual further training offerings for employees and managers are our other personnel development measures.

Vocational training

Vocational training is very important to us. That is why we offer applicants many opportunities to start their career pathway in our company. In 2020, more than 5,900 young people were doing dual vocational training and/or dual study at our locations in Germany. Across the Group, we offered more than 46 posts requiring formal training and 25 dual degree programs. For the first time, the study programs or majors Management in Medicine, medical Technology Management and Business Informatics, Data Science were offered in cooperation with the Technical University of Central Hesse and Duale Hochschule Baden-Württemberg (Baden-Wuerttemberg Cooperative State University), respectively. The classic direct entry route aside, Fresenius also offers graduates trainee programs for further professional orientation.

TRAINEES AND TRAINING RATIO FOR GERMANY

	2020	2019	2018	2017	2016
Trainees ¹	5,985	4,952	4,354	4,019	3,743
Training ratio	6.18	5.44	4.94	4.64	4.45

¹ Includes vocational training and university students

AVERAGE AGE¹

	2020	2019	2018	2017	2016
Fresenius Medical Care	41.7	40.8	40.8	41.7	n. a.
Fresenius Kabi	39.9	38.7	38.4	38.5	38.7
Helios Germany	42.2	42.5	42.6	42.7	42.6
Helios Spain	41.0	41.0	40.0	n. a.	n. a.
Fresenius Vamed	44.0	41.2	43.6	43.0	43.5
Corporate/Other	39.3	39.1	38.9	39.2	39.2
Total	41.6	41.0	41.0	41.5	41.5

AGE STRUCTURE¹

Dec. 31	2020			2019			2018			2017			2016		
	Below 30	Between 30 and 50	Above 50	Below 30	Between 30 and 50	Above 50	Below 30	Between 30 and 50	Above 50	Below 30	Between 30 and 50	Above 50	Below 30	Between 30 and 50	Above 50
Fresenius Medical Care	17%	58%	25%	18%	56%	26%	16%	57%	27%	18%	56%	26%	n. a.	n. a.	n. a.
Fresenius Kabi	22%	61%	17%	23%	60%	17%	23%	60%	17%	25%	59%	16%	24%	60%	16%
Helios Germany	20%	48%	32%	19%	48%	33%	18%	49%	33%	19%	49%	32%	19%	50%	31%
Helios Spain	18%	60%	22%	17%	61%	22%	18%	62%	20%	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
Fresenius Vamed	15%	49%	36%	16%	50%	34%	15%	50%	35%	18%	54%	28%	18%	53%	29%
Corporate/Other	25%	53%	22%	24%	54%	22%	25%	54%	21%	24%	55%	21%	23%	57%	20%
Total	19%	55%	26%	19%	55%	26%	18%	55%	27%	19%	55%	26%	20%	53%	27%

¹ Fresenius Medical Care's 2017 data reflects country data representing 96% of all employees. Helios Germany's data for 2016 and 2017 includes the post-acute care business in Germany. Fresenius Vamed's data for 2017 also includes temporary staff and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. The data from Helios Spain does not yet contain the recently acquired hospitals in Latin America.



Fresenius Training Catalog

The Fresenius Training Catalog lists all of the training opportunities available to our employees. This includes programs for communication and presentation, self-management and project management, as well as specific learning content depending on the job profile of the target group of employees.

Fresenius Learning Center

In addition to the training catalog, we offer training courses in the Fresenius Learning Center (FLC) learning management system. Depending on the subject, these training programs consist of one or more modules. Most of these involve some e-learning – for example webinars – as well as classroom training; reading materials are also offered to different target groups. Employees in Germany who do not have their own computer or laptop, or who do not have a quiet work environment, can take the training courses they need at specially set up learning locations. The Fresenius Helios and Fresenius Vamed business segments also offer needs-based e-learning and document the training activities in their own learning management systems. In 2020, new or iterative training modules on compliance-specific topics, basic data protection regulations and information security also became available worldwide in the FLC (with the exception of the United States).

Fresenius Medical Care

Fresenius Medical Care attaches great importance to its employees' development. The company's goal is to support its managers' and employees' personal growth and their efforts to help others grow. Fresenius Medical Care approaches learning and development from three angles: (1) Provide the digital and non-digital infrastructure to foster learning and development. All employees around the world participate in formalized or mandatory training via existing learning platforms that support offline and online learning. (2) Enhance the attractiveness of learning and development by increasing the opportunities to learn and improving the learning experience. In addition to existing platforms, around 25,000 employees started using the company's new digital platforms with knowledge and training resources in 2020. (3) Ensure that the company's executives are prepared and equipped to provide ongoing development support.

In 2020, Fresenius Medical Care also introduced a digital platform to foster the dialog between managers and their teams on the topics of development and performance management. More than 1,500 managers have already started using this platform.

Fresenius Medical Care identifies and promotes outstanding talent on an ongoing basis and invests in building a sustainable talent pipeline for the company's top 400 positions and beyond. The different programs for leadership development are based on regional requirements but with a focus on principles that apply globally. For example, since 2014, over 5,000 managers have completed the regional leadership development program in North America.

Fresenius Kabi

Fresenius Kabi has global, regional, and local structures for training and developing employees. Employees are trained and qualified according to their functions and tasks. Mandatory global trainings for employees are carried out internally. This includes, among other areas, training on the Code of Conduct.

All employees who are directly involved in manufacturing, testing and distribution of our products, as well as employees who work in a supporting role (e.g., technical maintenance, IT) receive mandatory training on job-related good manufacturing, control, and distribution practice as well as occupational health and safety and environmental protection.

In addition, occupational health and safety and environmental and energy management training is conducted at all certified sites. Further training supplements this and serves to support the introduction, further development and improvement of the corresponding management systems and measures.

As part of talent management, postings to other countries are also used to promote professional and personal development. Postings include both, long- and short-term postings, which also contribute to meeting specific staffing needs. In addition, Fresenius Kabi supports the development of digital competencies, for example, in connection with making work more flexible, such as mobile work by its employees, through new training programs.



Organization and responsibilities

Due to the decentralized structure of Fresenius Kabi, training is mainly managed decentrally, which enables Fresenius Kabi to provide training opportunities quickly and according to the respective requirements. The personnel development measures are evaluated by the responsible organizations within Fresenius Kabi. Feedback from employees and executives is also taken into account for continuous improvement of professional development measures.

Fresenius Helios

Imparting knowledge and developing its employees both form part of Fresenius Helios' self-image. All human resources training and development activities help the business segment achieve its four strategic business objectives: to offer the best service, to be a leader in medicine, to do sustainable business and to expand on its market position. These will enable Fresenius Helios to further improve with regard to medical quality and to position itself as an attractive employer at the same time. Training budgets as well as regular employee and development discussions are therefore firmly anchored in Fresenius Helios' corporate culture.

However, Fresenius Helios has also been faced with increased competition in the human resources sector, partly due to new regulatory requirements in line with the lower thresholds for nursing. In the last two years, the demand for skilled workers has continued to increase, especially in the nursing sector. For this reason, Fresenius Helios intends to acquire a large proportion of the necessary nursing person-

nel through in-company training at its 32 training centers in the future. The business segment is also tackling the continuing challenge that the shortage of skilled workers in the medical sector represents. One example is the structured talent pools of senior doctors that we are building.

All professional groups at the hospital can learn, train and further develop their expertise at the Helios Academy and at the Fresenius Helios training centers in Germany, to develop professional and personal competencies or learn about their own health and prevention in this area. In addition, Fresenius Helios offers its employees trainee and assistant programs and builds up competence profiles for hospital management. In Spain, Fresenius Helios is using development plans in its work to provide targeted support to its employees. Furthermore, the training program Talent Beats was designed to help nursing students make the transition from university to the professional environment.

Fresenius Helios now uses digital work tools across the board in all areas of education, training and further education. Learning content is organized using what is known as the Helios knowledge account – a digital education management system – as well as earning scenarios implemented via e-learning and online seminars. Throughout the COVID-19 pandemic, Fresenius Helios has been promoting the development of digital formats more than ever before.

In 2020, Fresenius Helios managed to implement all development programs as planned. Due to the COVID-19 pandemic, more digital events took place, e.g., virtual selection of personnel and development procedures in the Assessment or Development Center.

Organization and responsibilities

In 2020, Fresenius Helios merged the two departments Digital Knowledge Media and Academy/Talent Management under the new Central Service Recruitment and Development.

Policies and regulations

In 2019 and 2020, Fresenius Helios in Germany developed a new vision/mission. Due to the COVID-19-pandemic, the roll out was postponed to the first quarter of 2021, instead of late 2020. The Fresenius Helios Leadership Code also contains important guidelines for the management of employees. Company and Group agreements contain specifications for the training of employees and/or managers.

Fresenius Vamed

The expertise and project experience of its employees plays an important role in the success of Fresenius Vamed due to the heterogeneous nature of its activities in the high-end service business, overall operations management, and project management. It is therefore extremely important for the business segment to promote their further development in a targeted manner. Key for Fresenius Vamed's personnel management are individually adapted personnel development measures and a comprehensive, needs-oriented training offering, which is very diverse in nature due to the complex structure of the business segment. As part of its strategic personnel planning, Fresenius Vamed identifies young employees with particular potential and promotes their individual development. This is done via trainee programs and in the VAMED Human Capital Management Program (HCM Program). It prepares employees with potential to take on leadership and specialist roles.



Fresenius Vamed is increasingly using digital elements such as e-learning to design new training offerings. Employees can access a pool of knowledge via various knowledge platforms. In addition, Fresenius Vamed also has the option of developing and rolling out micro learnings independently. These short training modules are preferably used online, and have enabled fast and up-to-date precise training and education on applicable COVID-19 regulations, particularly in the area of hygiene. Fresenius Vamed has also digitalized essential and mandatory training and further education activities. The same applies for the monitoring of success.

All employees are free to use their own Fresenius Vamed Academy. Their courses and training not only cover specific professional issues, but also topics such as personal development and leadership, interpersonal skills and methodological expertise. Various knowledge platforms, such as the International Medical Board (IMB), also pool the know-how of about 1,200 health care professionals working for Fresenius Vamed. Over the course of the COVID-19 pandemic, the content of the program has not changed significantly, with only a number of courses and events being digitalized and some classroom seminars postponed to later dates.

Organization and responsibilities

Fresenius Vamed's Human Resources management team, together with the responsible business segments and the Management Board, develop and implement measures to promote and train employees and new talents.

PROGRESS AND MEASURES 2020

Development of training programs and digital training opportunities

The COVID-19 pandemic has also impacted development and training offerings at Fresenius, requiring us to move numerous training activities into the digital space.

Fresenius Medical Care

In 2020, Fresenius Medical Care introduced a digital platform to foster the dialog between managers and their teams on the topics of development and performance management.

Fresenius Kabi

The Code of Conduct learning module was supplemented by a chapter on human rights in 2020. This training module is expected to be rolled out at the beginning of 2021. Compulsory data protection and information security training introduced at the end of 2018, was repeated in 2020. Furthermore, anti-corruption training was created and rolled-out in 2020. In 2020, mandatory online modules were also expanded in the industrial area. Fresenius Kabi documented training activities in more than 50 countries with more than 27,000 people trained in 2020 in internal learning management systems.

Due to the COVID-19 pandemic, the global quality management department in cooperation with the occupational safety and environmental protection department, created online training on the background, behavior and preventive measures related to the pandemic in various languages in 2020.

Fresenius Helios

During the COVID-19 pandemic, digital learning scenarios have become more significant than ever before. The Helios knowledge account, the Helios Lernbar, and digital learning media have been of benefit to Fresenius Helios.

In 2020, Fresenius Helios' professional training courses and further education focused on patient-centered communication as well as on in-classroom, simulation and online training on COVID-19. The aim in early 2020 was to prepare hospital staff for an expected pandemic and to train specialist staff who had not worked in intensive care units before, for possible deployment there. Online courses on basic, advanced and expert knowledge of the Corona virus were developed, among other things. In addition, there was psychological training, such as awareness and self-protection in a crisis, as well as courses and communication training for crisis situations.

In 2020, Helios Germany continued its trainer education for the Patient-Centered Communication project on a limited scale. The aim of the project is to train employees in the clinics on communication in difficult situations, e.g., with patients and relatives.

In the reporting year, Helios Germany's digital infrastructure in the human resources area enabled it to rapidly roll out its training as digital educational offerings. This included, among other things, the training of nursing staff and medical staff for pandemic-related deployment in the intensive care units.

In 2020, Helios Spain introduced a Corporate Talent Plan for talented employees. This plan encompasses a talent pool for internal exchange, as well as training activities. The

aim is to identify future leaders as well as key talents in the company, tailor an individual talent plan to their needs, career aspirations and the company's strategy, and thus strengthen the individual's commitment to their work. The first step is to conduct 360-degree feedback interviews with the selected individuals, after which the individual development plan is determined based on the evaluations. One focus of the training activities in this program is on emotional intelligence, which we value as an important attribute for our talents, especially in the hospital environment. Training is conducted both internally and in collaboration with such institutions as IESE, Business School of the Spanish University of Navarra.

Fresenius Vamed

In 2020, the business segment introduced the new VAMED Leadership Program for the targeted development of executives. This is made up of different components that are offered on a needs-based and tailor-made basis. The program is designed in close cooperation with representatives of university training institutes, such as the Vienna University of Economics and Business Administration. Furthermore, individual e-learning modules (e.g. labor law) and micro learning units were developed and rolled out independently as digital training options.

Development program: nursing department assistants

In order to be able to fill vacancies in the nursing department segment independently of the external labor market, Fresenius Helios introduced the nursing department assistant development program in Germany in 2020. It is structured in the same way as the Hospital Management assistant program.

Fresenius Helios: Knowledge target and knowledge account

The Helios knowledge account is a digital education management system. It enables Fresenius Helios to respond accordingly if the demand for digital learning, further education and training formats increases.

Thanks to the annual Helios knowledge goal, all employees of Fresenius Helios in Germany are able to continue their training on specific health topics via online training. In the year under review, two areas provided the main focus. The first area – Strong for the future – saw employees learning how Fresenius Helios can offer the best medical quality in the long term – for example by means of an improved care structure or by setting up centers. The business segment relied on comparable data from its clinics to do this. The second area – Focus on patients – saw employees of Fresenius Helios seeing things from a patients' perspective. They found out what the business segment has already done to improve the quality of patient contact – and what other plans are in place.

EVALUATION

Fresenius Medical Care

More than 25,000 employees used the new digital platform with knowledge and training resources in 2020. In 2020, Fresenius Medical Care also introduced a digital platform to foster the dialog between managers and their teams on the topics of development and performance management.

Fresenius Kabi

For training of employees in production¹ on quality management an average of 20 hours was spent per employee in 2020. In 2019, a strong basis concerning our training of employees on quality management was set. In 2020, we continued with our training measures and ensured training of all respective employees.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE IN PRODUCTION¹ REGARDING QUALITY

	2020	2019
Production (training hours/average)	20.06	25.07
Number of employees included in the calculation (FTE)	21,800	22,000

¹ The production area comprises the following employee groups: operations/manufacturing, quality control, quality assurance, maintenance/technical support and warehouse.

The company uses an annual talent review for a dialogue on performance, competencies, and development potential for upper management levels. This talent review is the basis for identifying, evaluating, and developing executives and talents in all of Fresenius Kabi's regions, divisions, and central functions worldwide. Due to the COVID-19 pandemic, the talent review process was suspended in 2020. Further, the process has been conceptually revised in 2020. The adapted talent review is intended for roll out in 2021 to strengthen the dialog between employees and their superiors and the individual development planning. The global process shall be IT-based for a better user experience.

Fresenius Helios

Fresenius Helios utilizes annual feedback meetings to discuss topics relating to training and education. Additionally, the central service for the German locations, analyzes how effective its digital offerings and programs are for employees. It carries out qualitative evaluations and reviews the usage statistics collected, results of outcome measurements (e.g., filling vacancies after development programs) and participation rates.

In 2020, Fresenius Helios recorded significantly higher use of online conference tools and digital learning platforms in both Germany and Spain. Fresenius Helios is currently developing a training portfolio management in Germany, the aim of which is to evaluate and market employee training and further education options and services more effectively – internally and externally. At the same time, it needs to objectively evaluate the performance of the respective offerings.

Fresenius Vamed

Fresenius Vamed continually assesses its own vocational training and development programs; if necessary, the business segment develops and implements adaptation or improvement measures.

The following data is evidence of the long-term success of the programs: Fresenius Vamed's HCM program, which has been in place since 2004, has produced about 130 graduates to date. More than 70% of them have now taken their next career steps.

In addition, Fresenius Vamed's Human Resources Division evaluates the utilization rate of digital programs and services – for example, from within e-learning or webinars. Further, Fresenius Vamed continually optimizes its human resources development processes in the direction of digitalization.

OCCUPATIONAL HEALTH AND SAFETY

OUR APPROACH

Ensuring the health and safety of our employees is an essential part of our corporate responsibility. The Fresenius Code of Conduct states that we must take the necessary measures to protect our employees and to prevent work-related accidents. All four business segments focus on preventive measures and on the individual responsibility of employees when it comes to occupational health and safety. The occupational safety concepts are adapted to the specific business models of the four business segments. These focus on occupational health and safety within production, as well as occupational health management for health care facility or administrative employees. The aim of all the measures is not only to protect employees, but also to ensure the health and safety of patients. All Fresenius business segments continually record data on occupational health and safety in line with regulatory requirements.

During the COVID-19 pandemic in 2020, the safety and health of our employees, their families and the communities in which we work were in the focus of our response activities. A major challenge for us in this regard was on developing individual protection concepts, measures and working regulations that allow us to continue all operational and administrative activities. Depending on the evolution of the incidence rates and changes in regulatory requirements, it was necessary to promptly adapt our protection concepts and guidelines and to communicate these to the employees.

This also meant equipping our employees with suitable protective materials. In our clinics, we have intensified infection control practices that were already in place in order to protect both our patients and our staff. In the production facilities, we introduced strict hygienic measures, such as disinfection and distancing measures. From March 2020, a large number of our employees in administrative functions worked from home to avoid infection.

Fresenius Medical Care

Fresenius Medical Care gives top priority to the health and safety of employees. The company's Code of Ethics and Business Conduct includes the commitment to provide a safe and healthy work environment for the company's global team. Fresenius Medical Care expects the same from its business partners. Responsibility for occupational health and safety lies with local management. The respective standards for health and safety are defined in local and regional policies and guidelines. This allows the company to comply with different regulatory and legal requirements and report incidents to authorities based on local specifications. Several of the company's production sites and clinics in the region Europe, Middle East and Africa are certified according to international health and safety standards, including ISO 45001. Fresenius Medical Care is currently working on harmonizing its management concepts for occupational health and safety as part of our Global Sustainability Program. In addition, Fresenius Medical Care is planning to develop a global policy and key performance indicators to reflect its worldwide performance in this area.

Fresenius Medical Care carries out risk assessments on the operational safety of machines and technical equipment as part of the company's work safety program in its production facilities. Internal reviews and external audits by authorities are conducted to monitor compliance with corresponding regulations, policies, and procedures.

Fresenius Kabi

The safety of Fresenius Kabi's employees at their workplace is our central concern. The aim is to avoid all work-related accidents. To achieve this goal, the company has implemented standard operating procedures (SOPs), other regulations, and instructions to provide a global framework for occupational health and safety which are part of Fresenius Kabi's integrated quality management system. The implemented occupational health and safety guidelines focus on the following principles:

- implementing the necessary measures to ensure the health and safety of employees,
- ensuring and supporting continuous improvement,
- avoiding work-related injuries, illnesses, and other incidents, e.g., implementing technical protection measures,
- performing hazard and risk assessments for all routine and non-routine activities,
- complying with applicable legal requirements and other occupational health and safety requirements,

- providing and ensuring the continuous safe operation of facilities, machinery, and equipment,
- safe handling, use, storage, and proper disposal of hazardous substances.

Risk assessment is an important part of the occupational health and safety management. Based on the risk assessment, occupational health and safety measures are derived and performed locally. This is supplemented by a notification system through which work-related accidents are reported, recorded and categorized. Further, training on work-related risks is provided at all sites. To support its occupational health and safety management, Fresenius Kabi has introduced a management system in accordance with the international standard OHSAS 18001. The management handbook and standard operating procedures provide global management requirements for the certified organizations' local occupational health and safety management. The implementation of the management system is ensured by internal global audits. The global management system is audited on an annual basis and certified by TÜV Rheinland. It covers all employees as well as temporary workers at certified sites. The local management reviews the occupational health and safety management system at least once a year, with regard to its continued suitability, appropriateness, effectiveness, and potential for improvement.

Currently, 21 organizations of Fresenius Kabi are certified according to the standard OHSAS 18001. The company is working on rolling out the certification according to OHSAS 18001/ISO 45001 to all manufacturing plants by

2023¹. Fresenius Kabi aims to improve occupational health and safety processes there and align them with internationally recognized standards. In 2020, 2 additional manufacturing plants have been included in the OHSAS 18001 certification of Fresenius Kabi. Local targets are set at the certified organizations to enhance the occupational health and safety management.

Organization and responsibilities

Responsibility for occupational health and safety management lies with the divisional and local organizations; global management responsibility lies with the central organization, which reports to the responsible member of Fresenius Kabi's management board.

Policies and regulations

Fresenius Kabi has implemented standard operating procedures (SOPs), other regulations, and instructions to provide a global framework for occupational health and safety which are part of Fresenius Kabi's integrated quality management system. The OHSAS 18001 management handbook and the standard operating procedures of Fresenius Kabi provide a consistent framework for the certified organizations' local occupational health and safety management.

¹ The certification roll-out is going to be concluded at all manufacturing plants of Fresenius Kabi in 2023. The certification issuance from the individual certification companies may extend into the following year.

Fresenius Helios

Fresenius Helios hospitals have risk assessments at their disposal for the individual workplaces and keep lists of dangerous substances. As a preventive measure, Fresenius Helios conducts occupational health and safety inspections of areas of the hospitals to look for potential risks. The main risk areas at our German locations, for example, are identified via accident reports or information from employees and undergo rigorous assessment. As part of a risk assessment, these are then analyzed; in the short term, measures are communicated to decision-makers using the S-T-O-P principle (substitution, technical, organizational and personal measures). Fresenius Helios then reviews the implementation process and effectiveness. The procedure used is the equivalent of a classic PDCA loop, i.e., Plan, Do, Check, Act – for continuous improvement.

In loops for mental health risk assessments, for example, specialized employees work together with managers to develop cross-functional measures. Similar procedures can be found in occupational health management and occupational rehabilitation management, for example. The business segment is currently reviewing whether to introduce an integrated management system for health and safety in Germany.

Helios Spain strives to develop an exemplary culture within health care provision, in order to avoid occupational health risks and promote healthy habits among its workforce. This is also implemented in the company's policy on

workplace safety. The policy is applicable at all company levels and locations. Helios Spain has standardized occupational health and safety across the Group's hospitals and companies and developed a company-wide training platform for specific workplace-related risks. Various KPIs, including absenteeism and work-related injuries, are consolidated in one standardized system and evaluated. Based on this, measures are then taken to reduce absenteeism or to avoid accidents at work.

As a hospital operator, Fresenius Helios implements occupational safety and occupational medicine measures primarily for its own medical personnel. The company also supplies occupational health services to external companies at numerous locations. For example, our range of services encompasses about 300 institutions in Spain that provide occupational health management. Via these prevention centers, we examine about five million employees annually, working in cooperation with companies.

Organization and responsibilities

The senior management team of Fresenius Helios and the Helios Occupational Health business segment have the task of coordinating occupational health and safety in Germany. In terms of organization, the Helios Occupational Safety segment is assigned to the area of Authorized Officers & Environmental Management in the Infrastructure business segment. It was founded in 2019 and currently looks after about two-thirds of all the employees in the business segment, in addition to Fresenius Vamed and Xenios, a Fresenius Medical Care company. Specialists and engineers at Helios Occupational Safety are responsible for almost all Helios clinics and their subsidiaries (e.g., cleaning, logistics or cater-

ing). They look after all aspects of health and safety at work for Fresenius Helios employees, as well as the employees of Fresenius Helios internal service providers and subsidiaries, ensuring coordination is done in close collaboration with the German supervisory authorities.

The Helios Occupational Health business segment in Germany also has an Occupational and Organizational Psychology department, which carries out risk assessments for potential to cause mental health problems at numerous Fresenius Helios and Xenios (Fresenius Medical Care) sites.

At local level, the members of the Occupational Health and Safety Committee take a targeted approach to monitoring the various aspects of occupational safety and health promotion. The meetings held by the Occupational Health and Safety Committee meet the legal requirements set for composition and number of participants. In addition, specialist personnel and managers in special steering groups at the hospital sites work on dealing with specific areas, such as occupational health management.

Helios Spain works continuously to ensure the safety and health of its employees. With the implementation of SAP at all our hospitals in Spain, we changed the management of occupational health and safety from local systems to one company-wide system. Based on ISO 45001 (former 18001) as well as Spanish regulatory provisions, all hospitals are required to report occupational health and safety incidents, cause, lost time, illnesses and absenteeism as well as other KPIs in one tool. The local management which is responsible



for ensuring that regulatory requirements are met for occupational health and safety, is guided by a handbook as well as standard operating procedures. A central department for corporate health prevention coordinates all activities and the reporting.

Policies and regulations

In Germany, Fresenius Helios uses the statutory regulations and guidelines of accident insurance institutions as the basis for its work. The business segment also cooperates with authorities at a more local level in Germany, such as the “Unfallkasse Hessen” accident insurance fund. Fresenius Helios Germany is currently planning to develop a corporate policy on workplace safety. This guideline for occupational health and safety will be interdisciplinary, developed together with Helios Occupational Health in the first quarter of 2021. It will then be reviewed and adopted by management.

Helios Spain wants to develop an exemplary culture within health care provision, in order to avoid occupational health risks and promote healthy habits among its workforce. This is also included in Fresenius Helios policy on workplace safety in Spain. The policy is applicable at all levels of work and at all locations in Spain.

Fresenius Vamed

The health and safety of employees is firmly embedded in our company’s culture and the Fresenius Vamed mission statement. All employees, and in most instances patients and customers too, are covered by the company’s holistic

approach to occupational health and safety. Due to the diverse range of services and the different responsibilities involved, the implementation process is organized in very different ways throughout the business segment – nationally and internationally. In the context of our business areas, this is particularly the case for the project and service business as well as for the overall management of operations and the technical services provided by the individual Fresenius Vamed locations. In the area of occupational health and safety, all locations are subject to the respective local laws and regulations. Compliance with these regulations is also ensured at local level.

Policies and regulations

Due to the decentralized organizational structure of Fresenius Vamed, a range of different legal and internal guidelines play a significant role in occupational health and safety. The Code of Conduct covers administration and the area of technical services, while the Clinical Code of Conduct regulates the area of health care and medical personnel.

Reporting systems

All four business segments have notification systems for accidents at work. Fresenius Helios uses a Critical Incident Reporting System (CIRS) at all its German hospitals, for example. This system is anonymous and can be used in all areas of a hospital site. It is used for the preventive protection of both employees and patients. The reporting system can be used to make preventive corrections in processes and workflows and thus eliminate risks from everyday work.

Training

Fresenius employees receive regular occupational health and safety training in all four business segments. To avoid incidents and increase awareness, we also provide training on health and safety. In our clinics, employee training courses cover topics such as the safe use of sharps and disposables and hand hygiene. Further topics include infection prevention, and emergency control. Training provided in our production sites focuses, for instance, on the safe handling of work equipment, hazardous chemicals, emergency prevention and response. Fresenius Kabi, for instance, holds training sessions on work-related risks at all locations. Fresenius Vamed offers employees a separate e-learning module on employee protection.

PROGRESS AND MEASURES 2020

Fresenius Medical Care

In 2020, Fresenius Medical Care started to assess local health and safety policies and goals in all regions. In the region Europe, Middle East and Africa, for example, the health and safety targets relate to incident rates, safety training and incident reporting.



Fresenius Helios

In addition to occupational safety aspects, Fresenius Helios in Germany has also specifically addressed the matter of fire protection at clinics in order to take a holistic approach to avoiding risks. In the year under review, Fresenius Helios Commissioning personnel set up online training and put effective practice grading in place for fire safety assistants. For example, employees learn how to handle fire fighting equipment in their roles as fire safety assistants, and how to respond in the event of a fire and during evacuation from affected areas. This can be introduced at all locations.

EVALUATION

No Group results are available for occupational health and safety in fiscal year 2020. Although no effects can yet be reported at Group level, we report on the measures initiated in the reporting year and related progress in the business segments.

Fresenius Medical Care

Fresenius Medical Care's goal is to prevent work-related illnesses and injuries. For this reason, the business segment tracks and analyzes work-related accidents and injuries at local and regional level, identifies their root causes, and implements corrective actions. As part of these activities, Fresenius Medical Care has introduced different performance indicators for occupational health and safety in its production sites and dialysis clinics based on local requirements. These indicators generally focus on work-related accidents, including the incident rate and lost time incident rate.

Fresenius Kabi

Experts in the global Environmental and Occupational Management department analyze and evaluate working procedures, risks, objectives, and occupational health and safety programs, and enable exchange about occupational health and safety throughout the company. Fresenius Kabi performs global internal audits at its organizations to identify potential for improvement. If necessary, the company develops measures to tap this potential together with local responsible persons. Due to the COVID-19 pandemic, audits have been conducted virtually in 2020.

Quarterly telephone conferences with representatives from the certified organizations are held to foster exchange about work-related accidents and their prevention.

Fresenius Helios

Qualified occupational health and safety specialists as well as occupational physicians check whether or not the requirements for occupational health and safety are met at Fresenius Helios in Germany. In addition, the requirements are regularly reviewed by supervisors from the German Institution for Statutory Accident Insurance and Prevention in Health and Welfare Services (BGW). In 2020, this was carried out, among other locations, at the Helios clinic Leipzig. Various audits, sometimes internal, of Fresenius Helios in Germany enable us to consistently analyze existing procedures, review processes and effectively improve the management of occupational health and safety. Working together with experts from the field of occupational health and hygiene, specific project groups monitor the management of occupational health and safety, coordinating continuously across segments and developing improvement processes. In addi-

tion, various audits of Fresenius, sometimes internal, enable a consistent analysis of existing procedures, process validation and effective optimization of the occupational health and safety management already in place.

Fresenius Vamed

All Fresenius Vamed locations are subject to regular occupational health and safety inspections. At Fresenius Vamed, work-related incidents must not only be reported, but they also trigger an audit of existing work processes as well as any proposed changes and implementation thereof. Corresponding internal guidelines are available.

Work-related injuries and diseases

Fresenius Kabi

Fresenius Kabi documents all accidents that lead to lost working time – worldwide and for all employees, including temporary workers. All reported cases are categorized according to their impact on an employee's health and their severity. Furthermore, the local management assesses the documented cases to decide whether technical improvements, other working equipment or instructions, or further training are required to avoid future work-related accidents and improve occupational health and safety for employees. Occupational health and safety reports are submitted to the management board as well as other relevant functions of Fresenius Kabi on a quarterly basis.

Fresenius Kabi calculates the lost time injury frequency rate (LTIFR)¹ from the data it collects and uses it as an indicator for occupational health and safety; the LTIFR improved by 12% compared to the previous year. Fresenius Kabi also considers the lost time injury severity rate (LTISR) in its analysis. No work-related fatalities were recorded at Fresenius Kabi in 2020; the company recorded 3 serious work-related accidents, which were mainly caused by employee behavior, for example not following work instructions. This has prompted additional preventive measures at the respective sites, e.g. training. In the reporting period, Fresenius Kabi saw only a limited number of COVID-19 cases at its facilities with no significant impact on production output.

LOST TIME INJURY FREQUENCY RATE¹

Fresenius Kabi	2020	2019	2018
LTIFR	2.3	2.6	3.1

Fresenius Helios

Fresenius Helios documents accidents locally and assesses the potential for risk associated with them, with a specific assessment carried out on-site, which is then discussed and assessed together with the relevant supervisory authorities. In Germany, hospitals use time management reports internally; these include downtime or absence periods and how these develop at the location. Various KPIs, including absenteeism and work-related injuries, are consolidated in a standardized system. Local accident figures are evaluated at every meeting held by the Health and Safety Committee. Based on this, a Helios clinic then implements measures to reduce absenteeism or to avoid accidents at work. The figures resulting from accident reporting aside, the main aim

of coordination on-site is to monitor the effectiveness of risk assessments and to monitor the effectiveness of local occupational health and safety management systems.

Helios Spain collects data for preventive occupational safety on a monthly basis. The division has defined key figures to document absenteeism and accident rates as well as the status of compliance with important legal requirements at employee level. Each hospital in Spain reports monthly on the development of the key figures.

Fresenius Vamed

Fresenius Vamed documents locally all occupational accidents as well as all events that almost led to an accident. In addition, the human resources department reports all accidents with lost days (i.e. also accidents with less than 3 days) to the accident insurance. When incidents occur, it is essential to assess the existing hazards accordingly in order to prevent a recurrence. Risks must be minimized accordingly, which is why all incidents are subject to a structured evaluation by means of a root cause analysis including the corresponding improvement measures. These are prioritized in terms of technical, organizational and personnel criteria. The effectiveness of the measures is validated on site by the responsible local safety specialist. To ensure a holistically structured approach, a standard operating procedure has been implemented.

DIVERSITY

DIVERSITY AND EQUAL OPPORTUNITIES

OUR APPROACH

At Fresenius we support equal opportunities for all and consciously oppose discrimination of all kinds. No one may be discriminated against on the basis of skin color, ancestry, faith, political views, age, sex, sexual orientation, physical condition, appearance or other personal characteristics. We work in an atmosphere of mutual respect. Our dealings with each other are open, fair and appreciative. We do not tolerate insults, humiliation or harassment. Our managers have a special responsibility in this respect and act as role models. These values are laid down in the Fresenius Code of Conduct, which is binding for all employees. This lays the foundation of our cooperation and corporate culture.

Diversity lived in the business segments

Fresenius promotes international and interdisciplinary cooperation as well as diversity in our business segments and regions. The diversity of our markets and locations is also reflected in the workforce of the four business segments. In our home market in Germany, we have employees of more than 150 nationalities. All business segments attach great importance to equal opportunities for all employees in the workplace as well as in the application, selection and development procedures, and implement diversity concepts adapted to the requirements of the respective business models and regions.

¹ LTIFR: Number of work-related accidents with at least one day's absence from work in relation to hours worked multiplied by 1,000,000.



In 2019, Fresenius Medical Care started a new global initiative as part of its Global Sustainability Program. The company focuses on identifying and implementing effective ways to enhance the benefits from a diverse workforce. In 2020, Fresenius Medical Care's objective was to gain a global overview of the current situation and define the scope of global initiatives for inclusion and diversity. In 2021, the company is planning to further develop its global initiatives and enhance its communication activities. For example, Fresenius Medical Care is planning to initiate a global communication and awareness campaign, as well as dedicated leadership and employee focus sessions on diversity.

Inclusion and diversity in leadership is an important factor for the development of our business. Fresenius Medical Care's management team reflects the company's international footprint in various markets. Of the more than 1,150 senior leaders of the Company who take part in our Long Term Incentive Plan (LTIP), 85% are non-German.

Fresenius Kabi emphasizes equal opportunities for all employees in daily work as well as in recruiting, application and development processes. Numerous projects are placed in an intercultural environment. In many areas of the company, transnational teams are working on solutions to the manifold challenges in the health care sector. As the basis for the shared understanding of collaboration, Fresenius Kabi has defined company values that have been introduced worldwide. The company values of Fresenius Kabi – customer focus, quality, integrity, collaboration, creativity and passion and commitment – form the basis for day to day actions of all Fresenius Kabi employees.

At Fresenius Helios, the aspiration to be non-discriminatory and provide equal opportunities extends not only to employees but also to patients. Fresenius Spain's management, for instance, is committed to using gender equality tools – for example, through integrative language and training, or in procedures such as personnel selection processes and internal promotions, as well as in cases of sexual harassment or gender discrimination. Helios Spain, meanwhile, is currently in the process of negotiating equality plans for all companies in the hospital group. This kind of equality plan respects the European directives and the national rules in Spain on equal opportunities and wage transparency between men and women, and also guarantees non-discrimination in the workplace.

Fresenius Vamed focuses, among other things, on addressing diversity in effective promotion of young talent and management of succession planning. In the area of training and development in particular, the diversity of employees is taken into account and, for example, online training is offered in various languages.

Dealing with incidents of discrimination

Information about violations of the principles of the Fresenius Code of Conduct and other possible misconduct can be reported via various reporting systems – anonymously if necessary, as described on pages 159f. in this report. All information is carefully examined and appropriate action taken according to the results of the investigation. Depending on the type and severity of misconduct, sanctions, such as actions under employment, civil or criminal law, can be imposed. After finishing the investigation, measures that prevent future misconduct, or at least make it more difficult for it to take place, are implemented.

In 2020, Fresenius Medical Care developed a global policy on respectful work behavior. This policy specifies company standards in the areas of non-discrimination, non-harassment, and non-bullying. The business segment plans to roll out this policy worldwide in 2021 together with a global policy on the prohibition of child labor and modern slavery, including forced labor and human trafficking.

Fresenius Kabi has guidelines and reporting systems for reports of potential violations of the principles defined in the Fresenius Kabi Code of Conduct. At Helios Germany, incidents involving discrimination are processed via the clinic management in cooperation with the human resources managers and, depending on the severity of the incident, escalated to regional or central level. As a rule, in the event of incidents of discrimination, a crisis management team is deployed to advise on the specific procedure to be used on a case-by-case basis. The company's head of Corporate Social Responsibility (CSR) is part of this team. At Helios Spain, incidents involving discrimination can be reported via the Human Resources Department, the intranet and the employee portal. At Fresenius Vamed, suspected cases are raised, assessed and reported via the Compliance Organization.



Organization and responsibilities

In order to integrate equal opportunities in all processes and workflows, the business segments have put structures in place that are tailored to their requirements. In 2020, Fresenius Kabi created a Center of Expertise Leadership & Talent, Talent Acquisition & Employer Branding, Organizational Development, Diversity & Inclusion, which reports directly to the head of the Global Human Resources Department. The Center of Expertise aims to anchor diversity and inclusion in the organization and to support the regional and divisional human resources functions in their activities with a global framework.

At Helios Germany, the Director of Human Resources has overall responsibility for diversity, with the Central Human Resources Service and the company's Head of Corporate Social Responsibility (CSR) responsible for the design and implementation of measures. In the hospitals, the clinic management is responsible for implementing the diversity concepts. In Spain, the business segment is working on creating the position of equal opportunities officer who will also act as a consultant for the management of each location. At Fresenius Vamed, a gender representative oversees gender issues.

Policies and regulations

Our aspirations with regard to diversity are laid down in the Fresenius Code of Conduct. This code makes our stance clear, i.e., to support equal opportunities for all and to oppose discrimination of all kinds. It forms the framework for all the rules and codes of conduct applicable in the business segments of the Fresenius Group. Our commitment to inclusion and diversity is also integrated in our Code of Ethics and Business Conduct. Fresenius Kabi has formulated and implemented company values for all employees. These values contribute to a common understanding of the corporate culture. The company values of Fresenius Kabi underline the importance of respectful collaboration between all employees and are part of its Code of Conduct. Fresenius Vamed and Helios Spain also commit to a diverse corporate culture in their codes of conduct.

PROGRESS AND MEASURES 2020

Initiatives to promote diversity and equal opportunities

Fresenius Helios

To support its foreign employees, in particular foreign nurses as described on page 136 in this report, Helios Germany began to train staff as integration managers in 2020. These future integration managers will support nurses who come to us from abroad when they arrive in Germany, helping them to deal with authorities and providing support in other situations. The aim of doing this is to help with social and

cultural integration, as well as aiding professional and linguistic integration. This is supported and complemented by local initiatives at each hospital location. A wide range of measures are being implemented in all hospitals in Germany to promote diversity and equal opportunities. These include (selection of examples):

- ▶ Intercultural after-work meetings
- ▶ Prayer rooms for different religions
- ▶ Changing rooms for transgender employees
- ▶ In-hospital interpreter pools for foreign patients
- ▶ Regional campaign days in the form of an ongoing series of events for active intercultural exchange among employees (Erfurt)
- ▶ A queer community with drop-in centers and regular meetings

In addition, Helios Germany's Corporate Inclusivity Agreement envisages the introduction of online training for executives on inclusivity from 2021 onward.

Fresenius Vamed

Fresenius Vamed has developed concepts for the integration of foreign nursing staff. The Leadership Program, newly introduced in 2020, provides participants with an understanding of other cultures as part of the learning module Intercultural Competence Management and promotes intercultural action skills as well as mutual adaptability.



COMPLIANCE AND INTEGRITY

COMPLIANCE

For Fresenius, compliance means more than acting in accordance with the law. As we see it, Compliance rather means doing the right thing. We aim to comply not only with all kinds of regulations, but also with ethical principles. With our compliance activities, we want to ensure that everyone can rely on us as a trustworthy partner of integrity.

We have set-up risk-based compliance management systems, which are aligned with the business of each of our business segments. It is our key ambition to prevent corruption and bribery in our business environment. Beyond that, prohibiting violations of antitrust law, data protection regulations, trade restrictions, anti-money-laundering laws as well as the prevention of potential human rights violations are key areas, which we address with dedicated compliance measures.

OUR APPROACH

At Fresenius, we strongly believe that compliance protects what is most important to us: the well-being of the patients we care for. Compliance is firmly anchored in our corporate culture and guides us in our everyday work. Integrity, responsibility and reliability form the core of our understanding of compliance. Thereby, we design all our measures in such a way that they best prevent compliance violations.

As stated in our Fresenius Code of Conduct, we are fully committed not only to adhere to statutory regulations, internal guidelines, voluntary commitments, but also to act in accordance with ethical standards. Violations will not be tolerated. If a violation is detected, we perform an investigation, initiate the measures necessary to remediate the misconduct and impose sanctions if applicable. In addition, incidents prompt us to anchor ethical and compliant behavior even more firmly in our corporate culture as well as further sharpen our compliance programs and prevention mechanisms.

In all four business segments and at Fresenius SE & Co. KGaA, we have set up dedicated risk-oriented compliance management systems. These are based on three pillars: Prevention, detection and response. Our compliance measures are primarily aimed at using preventive measures to avoid compliance violations. Key preventive measures include comprehensive risk identification and risk assessment, appropriate and effective policies and processes, regular training, and ongoing consultation. We also carry out internal controls to identify possible compliance violations and ensure that we act in accordance with the rules.

The design of our compliance management systems is based on international regulations and guidelines, such as the ISO-norms on the set-up of compliance management systems and applicable audit standards of the IDW (PS 980). When implementing measures, we take into account the respective national or international legal frameworks.

Organization and responsibilities

Involvement of the Management Board

Responsibility for Compliance within the Fresenius Group lies with the Management Board and has been assigned to the board member responsible for Legal Affairs, Compliance, and Human Resources of Fresenius Management SE. The Management Board member assumes the function of Chief Compliance Officer of Fresenius SE & Co. KGaA.

In our four business segments, Chief Compliance Officers or Compliance Committees are responsible to develop and monitor the Compliance management system in their business segment. They report to the respective management of the business segment.

The organizational structure

The business segments have established compliance organizations, which are based on the business organization. This includes respective Corporate Compliance departments, which develop global compliance initiatives for their business segment and support their respective compliance officers. More than 400 employees throughout the Group are responsible for compliance tasks and support Fresenius managers and employees in all compliance-related matters.



Corporate Compliance Department of Fresenius SE & Co. KGaA

The Corporate Compliance Department of Fresenius SE & Co. KGaA sets minimum standards for the Compliance management systems, especially for those Compliance risks that are relevant to all business segments. The department supports the work of the compliance officers of the four business segments with standardized management tools, processes and methods, and develops overarching compliance initiatives with them.

Compliance Steering Committee

The Compliance Steering Committee (CSC) is the central advisory body of Fresenius SE & Co. KGaA for Corporate Compliance matters. The CSC is composed of the Chief Compliance Officer, the Chief Financial Officer, and the heads of the Legal, Internal Audit and Corporate Compliance departments. If necessary, representatives of other governance departments attend the meetings of the CSC. The Compliance Steering Committee discusses the further development of the Corporate compliance management system as well as important compliance initiatives and relevant Compliance risk areas. The members of the committee also discuss severe Compliance cases and their remediation. All four business segments report annually to the CSC on the progress of their compliance management systems. The meetings of the CSC take place every six to eight weeks. In 2020, seven meetings took place – due to the COVID-19 pandemic, most of them virtual.

Best practice exchanges and compliance expert panels

To ensure ethical conduct, we continually review our business practices and exchange on best practices with our compliance colleagues worldwide. While in 2020 travel restrictions did not permit an in-person meeting, the regular exchange in cross-divisional expert panels continued. Areas of collaboration included antitrust and foreign trade law as well as cross-border investigations.

Reporting structures

The Chief Compliance Officer of Fresenius SE & Co. KGaA is informed on initiatives driven by the Corporate Compliance department on a weekly basis. Compliance case reports of medium severity for the segment Corporate are reported to the Chief Compliance Officer immediately. The Management Board of Fresenius Management SE receives reports on the status of the corporate compliance management system and selected initiatives regularly, at least twice a year. The Corporate Compliance Department also prepares an annual compliance report in text form. This report provides a comprehensive overview of all Corporate Compliance initiatives. The Supervisory Boards of both Fresenius SE & Co. KGaA and Fresenius Management SE are regularly informed about progress of Compliance measures, at least once a year, most recently in December 2020. The business segments have established individual reporting lines to their respective management. The management teams of the business segments receive regular reports on compliance by their Compliance Officers.

Despite the differences in business and risk profile in each business segment, we strive to evaluate the design of the compliance management systems using a uniform approach. In 2020, the Corporate Compliance department of Fresenius SE & Co. KGaA reviewed the maturity of the compliance measures of the business segments and Fresenius SE & Co. KGaA for all compliance risk areas by using a uniform methodology (Compliance Management System Reporting). The results were presented to the Compliance Steering Committee as well as the Management Board and Supervisory Board. This assessment is expected to be continued on a regular basis.

Guidelines and regulations

The [Fresenius Code of Conduct](#) forms the framework for all rules applicable at Fresenius Group. The Code of Conduct lays out the principles of conduct for all employees, including managers at all levels and members of the Management Board. The Code is aligned with international regulations (see Our Approach) and was adopted by the Management Board of Fresenius Management SE. In addition, the four business segments have implemented their own Codes of Conduct. These reflect the Fresenius Code of Conduct principles and cover the individual characteristics of each business segment. The Codes of Conduct are available to all employees at all management levels and are also available on the internet. Guidelines, organizational directives and process descriptions supplement and further define the rules of the Code of Conduct.

Our Principles:

1. We intend to compete fairly and stipulate clearly that we do not engage in any practices that restrict competition. We do not exploit our position in the market to disadvantage others through unfair business practices. In addition to the Fresenius Code of Conduct, we have set out our commitment to compliance with worldwide antitrust regulations in a guideline for all business segments. These guidelines describe principles of antitrust compliance and important elements of the antitrust compliance program, such as training, dedicated checks, and monitoring concepts. Since 2019, all of the four business segments have implemented their own measures for the continuous implementation of the directive. They take into account the specifics of their business models, the respective risk profiles, and local legal requirements.
2. We must not jeopardize the trust of our patients, business partners, or the public through unfair behavior. We do not tolerate any transactions initiated or carried out by unfair means and expressly oppose corruption and bribery. Our Fresenius Code of Conduct is very clear: "We do not offer undue advantages to business partners or third parties. Undue means: with the intention of influencing the recipient's actions or decisions. We avoid even the appearance of inappropriate behavior. We also do not grant any undue advantages over third parties". With this clear policy, we prohibit both advantages with the intention of obtaining an unreasonable advantage and advantages for e.g. routine process acceleration, so-called facilitation payments. Our Code of Conduct strictly for-

bids any form of manipulation through unfair behavior. Appropriate remuneration, transparent contracts and clear rules on granting gifts, donations, invitations and other benefits help us to act with integrity. We exclude political donations – with the exception of the U.S. market. We take special care to cooperate with health care professionals and organizations as well as patient organizations and public customers in a transparent way. For this reason, we set high standards worldwide in our dealings with these partners, which we have laid out in a number of guidelines in our business segments. We comply with anti-money laundering laws and trade restrictions at all times. Those business segments affected by these laws and regulations – such as Fresenius Medical Care and Fresenius Kabi – have implemented dedicated money laundering prevention policies.

3. We represent our interests in a transparent manner. Private interests must not influence professional decisions. In our Code of Conduct, we have clearly defined how we deal with secondary employment, financial investments, political involvement, and family or personal relationships in order to avoid conflicts of interest. Each business segment also has supplementary guidelines and measures in place to identify and resolve conflicts of interest. At Fresenius Kabi, e.g., there is a specific conflict of interest guideline for purchasing, while Helios Germany regulates this in their corporate transparency policy.

Risk assessment

By using standardized methods, we regularly record, analyze and evaluate compliance risks in each business segment and at Fresenius SE & Co. KGaA. These risk assessments cover more than 20 risk groups depending on the business segment. Once a year, the Compliance responsible exchange information on key findings from the respective risk assessments. In addition to core Compliance risks such as bribery and corruption, antitrust violations, money laundering, data protection violations, trade restrictions and human rights violations, the risk assessment also includes other significant business risks such as information security, environmental and occupational safety, quality assurance, and the protection of intellectual property, which can be in the responsibility of other functions.

Dealing with third parties

Our Code of Conduct and the related guidelines for Fresenius Group employees also regulate our relations to business partners and suppliers. We expect them to comply with applicable laws and standards as well as ethical standards of conduct in daily business and have specified this in our [Fresenius Code of Conduct for Business Partners](#). Among other topics, the Code explicitly prohibits corruption and bribery and obliges our partners to comply with relevant national and international anti-corruption laws. We inform our business partners about these requirements before entering a business relationship. The business segments [Fresenius Medical Care](#) and [Fresenius Kabi](#) specify their requirements for suppliers in additional Codes of Conduct.



Our goals

With our compliance activities, we pursue our self-set goal of integrating our comprehensive understanding of compliance into our daily business and making compliance a matter of course. The aim is to prevent violations, continuously improve our compliance management systems, and to establish a “living compliance culture” throughout Fresenius. Exchange on best practices from our business segments plays a key role here. Each year, all business segments develop operational goals and measures to further strengthen their compliance management systems. These are coordinated by the compliance responsables and presented to the Compliance Steering Committee.

PROGRESS AND MEASURES IN 2020

Risk assessment

In 2020, the business segments began to supplement their risk assessments with an assessment on single entity level. Fresenius Kabi has already introduced this bottom-up risk assessment in 2019. In this reporting year, Helios Spain integrated the content on compliance into the existing medical quality and risk management tool, thus implementing bottom-up risk assessment in the clinics. Implementation is to be continued in the other divisions in the coming year. With the introduction of a harmonized IT tool, we merged existing risk processes in 2020. In this way, we ensure improved Group-wide compliance risk reporting.

Training

Compliance training have a high priority for Fresenius. All employees are offered training on compliance issues. The training courses cover basic topics such as our Code of Conduct and corporate guidelines, but also specific aspects such as anti-corruption, antitrust law, money laundering, data protection, and information security. In 2020, Vamed focused on the prevention of money laundering and terrorist financing as well as antitrust, competition and public procurement law, while Fresenius Helios and Fresenius Kabi focused on the prevention of corruption. Fresenius Medical Care also conducted a general e-learning class on anti-bribery and anti-corruption as well as over 20 specialized training courses for specific target groups in 2020.

In order to convey the contents in a targeted manner, we rely on individual concepts tailored to the respective department and the respective target group of the employees. We also use various formats such as in-house training, live webinars, on-demand video training, and traditional online training. Participation in essential basic training, such as on the Code of Conduct, is mandatory.

Employees are prompted and reminded to participate in mandatory training courses. Depending on business segment and format, this is done in different ways: in some cases as a technical obligation with automatic registration, in others as manual registration by compliance departments, Human Resources, or managers. In addition, there is the possibility to link parts of the variable remuneration to participation in compliance training. To promote a risk-conscious and value-oriented corporate culture, we train managers using a dialog-based approach.

Review of business partners and investments

In all business segments and at Fresenius SE & Co. KGaA, risk-based due diligence reviews of business partners are carried out before entering a business relationship. Selection of business partners for due diligence is based on defined risk-based criteria in each business segment. A risk profile of the partner is created. On this basis, we initiate targeted measures. Thereby, contractual clauses are based on the risk profile of the partner. We also reserve the right to terminate



the contract in case of misconduct. If we suspect misconduct on the part of a business partner, we take additional measures. Depending on the severity of the misconduct, these may include audits or certifications.

We also consider compliance risks in specific due diligence measures when deciding on possible acquisitions and investments. If necessary, we initiate safeguarding measures and include, e.g., compliance declarations and guarantees in the contracts. Following an acquisition, we integrate the new company into our compliance management systems as quickly as possible.

Trade restrictions

We also supply products to countries that are subject to trade restrictions. It is particularly important to us to comply with all currently applicable legal provisions, e.g., with regard to sanctions or export controls. To this end, we have introduced various measures in the business segments concerned, such as monitoring processes and special IT system checks for deliveries that are subject to import or export restrictions. The measures depend on the specific risk in the country concerned. We aim to ensure that we can comply with all applicable sanctions and requirements for export controls, even in the event of short-term changes in legislation.

Money laundering

Based on the risk profiles of our business segments, we have established measures to address money laundering risks in the Fresenius Group as part of the implementation of the requirements of the Money Laundering Act for traders in goods. These measures include anti-money laundering guide-

lines, specific topic-related risk analyses, internal controls such as the prohibition of certain cash payments, as well as auditing processes for relevant transactions. We have anchored the implemented controls in our guidelines and conduct training on them.

Financial transactions

We have implemented dedicated controls, such as the four eye principle, for cash transactions and banking transactions. We also monitor cash transactions that exceed a certain threshold. In this way, we ensure that all financial transactions are correctly accounted for, authorized and processed. Thanks to automated processes, we can identify compliance risks at an early stage. Evaluations of compliance with threshold values as well as other verification processes for supplier master data in affected business segments also provide valuable guidance.

Dealing with conflicts of interest

At Fresenius SE & Co. KGaA, we support our employees in dealing responsibly with conflicts of interest. We answer their “Frequently Asked Questions” (FAQs) on the intranet. Our Corporate Compliance Department is also available as a contact partner for all questions.

At Helios Germany, e.g., product decisions and price negotiations are strictly separated. Procurement decisions for products and services are made by the responsible medical specialist groups or departments. The purchasing department then negotiates the exact conditions with suppliers and service providers. In this way decisions about products and prices are strictly separated. In addition, all managers at Helios Germany must disclose investments and appointments

via transparency declarations. In 2020, around 90% percent of the more than 1,000 medical specialist group members of Helios Germany have done so (see also [Helios Germany Sustainability Report](#)).

Transparency in health care

Through our membership in various associations, we are actively committed to continuously improving transparency in the health care sector. For example, business segments are involved in Medicines for Europe and MedTech Europe. We are committed to respecting the codes and principles associated with these activities. In addition, we disclose all donations to health care professionals in our business segments, in accordance with the publication requirements applicable to us.

New measures, projects and processes

This year, we have continued to work on expanding our compliance management systems and strengthening existing measures.

At Fresenius Vamed, the focus was on the prevention of money laundering and terrorist financing. To this end, in addition to the establishment of dedicated responsibilities, a corresponding guideline was put into effect, which further defines the issues of risk analysis, due diligence and reporting of suspected money laundering.

Like Fresenius Vamed, Fresenius Kabi has focused on the further development of testing processes for business partners. While at Fresenius Vamed this concerned the revision of the Code of Conduct for business partners, Fresenius Kabi worked on the introduction of methodological improvements and the automation of the review processes. In addi-



tion, Fresenius Kabi has proceeded with the preparation of a global anti-corruption guideline which provides a framework for the various guidelines on individual aspects of the fight against corruption and extends these guidelines.

This year, Helios Spain revised and updated the Code of Conduct in order to further strengthen areas of increasing importance, such as the health of its own employees. In addition, the integration of the Latin American clinics into the compliance management system was continued.

The implementation of the new Group-wide regulations on cash and banking transactions was a major project across all business segments. In addition to additional controls for payments, the new regulations mainly relate to controls to prevent money laundering.

In the course of the reporting year, Fresenius Medical Care completed the review of their third-party due diligence concept and rolled out an updated process. As part of this roll-out, some 37,000 third parties were assessed for compliance risks. This process is currently being extended to cover additional measures in relation to selected external partners. Fresenius Medical Care is also building on existing local programs for selected third parties, such as distributors, to develop a globally consistent training approach in 2021.

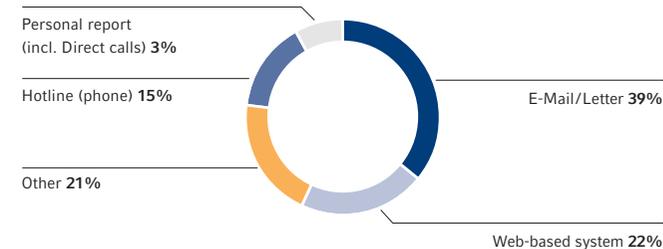
EVALUATION

Audits and inspections

Our compliance measures are monitored by the responsible Internal Audit Department in independent audits. They review the implementation of policies and procedures as well as the effectiveness of the compliance measures in the business segments and group companies. If these audits reveal potential for improvement, the Internal Audit department, in consultation with the responsible managers, determines which remediations measures are to be taken by management. In 2020, Internal Audit departments worldwide conducted numerous compliance-related audits at Fresenius SE & Co. KGaA and in the business segments, which also included audit steps regarding relevant risk areas for Fresenius.

At Helios Germany, adherence to the business segment's transparency regulations is monitored on a spot check basis in regular transparency reviews. With the Compliance Cockpit, Fresenius Kabi has a tool that provides managers of each subsidiary with an annual overview of compliance-relevant key parameters based on external and internal indicators. Fresenius Kabi reviews these key parameters annually and defines monitoring measures for those subsidiaries with an increased risk profile. Fresenius Kabi also conducts regular reviews of compliance initiatives in the form of workshops. Fresenius Kabi's compliance organization organized a total of 14 international workshops in 2020. Some of these were supported by the Corporate Compliance Department of Fresenius SE & Co. KGaA. The workshops not only served as intensive training for local employees, but also enabled Compliance Officers to review and, if necessary, improve their understanding of compliance, the effective-

MESSAGES BY INPUT CHANNEL



ness of local implementation of internal guidelines, and the development and, if necessary, the improvement of central compliance initiatives.

Reporting channels

If Fresenius employees suspect misconduct, e.g., violations of laws, regulations or internal guidelines, they can contact their supervisor or the responsible Compliance Officer and report the possible compliance incident. In addition, they can also report potential compliance incidents anonymously, e.g., by telephone or online via whistleblower systems, or designated e-mail addresses. All business segments have established appropriate mechanisms. The reporting systems of Fresenius SE & Co. KGaA, Fresenius Medical Care and Fresenius Kabi are available via the corporate websites not only to employees but also to third parties, e.g., customers, suppliers, and other partners, in more than 30 national languages.



In 2020, a total of 1,729 Compliance reports were received via the reporting channels of the Fresenius business segments (status: full year 2020)¹. The compliance reports received can be distributed by various input channels as the graph on page 159 shows:

The compliance reports could be allocated to the following reporting categories, e.g.: Business integrity including anti-corruption (110 reports), data protection (368 reports) and human resources/workplace (999 reports).

Dealing with possible compliance violations

We take all potential compliance violations seriously. In an initial assessment, we first focus on the plausibility and possible severity level of the potential violation. We take every indication of possible misconduct as an opportunity to review our corporate processes for improvements. The severity of the compliance violation determines who is responsible for further investigation. If necessary, a dedicated investigation team takes over the investigation, which may include internal professionals or external support. Measures are implemented by the responsible management in close cooperation with the responsible Compliance Officers, in a timely manner. Depending on the type and severity of the misconduct, disciplinary sanctions or remedies under civil or criminal law may be imposed. After completion of the investigation, we implement measures to prevent or impede similar misconduct in the future. Further information pursuant to § 289c (3) No. 6 HGB on the Non-Prosecution Agreement of Fresenius Medical Care can be found on pages 279f. in the Notes to the Consolidated Financial Statements.

DATA PROTECTION

As a globally operating company, we process the personal data of our patients, employees, customers, suppliers, business partners, and all other data subjects. We take responsibility for handling the data entrusted to us with care. This has priority for Fresenius as a trusted partner. We continuously enhance our data protection measures to fulfill our responsibility.

OUR APPROACH

Fresenius is committed to respect the right to informational self-determination and the privacy of all those from whom we receive or process data in the course of our business. This also includes the processing of personal data by third parties on our behalf. This commitment is set out in the Fresenius Code of Conduct.

Data protection is a core task for us at Fresenius. We therefore constantly work on developing our data protection management systems to tackle new challenges. Operational activities in the area of data protection management are the responsibility of the functional departments. The functional departments are supported by basic processes of our Data Protection Management Systems. In addition, selected processes are also supported by the compliance management systems, such as general risk assessments or investigation of possible data protection violations. We continuously work to fulfill the requirements of the EU General Data Protection Regulation (EU-GDPR) and other applicable national and international data protection regulations.

Risk assessment

We regularly assess risks related to data protection and IT security in every business segment, as well as at Fresenius SE & Co. KGaA, using standardized methods in a top-down approach. All business segments and Fresenius SE & Co. KGaA record their data processing activities in central IT applications and subject them to a data protection review, including a risk assessment. For this purpose, we organize business processes in such a way that data protection is integrated into the design of new data processing activities as early as possible. This allows us among others to implement the principles of data protection and include the necessary technical and organizational measures in processing to meet the legal requirements, e.g. from the GDPR and minimize potential risks. Implementation of new or significantly changed IT systems is subject to a standardized review process to examine the implementation of data protection and IT security requirements.

Data subject rights

We at Fresenius respect and protect the rights of all persons whose data we collect or process. This applies to employees, patients, customers, and our business partners as well as to other data subjects. We process personal data for the respective legal purposes in accordance with legal requirements. All business segments and Fresenius SE & Co. KGaA guarantee the rights of data subjects by informing them appropriately about their rights and through established processes and tools to ensure that requests are answered on

¹ Fresenius Medical Care in North America, the hotline system was used for multiple reporting purposes: In addition to the reporting of compliance concerns, reports can also be made on patient care and safety. These patient-related cases were not included in the Group-wide number of compliance reports.

time. We inform our employees on their rights through privacy employee notices. We inform data subjects about processing of their data and limit data processing to the originally agreed purposes. Where necessary, we also request consent for data processing activities. In addition, we have implemented technical and organizational measures to protect data subject rights according to the GDPR requirements. We offer data subjects – both outside and inside the company – an easy way to request information on their data processed or saved by us. To this end, Fresenius SE & Co. KGaA and Fresenius Kabi have developed easily accessible technical solutions that can be used to send data subject requests. These requests are handled and answered centrally. With these solutions, we support data subjects in timely exercising their rights to access, rectification, restriction, objection, portability and deletion of their personal data. We also process deletion requests in accordance with legal requirements.

Patient data

The patient's well-being always comes first at Fresenius. This also applies in particular to how we handle their data. We are aware of our responsibility arising from the special bond of trust we have with them. Therefore, we take measures beyond the fundamental respect of data subject rights, to

ensure the protection of their sensitive data. We design our processes accordingly to provide reasonable protection in the handling of our patients' personal information. We inform all patients of whom we take care at Fresenius and whose data we process about their rights in an adequate manner. We process data of our patients only after obtaining consent or on another legal basis and only to the extent necessary. A privacy impact assessment is conducted for processing activities that involve processing of personal data, in particular patient data. We also protect patient data by restricting and limiting access to the data required for processing according to the principle of minimum access rights.

International data transfer

As a globally operating company, we give high priority to ensuring an appropriate level of data protection in all international data transfers as defined by the GDPR. All business segments and Fresenius SE & Co. KGaA only transfer data to third countries outside the European Union based on a potential adequacy decision of the European Commission, generally recognized certifications, or other legal safeguards. To this end, we conclude additional specific agreements on data processing with data recipients besides the regular commercial contracts. In these, we also contain EU model clauses provided by the European Commission. New developments in the area of international data transfer, such as the European Court of Justice ruling in the Schrems II case on the Privacy Shield, are closely monitored and considered in risk assessments. In addition, Fresenius SE & Co. KGaA

and Fresenius Kabi submitted Binding Corporate Rules (BCR), i.e. mandatory internal guidelines, to the respective data protection authorities for review and approval and are already preparing their internal implementation. BCRs are used by the participating companies to establish a uniform level of data protection based on the standards of the GDPR and contribute to compliant processing of personal data in accordance with international law. In addition, Helios Germany processes personal data – especially patient data – preferably within its internal networks. Also, if data is processed in countries outside the European Union by third parties, the contractor will be examined carefully, and measures are implemented to guarantee compliance with privacy regulations.

Training

We train employees on current requirements and threats in relation to data protection and data security. To this end, we offer them a comprehensive range of e-learning courses, face-to-face training, and additional training measures. General training is supplemented with training measures for specific employee groups. In this way, we ensure that employees responsible for data processing activities are aware of current legal and internal requirements.

We inform new employees about confidentiality and handling sensitive data when they start work and commit them to secrecy. As an example, new hired employees of Helios



Germany are also given mandatory data protection training within a defined time period. Every Helios Germany and Fresenius Medical Care entity is required to provide evidence at least every two years that their employees are trained in data protection. Fresenius Vamed conducts a yearly mandatory training on data protection for employees.

Organization and responsibilities

Organizational structure

Fresenius SE & Co. KGaA and all business segments have established data protection organizations in accordance with their organizational and business structure. These include appointed independent Data Protection Officers who report to the respective company's management. The data protection organizations support the management of the respective companies in complying with and monitoring applicable legal data protection requirements. Fresenius Netcare also maintains its own data protection organization in order to fulfill its particular responsibility as a data processor for the business segments. All data protection organizations have both advisory and monitoring functions with complementary tasks. The data protection officers are responsible to monitor compliance with data protection requirements. They are contact persons for national and international supervisory authorities and are supported by competent data protection advisors and coordinators. These advise all departments in

operational data protection questions – because we understand data protection as a joint effort of all employees of the Fresenius Group. Depending on the business segment, data protection advisors are organized centrally, regionally, and locally. Helios Spain for example has established Data Protection Committees at clinic level. All data protection responsibilities groupwide support managers in fulfilling data protection regulations. In total, more than 300 employees at Fresenius are entrusted with data protection tasks.

Data protection responsibilities from all business segments and Fresenius SE & Co. KGaA exchange regularly on best practices and initiatives, for example in the context of Group Coordination Meetings and conferences, Jour Fixes and other formats, to establish comparable and effective data protection measures. In 2020, all exchanges have been organized virtually.

Involvement of the Management Board and reporting

The overall responsibility for data protection on the Fresenius Corporate level lies within the responsible Management Board member for Legal, Compliance and Human Resources of Fresenius Management SE. The Data Protection Officer of Fresenius SE & Co. KGaA has a direct reporting line to this Management Board member.

In addition, data protection is a regular topic in the Compliance Steering Committee, which the responsible Management Board member for Legal, Compliance and Human Resources is part of. The responsible Data Protection Officers of the four business segments regularly report to the respective management.

Guidelines and regulations

Data protection is a shared effort of all employees of the Fresenius Group. This is based on the joint commitment of all business segments and Fresenius SE & Co. KGaA to data protection, as specified in their Codes of Conduct. In the Fresenius Code of Conduct we state to acting with care when handling data and the right of the individual on their own information. [We commit ourselves](#) respect the rights and privacy of all persons about whom we collect or receive data.

Furthermore, all business segments and Fresenius SE & Co. KGaA have created policies for data protection and handling personal data. The data protection policies are complemented by other guidelines, standards, and operating procedures. These support our employees in implementing GDPR requirements and other relevant legal regulations within their area of responsibility.

PROGRESS AND MEASURES 2020

To ensure structured and efficient handling of reported potential data breaches, Fresenius Kabi has implemented a guideline as well as a technical solution to receive such reports by employees, which were also part of dedicated training measures. Furthermore, the technical solutions for execution and documentation of risk assessments for processing activities, as well as for recording and processing data subject requests were enhanced.



Fresenius Vamed has its data protection management progress reviewed by an external law firm on a yearly basis. In 2020, the focus of Fresenius Vamed' activities was on updating data processing agreements and registers of processing activities.

Fresenius Medical Care has rolled out a Global Privacy Awareness communication and awareness campaign. In 2020, Fresenius Medical Care continued to roll out their data privacy training as part of an international training program that provides details on their values and the measures they take to protect personal data. In 2020, they offered more than 160 training classes on data privacy to Fresenius Medical Care employees around the world.

Helios Germany has strengthened various aspects of its data protection management system in 2020. This included additional requirements and materials on risk assessments for data processing activities, a revision of the Helios audit concept and adjusted local and central reporting processes for risk assessments for data processing activities. In addition, a new central function for data protection questions in research has been created. Furthermore, processing of personal data in relation to COVID-19 as well as ensuring compliance of hospital information systems with data protection regulations have been key topics of the year.

Helios Spain has continued its roll-out of privacy impact assessments, including additional indicators on technological or information security risks and has created a company-

wide training on data protection, which will be rolled out in 2021. New procedures on the investigation and processing of personal data, remote monitoring of clinical trials and data retention have been set up. In addition, Helios Spain has conducted multiple data protection related audits and achieved information security certifications in various hospitals.

Fresenius SE & Co. KGaA has continuously developed its data protection management system in 2020. Besides further improving the existing process for efficient assessment of potential data breaches, the audit concept was further developed and implemented. In addition, data protection risk assessments for data processing activities have been adjusted and implemented to represent the risk-based approach. Processing of personal data in relation to measures on COVID-19 have also been a priority this year.

EVALUATION

Audits und Monitoring

A number of governance functions regularly perform controls with a different focus in all business segments to ensure compliance with data protection regulations. The Internal Audit Departments conduct independent audits in all business segments and Group entities. Hereby, aspects of data protection and IT security are included in the reviews, with a particular focus on compliance with data protection regulations and the consistent implementation of internal guidelines and processes. For this purpose, an exchange takes

place with the respective data protection officer. All business segments and Fresenius SE & Co. KGaA have defined corresponding auditing concepts for this purpose.

In addition, data protection controls are part of various internal control frameworks in the business segments. We use insights on potential improvements identified in the audits and reviews to continuously enhance our data protection processes. For example, the audit concept at Helios Germany requires that each entity is reviewed regularly – at least once a year – with regard to data protection and IT security in an internal audit.

Reporting system

All employees of the Fresenius Group have the possibility to report potential violations of data protection regulations or internal guidelines via existing whistleblowing systems or dedicated e-mail addresses. We take all reports on potential violations as an opportunity to clarify the case as quickly as possible and to review and adjust our company processes where needed. If necessary, we inform affected persons about possible data protection violations promptly and in accordance with legal requirements. You will find information on the number of received reports on data protection on page 160 of this report.

HUMAN RIGHTS

Human rights are universal. As a global health care company, Fresenius considers human rights part of our responsibility. We are committed to meet the relevant regulatory requirements and social expectations with respect to due diligence for the respect of human rights. In 2019, we started to identify the areas of our business which could have an impact on human rights: The results show that medical care to patients and the well-being of our more than 300,000 employees are among the engagement areas of our human rights due diligence.

We are aware that the responsibility for respecting human rights extends beyond our own company operations and core business. When cooperating with our suppliers and business partners, both in procurement and in sales and distribution, we consider this already in the selection process. We are working to make supply chains more transpar-

ent. With this, we aim to secure supplies and reduce human rights risks in the procurement of vital raw materials, as described on page 168.

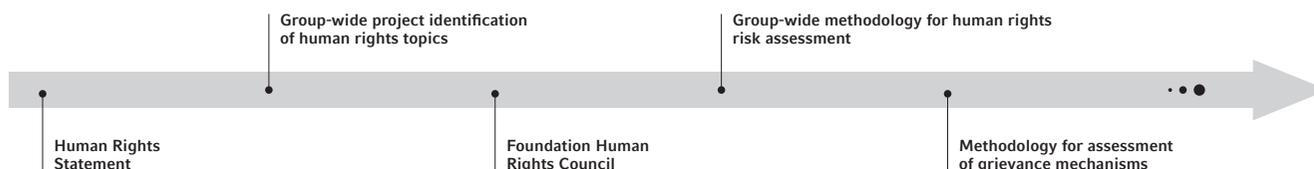
OUR APPROACH

Fresenius is committed to respecting human rights and facilitating their observance. We underline this commitment with a Group-wide Human Rights Statement, which the Management Board adopted in 2018. The statement is based on the international human rights charter of the United Nations (UN) and the fundamental principles of the International Labour Organization (ILO). It covers human rights issues that are of particular importance to our Group. These include among others prohibiting exploitive and illegal child labor or forced labor, preventing discrimination and promoting equal opportunities and creating safe working conditions.

The publication of the statement also marked the starting point for our human rights program: With the program, we want to establish preventive measures to enable Fresenius to avoid human rights risks in its business processes. At the same time, it forms the basis for including human rights risk in our Group-wide risk management. The measures of the human rights program are closely aligned with the [UN guiding principles](#) on business and human rights and build on its five elements: Establishment of fundamentals, risk analysis, measures & integration, reporting, grievance mechanisms (see page 165). An overview of the milestones of the human rights program to date is presented on this page.

In 2019, in a comprehensive project involving all business segments, we identified and defined the human rights issues that are relevant to us. These include for example topics like access to health care, working conditions in the supply chain as well as discrimination and equal opportunities. Our business activities and relationships can have impacts on human rights in these areas. This analysis forms the basis for the identification of potential negative impacts and development of measures. As a next step, a Group-wide human rights risk analysis method has been elaborated and initiated in 2020. Based on this, we will define further specific measures for all business segments, in order to identify possible human rights violations at an early stage and to avoid or mitigate them.

MILESTONES OF THE HUMAN RIGHTS PROGRAM



Organization and responsibilities

Human Rights Council

In 2019, Fresenius has established a Human Rights Council to drive the implementation and development of our human rights program on Group level. It is composed of representatives of the four business segments and Fresenius SE & Co. KGaA. The ca. 20 members of the Human Rights Council are active in various functions within the Group, including Compliance, Legal, Sustainability, Communication, Purchasing, Human Resources and Medicine and thereby reflect the diverse perspective of the topic. The committee meets quarterly and is intended to promote the exchange of information on current human rights issues across business segments, plan Group-wide initiatives and present new concepts and methods. In 2020, the Human Rights Council met four times.

Realization in the business segments

In each of Fresenius' four business segments, various departments are responsible for planning and implementing human rights activities in their own business segment and in the supply chains. Supported by the Compliance Management Systems (CMS), they carry out training within the Group, e.g. on specific human rights aspects. They also show how the workforce can react and report any misconduct. Certain measures on the respect of human rights can also be part of internal audits. The departments of the business segments, such as purchasing, are also responsible for the selection and commissioning of suppliers.

Guidelines and regulations

Fresenius Human Rights Statement

Our [Human Rights Statement](#) is a commitment by Fresenius SE & Co. KGaA and the business segments. Fresenius Medical Care has adopted its own human rights statement. The human rights statements supplement the Codes of Conduct of the business segments and their underlying human rights commitments. The human rights statements can or should be regularly updated as new insights arise or new essential issues need to be added. The topics on which we position ourselves in the Human Rights Statement are set out online on our corporate website www.fresenius.com.

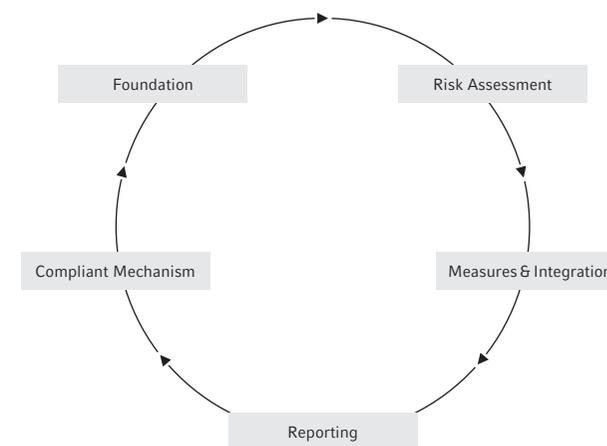
Human rights program

We respect and support human rights as defined in international standards, e.g. the United Nations Charter of Human Rights and the Fundamental Principles of the International Labour Organization (ILO). Our actions are based on the UN Guiding Principles on Business and Human Rights, which were established in Germany through the National Action Plan for Business and Human Rights (NAP) and the CSR reporting obligation. The measures of our human rights program are based on these principles and are continuously under further development, as the graph shows.

Our goals

Our primary goal is to establish appropriate human rights measures for Fresenius, in order to create a solid foundation for the company. Further, we aim to reduce the possible negative human rights impact of our business activities and supply chain, by continually developing these measures.

HUMAN RIGHTS PROGRAM



PROGRESS AND MEASURES IN 2020

Initial risk analysis with identification of topics

In 2019, we launched a Group-wide project on human rights due diligence: We identified those human rights issues and fields of action in all business segments that are particularly relevant to our value chains. In doing so, we considered various factors: In addition to the business models of the business segments, current public debates were taken into account. We also examined current regulatory developments such as National Action Plans (NAPs) on business and human rights.



Risk assessment

On the basis of these identified topics, we developed a methodology for assessing human rights risks (Human Rights Risk Assessment) in the reporting year 2020, together with an external partner and presented it in the Human Rights Council. This methodology takes into account, on the one hand, the severity of the potential human rights risks, e.g., the impact on the people affected and the possibility of restoring the situation. It also takes into account the likelihood of a potential violation of human rights. The Human Rights Risk Assessment will be integrated into Group-wide risk management. The Human Rights Risk Assessment is done by means of moderated workshops in which various relevant business segment departments assess individual risks in joint discussions. At the same time, these workshops foster awareness of human rights issues within the Group. The implementation of the human rights risk assessment has already been started in several business segments. Helios Spain, for example, has implemented the assessment, analyzing their potential risks and opportunities for improvement with respect to human rights with a focus on labor topics in 2020. Implementation in all business segments will be continued in the coming year. In the coming year, topics of the supply and value chain will be the focus of activities.

Human rights training

In 2020, Fresenius Kabi supplemented the e-learning training on the Fresenius Kabi Code of Conduct with a chapter on the topic of human rights. It provides a general introduction to human rights and the responsibility of companies to respect human rights. Employees are familiarized with the content of the human rights statement and the company's positions on illegal child or forced labor, discrimination and equal opportunity, safe working conditions, the right of freedom of association and collective bargaining, protecting personal data, the influence on the environment and responsibility in the supply chain. An e-learning on the Fresenius Kabi Code of Conduct including a human rights chapter is planned to be rolled out at the beginning of 2021.

Fresenius Medical Care for example, held virtual awareness sessions to inform leadership teams about their global Human Rights, Workplace Rights and Labor and Employment Principles in 2020. They are planning to incorporate our requirements and expectations with regard to human rights to a greater extent in the mandatory training for employees on their Code of Ethics and Business Conduct in 2021. Fresenius Medical Care will also include the topic in training programs for procurement personnel on their new Supplier Code of Conduct.

Medical initiatives and projects to improve access to health care

The four business segments set their focus in their contribution to improving access to health care worldwide. Fresenius Medical Care support the development of infrastructure for renal care and cooperates with authorities to offer affordable care to a growing number of patients. With the aid organization Friedensdorf International, Fresenius Helios offers free treatment for children from crisis regions in German Helios clinics. In 2020, Fresenius Kabi, for example, donated essential medicines for the treatment of COVID-19 patients in Brazil. Fresenius Vamed supports development aid on the maintenance of health care for example by providing medical technology services for university hospital Owendo in Libreville/Gabun. In addition, the "Club lifetime", which was founded by Fresenius Vamed in 2005 aims to make an important contribution to the sustainable development for employees and to increase private and occupational health awareness through comprehensive information. The "Club lifetime" recognizes health in a holistic manner and provides sustainable health promotion for employees taking into account social, biological and psychological factors as well as the work environment.



Complaint mechanisms and reporting channels

Employees of all business segments and of Fresenius SE & Co. KGaA can raise their concerns directly with their managers. Employees and external stakeholders may also use dedicated complaint systems to provide information or use designated e-mail addresses to draw attention to possible violations of human rights or other violations. We provide information on these systems on page 159 f. of this report. We strive to continuously improve our processes and, as part of our duty of care, we also analyze how we can further optimize the complaint mechanisms. Based on the requirements of the UN Guiding Principles on Business and Human Rights and the EU Directive on protection against whistleblowers, we developed specific criteria for complaint mechanisms or procedures in 2020. Based on these criteria, an assessment of the reporting system of Fresenius SE & Co. KGaA was conducted this year. The business segments will observe the developments in this area and adapt their processes as needed taking into account the developed criteria.

We are committed to protecting persons reporting complaints in different ways. Therefore, reports can also be made anonymously. Confidential treatment of incoming reports is described in respective guidelines. In addition, at Fresenius SE & Co. KGaA and Fresenius Kabi, ombudsman bodies have been set up. These carry out a preliminary assessment of reports received. We raise awareness for the possibility of reporting potential violations through externally accessible websites. These channels are also accessible to the employees of suppliers.

If we find substantiated concerns or violations of laws and policies, we take appropriate measures. We use the results of internal reviews and reports to review our business processes and implement corrective or improvement measures where necessary.

EVALUATION

If we identify possible defects or shortcomings in products or therapies, we make them transparent and take necessary measures. Many supplier contracts stipulate that our suppliers may be audited; we make use of this right if necessary. Patient safety is the top priority in clinical studies. We comply with ethical, medical and legal requirements and react as soon as there are indications of deviations. Our employees and managers receive training on the respective Code of Conduct. In this way, we ensure that our values and principles of conduct remain anchored in the consciousness of the workforce.

SUPPLY CHAIN

OUR APPROACH

We require our suppliers and business partners to comply with ethical, social, ecological and human rights standards. To this end, they shall introduce processes to ensure compliance with applicable standards. The requirements for our direct suppliers, service providers and other partners are laid down in Codes of Conduct for business partners and suppliers and corresponding contractual clauses. If we suspect that rules of conduct have been or are being violated, we react accordingly. Depending on how serious the misconduct is, we may, for example, introduce additional control measures, such as audits or certifications. In the coming year, topics of the supply and value chain will be the focus of our activities.

Guidelines and regulations

The Codes of Conduct for business partners and suppliers take into account the respective business models of the business segments. The Codes of Conduct are used in purchasing contracts – as annexes or references. Fresenius Medical Care has embedded its expectations in its Global Supplier Code of Conduct. Fresenius SE & Co. KGaA, Fresenius Kabi and Fresenius Vamed have set out their requirements in Codes of Conduct for business partners and suppliers. Fresenius Helios defines its expectations of business partners in the respective contracts. The details of the codes, for example on the regulation of child and forced labor, or on fair working and employment conditions such as working hours and wages, can be found online.

PROGRESS AND MEASURES IN 2020

Supplier evaluation

Transparency in the supply chain is important for identifying and addressing human rights risks.

In 2020, Fresenius Medical Care launched their Global Supplier Code of Conduct, which replaces the previously used Sustainability Principles. The Global Supplier Code of Conduct further specifies their expectations to suppliers. It covers the areas of integrity and ethics, human rights and labor conditions, quality, occupational health and safety, and environmental protection. Fresenius Medical Care is gradually integrating it into their contracts with suppliers and internal guidelines and processes. In 2020, Fresenius Medical Care informed strategic suppliers about the new Global Supplier Code of Conduct and the standards it sets. More than 260 employees in procurement, as well as colleagues from departments such as Legal, Finance and Compliance, participated in internal training courses on the Supplier Code of Conduct. Training will continue in 2021 and beyond.

In the context of their Global Sustainability Program, Fresenius Medical Care launched an initiative to evaluate suppliers based on sustainability risks. This helps to cluster their supplier base according to their sustainability risks, monitor them more closely and take corresponding action. Critical suppliers will be asked to provide information about their sustainability performance, for instance in the form of a self-assessment. Fresenius Medical Care will use this to identify suppliers they want to work with in order to ensure

compliance with their sustainability standards. Fresenius Medical Care has also started to monitor social media releases regarding suppliers to expose potential issues. By the end of 2020, the social media presence of more than 20% of their most important suppliers by relevant spend were screened.

In 2020, Fresenius Medical Care set themselves targets to further promote sustainability in the supply chain. As a next step, they are planning to roll out a global e-learning course on sustainable supplier management with the goal of reaching their procurement staff in all countries by the end of 2022.

Fresenius Kabi has identified strategic suppliers that the business segment monitors closely because of their importance to the business; this is managed by Fresenius Kabi's global strategic purchasing organization. Based on defined processes, Fresenius Kabi classifies strategic suppliers according to their risk and evaluates them regularly. The business segment also conducts supplier audits.

Since 2019, Fresenius Kabi assesses the aspects of occupational health and safety, environment, human rights, business ethics and sustainable procurement of strategic suppliers, which has been continued in 2020. This enables Fresenius Kabi to identify potential CSR risks. Subsequently, suppliers can be requested to implement appropriate measures to reduce their CSR risks. Fresenius Kabi is supported in its supplier evaluation by an external service provider that provides sustainability assessments for global supply chains.

At Fresenius Helios in Germany, strategically important suppliers are regularly evaluated based on standardized criteria and processes. The evaluation for 2020 will be conducted in 2021. The last assessment included evaluation

of 162 suppliers with a total procurement volume of about € 840 million. Evaluation criteria include quality of processes, IT-infrastructure and quality of operational and strategic cooperation. Besides this current focus, consideration of additional, mainly ecological and social aspects will be required in the future. The new supplier code of conduct, which will be implemented in 2021, will form the basis for this. In addition, procurement of Fresenius Helios in Germany will consider the group-wide unified risk assessment methodology on human rights for further evaluation of their suppliers to enable early identification of potential risks.

Fresenius Helios in Spain has developed a procedure for a general supplier assessment. In this procedure, supplier categories have been defined and detailed criteria for assessment and evaluation of the different groups have been developed. Software to perform supplier evaluation has been selected. Implementation of the project is planned over the next two years within Helios Spain.

At Fresenius Vamed all suppliers worldwide undergo a comprehensive business partner due diligence.

With these measures we identify and review those suppliers with a risk or business profile requiring additional diligence under sustainability aspects based on specific criteria in all business segments. We continuously develop these measures further.

ENVIRONMENT

As a health care Group, Fresenius feels a responsibility to protect the environment and use natural resources carefully because only a healthy environment can be a home for healthy people. It is important to avoid possible negative effects on the environment and health. To this end, we identify and evaluate potential hazards and take the necessary measures to protect the environment. In our Group-wide materiality analysis, we identified the following topics for our internal environmental management strategy as particularly relevant to our core business:

- Water management
- Waste and recycling management
- Climate protection – energy and emissions

OUR APPROACH TO ENVIRONMENTAL MANAGEMENT

In its business operations, the Fresenius Group is subject to numerous guidelines and regulatory requirements that must be applied and complied with at all times. We integrate national requirements into our internal guidelines which are defined in ISO-based management systems, among others

The four business segments of the Fresenius Group independently align their environmental management strategy to their respective business models. The foundation of the respective environmental management in our business segments is the ISO 14001 standard. We are continuously expanding the number of sites certified to ISO 14001. In 2020, 4 manufacturing plants were added at Fresenius Kabi. Due to the impact of COVID-19, not all certifications at Helios Spain planned for the 2020 reporting year could be completed. This now scheduled for the first quarter of 2021.

FRESENIUS MEDICAL CARE

Fresenius Medical Care is dedicated to developing, producing, and applying its products and services in a sustainable way. This means that the company pays attention to how its business impacts the environment. Fresenius Medical Care monitors the environmental performance of its operations globally and aim to use resources efficiently. At the same time, the company needs to ensure that the safety and quality of its products and services is not compromised.

Fresenius Medical Care's global Code of Ethics and Business Conduct includes its commitment to work continuously to reduce any adverse effects of its activities on the environment. In accordance with the Code, Fresenius Medical Care is also committed to increasing awareness of environmental issues. The company's standards and procedures for environmental management are defined in various policies and manuals based on regional requirements. One example is the environmental policy for the global Research and Development organization and the manufacturing function in the regions Latin America and Europe Middle East and Africa. In accordance with this policy, complying with environmental laws, enhancing eco-performance, preventing pollution, and recycling waste are core elements of Fresenius Medical Care's efforts to protect the environment.

In the company's vertically integrated organization, responsibility for environmental management is shared between global and regional functions. The Global Manufacturing Quality and Supply function under the leadership of Kent Wanzek, member of the Management Board, is accountable for sustainable plant operations in Fresenius Medical Care's manufacturing business. Responsibility for environmental protection in Fresenius Medical Care's clinics lies with the respective management in the company's four regions.

Fresenius Medical Care identifies and evaluates environmental risks as part of its enterprise risk management. In 2020, the company additionally performed an assessment on water scarcity risks at its manufacturing sites. As part of the Global Sustainability Program, Fresenius Medical Care has set itself the objective to develop and implement a harmonized global environmental strategy, including a new, global environmental policy and impact reduction targets.

Environmental management

Fresenius Medical Care monitors and analyzes environmental data from its clinics and manufacturing sites around the globe. The company uses different systems to monitor energy and water consumption and to help reduce the use of resources. These systems help Fresenius Medical Care to improve the quality and consistency of environmental data. To further increase data quality and boost efficiency in environmental reporting, the company prepared the launch of a new digital eco-reporting tool in 2020. This tool will aggregate regional environmental data on a global level. It also provides the company with a foundation to report further environmental data in the years to come.

Fresenius Medical Care monitors national and international regulations concerning environmental issues on an ongoing basis so that internal policies, guidelines, and standard operating procedures are up-to-date. External certifications complement the company's own environmental standards if they add value. In 2020, a total of 10 production sites were certified according to ISO 14001 standards. In addition, 2 production sites have ISO 50001 certification. Our manufacturing sites, distribution centers, laboratories and clinics are subject to internal and external audits in compliance with applicable laws and regulations.



Reducing the environmental impact

At Fresenius Medical Care's manufacturing sites, the company is involved in local sustainability projects which it reports as part of our global Green & Lean initiative. This is part of the business segment's efforts to continuously improve its environmental performance. The management of each plant is responsible for defining, planning and implementing environmental initiatives. Fresenius Medical Care's Green & Lean reporting enables best practices to be shared across the organization with a view to reducing emissions, promoting the efficient use of natural resources and increasing recycling rates. By the end of 2020, more than 70 initiatives were reported. They demonstrated improved production processes and recycling activities, among others. Consequently, the business segment was able to save water and energy and reduce the amount of waste produced at various manufacturing sites.

FRESENIUS KABI

Fresenius Kabi has implemented mandatory environmental guidelines worldwide, which provide the framework for environmental protection in all Fresenius Kabi's organizations. The guidelines include general principles on how to address and prevent environmental risks as well as how to avoid environmental pollution. Fresenius Kabi also expects careful and responsible handling of nature and its resources from its suppliers; this is set out in the [Suppliers' Code of Conduct](#).

Each Fresenius Kabi manufacturing site must identify environmental protection measures associated with environmental aspects of its activities and services. This can include: emissions to air, water, or soil, consumption of natural resources and raw materials, waste and wastewater, packaging, transport, or other local environmental impacts. Each organization's impact on the environment is evaluated. Necessary environmental protection measures are implemented, and their effectiveness is assessed. In cases of environmental incidents, further activities are defined to avoid negative environmental impacts as far as possible. In addition, using internal audits, Fresenius Kabi identifies further improvement opportunities at its own sites and develops appropriate measures with locally responsible managers to tap that potential.

The business segment also uses an environmental management system in line with the international standard ISO 14001 to improve its environmental performance. A handbook for the management system as well as standard process guidelines provide all certified local units with a framework for their environmental management. The focus of the environmental management system at Fresenius Kabi is primarily on reducing energy and water usage, as well as wastewater, waste, and emissions – depending on the overall production volume.

39 Fresenius Kabi organizations are currently certified according to ISO 14001, 4 additional manufacturing plants have been certified in 2020. The business segment is work-

ing to introduce the environmental management system according to the international standard ISO 14001 at all manufacturing plants worldwide by 2026.¹

Fresenius Kabi has a matrix certification for its global environmental management system, which is audited and certified by TÜV Rheinland annually. Fresenius Kabi continuously monitors certified organizations to ensure that they comply with the standard process guidelines that are binding for them. To this end, globally appointed auditors conduct regular internal audits of the organizations. The local management reviews the environmental management system at least once a year to ensure the continued suitability, appropriateness, and effectiveness of the systems, and to identify potential for improvement. On a global level, the local management reviews of the environmental management system are consolidated, analyzed, and evaluated on an annual basis. Appropriate corrective measures will be initiated if deviations from the requirements of the ISO 14001 management system are identified. The same applies to opportunities for improvement at a global or local level.

Responsibility for environmental management lies with the divisional and local organizations; global management responsibility lies with the central organization, which reports to the responsible member of Fresenius Kabi's management board. The responsible department analyzes and evaluates workflows and processes at the global and local levels, facilitating the exchange of environmental management practices.

¹ The certification roll-out is going to be concluded at all Fresenius Kabi manufacturing plants in 2026. The certification issuance from the individual certification companies may extend into the following year.



FRESENIUS HELIOS

The environment has a direct impact on people's health. As a hospital operator, Fresenius Helios therefore feels a responsibility to protect the climate and the environment. With its environmental management strategy, the business segment works to reduce the environmental impact of hospital operations. It is the aim of Fresenius Helios to control energy consumption, raise employee awareness of the environment, and with these measures, improve the sustainability performance of its hospitals in the long-term.

In Germany, the Infrastructure business unit is responsible for the environmental management strategy of Fresenius Helios hospitals. It supports hospitals in the central purchasing of products or services and in sharing best practice procedures. The business unit reports directly to the Chief Operating Officer (COO) of the parent company Helios Health. Fresenius Helios prepared the introduction of an environmental management system in accordance with ISO 14001 in Germany in 2020. Implementation will start in 2021.

In Spain, environmental management is part of operational management and is assigned to the Quality Management department. In the clinics of Helios Spain, designated environmental officers are responsible for local environmental management. In addition, interdisciplinary working groups define environmental guidelines and support the hospitals in their implementation. This also includes pursuing relevant certifications according to internationally recognized standards: In 2020, Helios Spain started to certify further hospitals in accordance with ISO 14001. In addition, the man-

agement policy, which applies to Helios Spain as a whole, contains the following obligations: to protect and preserve the environment, to promote environmental initiatives, to apply environmental protection, and conservation measures, and to comply with the applicable requirements.

Further information on environmental protection at [Helios Germany](#) and [Helios Spain](#), can be found in their own sustainability reports 2019.

FRESENIUS VAMED

Fresenius Vamed continuously monitors national and international regulations on environmental and climate protection. Internal principles, guidelines and standard operating procedures are updated as necessary. The division also expects its suppliers to treat the environment and natural resources with care and responsibility; this is set out in the Code of Conduct for Business Partners.

OUR AMBITIONS

As part of our Global Sustainability Program, we have set the objective to develop and implement a harmonized global environmental strategy, including a new, global environmental policy and impact reduction goals. In the framework of our Global Sustainability Program, we are planning to define qualitative environmental goals as well as quantitative reduction targets for greenhouse gas emissions.

Fresenius Kabi is working to introduce the environmental management system according to the international standard ISO 14001 and the energy management system according to ISO 50001 at all manufacturing plants worldwide by 2026.¹ Certified organizations set local targets to continuously improve their environmental and energy performance.

Fresenius Helios is evaluating the extent to which the share of renewable energies relative to total energy requirements can be increased at the German clinic sites. The business segment is also exploring opportunities to increase the proportion of energy generated in-house – e.g., by installing photovoltaic systems at its own sites.

At Helios Spain, environmental protection targets are set locally as part of the ISO certifications. The business segment intends to extend the certifications to further Spanish sites. For 2020, Helios Spain also set itself clear targets to reduce electricity and gas consumption in ISO-50001-certified and 14001-certified clinics. In addition, a defined percentage of annual investments is meant for improving environmental and energy performance with sustainable projects.

Over the next two years, Fresenius Vamed plans to evaluate its strategy on the basis of sustainability criteria and to identify performance indicators that will serve the long-term strategic development. This is intended to make successful implementation measurable.

WATER MANAGEMENT

For decades, water consumption has been increasing worldwide and water shortages are occurring in more and more regions.² We too need water both in our production plants and in our health facilities. We therefore handle this scarce and vital resource responsibly. We work with management systems and control systems globally to ensure that water quality meets internal and external regulatory requirements so it can be used safely during production, in processes, and in our health facilities. The health of our patients and

¹ The certification roll-out is going to be concluded at all Fresenius Kabi manufacturing plants in 2026. The certification issuance from the individual certification companies may extend into the following year.

² Source: <https://www.unwater.org/publications/world-water-development-report-2019/>

employees must be protected. At the same time, we are committed to avoiding a negative impact on the environment. The aim of our water management is therefore not only to ensure the highest quality but also to avoid polluting the sources from which we obtain water or into which we discharge our wastewater.

WATER USAGE

In the fiscal year 2020, Fresenius¹ consumed a total of 56.2 million m³ of water (2019: 57.3 million m³). Over the last 3 years, a relative reduction in water consumption was achieved, both in relation to sale as well as to FTE. Around 91% came from the municipal water supply, while about 8% was sourced from groundwater. In the hospital sector in particular, water consumption is sourced from the municipal water supply. This is due to the strict hygiene regulations and high demands on water quality in health care facilities. For example, we can only use rainwater in areas that are not critical for patient safety.

OUR APPROACH

Fresenius continuously reviews national and international regulations on water management. Due to these reviews, internal principles, guidelines, and standard operating procedures are always up-to-date or often go beyond regulatory requirements within the framework of global management handbooks.

Since the requirements in our business segments differ, water management at Fresenius is decentralized. Nevertheless, all segments have implemented local, regional, or global management systems to control and manage water resources

within their operations. In this way, we can best take into account the specifics and conditions of the respective business models and adapt processes accordingly. The environmental protection departments of the business segments monitor and control the environmental impact of their operations. They strategically analyze environmentally relevant vulnerabilities, develop suitable standard procedures, and implement appropriate measures.

Fresenius Medical Care

Large amounts of water are required for hemodialysis treatment and for cleaning and setting up the machines. The water for dialysis must have a high quality to avoid infections for patients. For this reason, most of the water used by Fresenius Medical Care is municipal water.

In 2020, Fresenius Medical Care's reported water consumption decreased by 3% compared to the preceding year. In the United States, the business segment runs a program focused on reducing water during its pre-treatment process. This water reduction program within Fresenius Medical Care's clinics attributed to the decline of water consumption.

In the reporting year, Fresenius Medical Care performed a water scarcity risk assessment of its manufacturing sites with the Aqueduct tool of the World Resources Institute. According to the assessment, 7% of the sites are in areas defined as area locations with an extremely high risk of water scarcity. In a next step, the company is planning to analyze water scarcity risks for the locations of its clinics.

WATER CONSUMPTION FRESENIUS GROUP¹

m ³ in millions	2020	2019	2018	2017
Fresenius Medical Care	41.7	43.2	42.1	n.a.
Fresenius Kabi	9.6	9.6	9.7	9.8
Fresenius Helios	4.1	3.8	3.7	3.2
Fresenius Vamed	0.8	0.7	0.7	0.3
Total	56.2	57.3	56.2	n.a.

FRESENIUS GROUP¹ RELATIVE WATER CONSUMPTION

in m ³	2020	2019	2018
Water consumption/€ 1 million sales	1,549	1,612	1,676
Water consumption/FTE	203.1	218.7	228.2

Fresenius Kabi

Water is mainly used in Fresenius Kabi's products and as process water in its production facilities. Fresenius Kabi's global environmental standard operating procedures and working instructions include instructions for the responsible handling of water, including wastewater. Each of Fresenius Kabi's manufacturing sites is required to evaluate its environmental impact, e.g., water usage and wastewater. Water discharges are managed locally at the sites in accordance with applicable local regulations.

As part of the evaluation of each ISO-14001-certified manufacturing site's environmental impact, processes with a significant effect on water usage and the business segment's influence on these processes are being evaluated. Based on the results, water saving measures are implemented.

¹ Fresenius Medical Care figures include energy and water consumption at production sites, as well as electricity and water consumption at dialysis centers. Greenhouse gases are calculated based on energy data. Fresenius Kabi's data includes all facilities worldwide. The data from Fresenius Helios encompasses as of 2018 all hospitals in Spain. Fresenius Vamed's data includes all fully consolidated health care facilities and service entities, and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. If data of the business segments is not available in time, it is extrapolated on the basis of existing data. An adjustment will be made in the next report. Prior-year information was adjusted to conform to the current year's presentation.

Fresenius Helios

As a hospital operator, the availability and quality of water is extremely important to Fresenius Helios, in all countries and at all sites. The focus of water management at the Helios clinics is therefore on ensuring an uninterrupted supply of water of consistently high quality and to preventing micro-biological contamination. Compliance with the respective applicable regulatory requirements, e.g., the Trinkwasser-verordnung (Drinking Water Ordinance) in Germany, has top priority. In order not to endanger patients, employees, and other people at any time, water management is closely linked to hygiene management.

The use of water as a resource in health care facilities is subject to strict legal requirements. In addition, the hospital's own guidelines and specifications determine the hospital-specific procedures. Further internal requirements regarding drinking water quality apply. These must be implemented in all Fresenius Helios facilities.

For the discharge of wastewater, Fresenius Helios must comply with strict regional and local legal requirements, which are monitored within the respective wastewater treatment plants. Deviations are reported directly to the hospital concerned and forwarded to all responsible departments through established reporting chains. After evaluating the incident, Fresenius Helios checks whether technical improvements or changes to processes and additional training will ensure that the requirements are met in future.

Fresenius Vamed

For Fresenius Vamed, a sufficient supply of fresh water for patient well-being and hygiene is a central element in the planning, construction and operation of health care facilities. The health care facilities built by Fresenius Vamed use construction and sanitation technology that enables optimal water management – adapted to local regulations. Fresenius Vamed has introduced ISO 14001 certification for its lead companies as an integrated management system for sustainable water management in the company.

Fresenius Vamed uses local management systems, process owners, and operating procedures to ensure that the respective local guidelines on water and wastewater are strictly adhered to. The internal principles, guidelines, and standard operating procedures are adapted to the applicable regulatory requirements.

WASTE AND RECYCLING MANAGEMENT

Natural resources are becoming increasingly scarce all over the world. We can only operate sustainably if we use the raw materials available to us efficiently. This also includes the responsible handling of waste - because it contains valuable resources that can be returned to production. Through systematic waste management we reduce our material consumption and minimize the amount of waste produced. In the health sector, strict hygiene requirements apply to the materials used and to the safe disposal of hazardous waste. With clear internal guidelines and comprehensive controls, we ensure that these are complied with.

OUR APPROACH

As a health care Group, Fresenius believes that professional, safe waste disposal goes hand in hand with the requirements of hygiene and sterility in production processes and treatments in hospitals. Our approach extends from the selection of suitable disposal containers to cleaning and sterilization procedures and the occupational safety of our employees in the disposal of hazardous, e.g., infectious, waste.

The handling of waste in the health sector is strictly regulated. Fundamentally, waste must not pose a danger to our patients, our employees, or the environment. Our production processes and our treatments in health care facilities must always be hygienic and sterile. All business segments must always dispose of their waste professionally and safely.



As the business models of our business segments are very different, Fresenius manages waste management on a decentralized basis.

The four business segments each ensure that all Fresenius sites comply with the laws and regulations applicable to waste disposal. The four divisions are responsible for assessing individual risks and, if necessary, establishing internal guidelines for dealing with waste. The business segments provide training to our employees and carry out checks to ensure that the standards contained therein are adhered to.

Fresenius Medical Care

In 2020, Fresenius Medical Care increased its focus on waste. The company analyzed the waste streams of its manufacturing sites and clinics in all of its regions, to cover applicable laws and regulations. Fresenius Medical Care aims to continuously improve its waste management. In the context of the Global Sustainability Program, Fresenius Medical Care is planning to develop a global approach to consolidate waste data and define reduction targets. Waste initiatives in 2020 targeted the recycling and reuse of resources. To improve its environmental impact, Fresenius Medical Care intends to increase the recycle rate and separate materials more effectively. The company launched initiatives at vari-

ous sites to recycle materials such as paper, cardboard boxes, aluminum and metal cans as well as plastic canisters, bags and bottles. By doing so, the company reduced the amount of landfill waste.

Fresenius Kabi

Waste at Fresenius Kabi is mainly generated as by-products of production processes or packaging material of the product containers in hospitals and private or nursing homes. This includes non-hazardous as well as hazardous waste, i.e. solvents, cytostatics, or antibiotics. To a large extent, the internally generated waste is recycled. Non-recyclable hazardous waste is mainly incinerated, and the resulting energy recovered.

The company's global environmental standard operating procedures include global instructions for waste management. The instructions build a global framework for the business segment's waste management and set minimum requirements for Fresenius Kabi's own facilities.

Each of Fresenius Kabi's manufacturing sites is required to separate its waste according to local regulations and to store the waste considering measures to protect the environment, e.g. to avoid contamination. The local Fresenius Kabi organizations are responsible for the disposal of waste in accordance with the applicable local regulations. If necessary, local training courses on waste management are conducted. Regular audits of the commissioned waste disposal companies are conducted by the local organization to ensure compliance with the applicable local regulations.

As part of the evaluation of ISO-14001-certified organizations processes that significantly contribute to the generation of waste as well as the company's influence on these processes are identified. The business segment also considers the conservation of resources and options for recycling or reuse of the generated waste. Based on the evaluation, measures are implemented to reduce waste or increase the recycling rate.

In 2020, the share of recycled waste¹ in the total internally generated waste from manufacturing plants, compounding centers, and logistics sites changed as follows: for non-hazardous waste, the proportion decreased from 76% to 74% compared to the previous year; for hazardous waste, it increased from 79% to 85% in the same period.² The share of recycled waste in total waste includes waste that is sent for recycling, reuse, and recovery, including energy recovery.

¹ As some confirmations, for example of the recovery quantity, are only available after the report has been prepared, these figures are estimated in some cases

² Hazardous / non-hazardous waste in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989.

Fresenius Helios

Fresenius Helios sees waste disposal management as a process. This begins with waste avoidance and continues through to consistent recycling or environmentally friendly disposal. In hospital operations, the business segment must always meet the strict hygiene requirements: medical instruments and aids are cleaned and packed separately so that they can be sterile reused. In addition, various disposable medical products are used. This results in waste, the professional and safe disposal of which must be guaranteed. The Fresenius Helios facilities are subject to strict regulations. Specially trained personnel in the clinics are responsible for ensuring that the respective requirements are met.

When disposing of waste, Fresenius Helios must take into account not only the requirements of environmental protection, occupational safety, and infection control, but also specific hospital hygiene requirements. Appropriate disposal containers and cleaning and sterilization procedures must be used. As employees sometimes dispose of hazardous, e.g., infectious waste, they must be protected by occupational safety measures.

Fresenius Vamed

The waste generated in all of Fresenius Vamed's business processes is disposed of in accordance with regional, national and industry-specific regulations. The local management of the health care facilities is responsible for compliance with the guidelines. Reusable waste is processed in respective recycling processes. Other waste is disposed of by compost-

ing or incineration or is sent to landfill. For clinical and hazardous waste, the individual facilities of Fresenius Vamed cooperate with local disposal companies, who ensure that the waste is disposed of in compliance with the law.

Fresenius Vamed also implements recycling initiatives in its facilities. The business segment works together with patients to ensure correct waste separation, for example. The health care facilities built by Fresenius Vamed use construction and sanitation technology that enables optimal resource management adapted to local regulations. The provision of technical management services is a major business segment of Fresenius Vamed. One focus of our activities is to ensure the longevity of technical systems through maintenance and repair.

EVALUATION

No Group results are available for waste management in fiscal 2020. Although no effects can yet be reported at Group level, we report on the measures initiated in the reporting year and related progress in the business segments.

CLIMATE PROTECTION – ENERGY AND EMISSIONS

Climate change and its effects are also impacting Fresenius: for example, in health care facilities we have to prepare for rising temperatures or the increase in severe weather events in order to protect the health of patients at all times. Our production processes and the operation of health care facilities require a high level of energy input. Energy-efficiency measures can lead to short and long-term cost savings; in addition, through the increased usage of renewable energies, they also make an important contribution to climate protection.

ENERGY CONSUMPTION AND EMISSIONS

Fresenius continuously invests in new buildings and modernizations that meet the latest energy standards and legal requirements. Fresenius¹ consumed a total of about 5.5 million MWh of energy in 2020; the main energy sources were natural gas (45% of total consumption), electricity (44% of total energy consumption), and district heating (3% of total energy consumption). When purchasing energy, we consider efficiency requirements and changes in demand. We are exploring the possible use of renewable energies and already generate our own electricity at numerous sites. In 2020, the share of renewable energy consumption was 2%. Among the main energy sources, electricity demand is our most material driver of CO₂ emissions. Accordingly, Scope 2 emissions are higher than Scope 1 emissions in all business segments. In 2020, Fresenius generated a total of 1,521 thousand metric tons of CO₂ equivalents (2019: 1.510 thousand tons of CO₂ equivalents).

¹ Fresenius Medical Care figures include energy and water consumption at production sites, as well as electricity and water consumption at dialysis centers. Greenhouse gases are calculated based on energy data. Fresenius Kabi's data includes all facilities worldwide. The data from Fresenius Helios encompasses as of 2018 all hospitals in Spain. Fresenius Vamed's data includes all fully consolidated health care facilities and service entities, and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. If data of the business segments is not available in time, it is extrapolated on the basis of existing data. An adjustment will be made in the next report. Prior-year information was adjusted to conform to the current year's presentation.

OUR APPROACH

In energy management and climate protection, our aim is to go beyond the legal framework to identify ways of minimizing the impact on the environment and to implement these in our management approaches. In 2020, the divisions focused primarily on the topics of efficiency enhancement, energy saving, and thus the reduction of CO₂ emissions.

Disruption-free energy supply is a top priority for Fresenius in order to ensure patient safety and smooth production. We always examine possible energy-saving measures with the greatest care.

The energy management system is geared to the requirements of the respective business segments and is certified according to ISO 50001. In 2020, Fresenius Helios, as the largest private hospital operator in Germany, obtained the certificate for the energy management system in accordance with the ISO 50001 standard for all its companies, facilities, clinics, and medical care centers. At the same time, the certification was also carried out and achieved for the rehabilitation clinics of VAMED Gesundheit Holding Deutschland GmbH and their associated facilities.

Fresenius Medical Care

Fresenius Medical Care monitors the energy consumption in its manufacturing sites as well as the electricity consumption in its dialysis centers. The company introduced measures to reduce energy consumption in several of its production sites in 2020, including the installation of improved energy meters to identify potential energy savings. In addition, Fresenius Medical Care optimized engines and chillers to improve its production capabilities and adapt them better to environmental conditions. Fresenius Medical Care will continue to replace fluorescent lighting with LED lighting in selected warehouses and production areas to save energy.

FRESENIUS GROUP¹ GREENHOUSE GAS EMISSIONS (GHG) SCOPE 1 AND 2

t CO ₂ equivalents in thou.	2020	2019	2018	2017
Fresenius Medical Care	769	774	776	n.a.
Scope 1	242	227	219	n.a.
Scope 2	527	547	557	n.a.
Fresenius Kabi	424	414	424	422
Scope 1	159	165	169	174
Scope 2	265	250	255	248
Fresenius Helios	287	285	296	255
Scope 1	112	107	114	103
Scope 2	175	178	182	152
Fresenius Vamed	41	36	38	9
Scope 1	24	18	19	3
Scope 2	17	18	19	6
Total	1,521	1,510	1,534	n.a.
Scope 1	537	517	521	n.a.
Scope 2	984	993	1,013	n.a.

GHG emissions in t CO₂e

FRESENIUS GROUP¹ ENERGY CONSUMPTION

MWh in millions	2020	2019	2018	2017
Fresenius Medical Care	2.49	2.43	2.38	n.a.
Fresenius Kabi	1.67	1.64	1.65	1.57
Fresenius Helios	1.16	1.09	1.14	0.95
Fresenius Vamed	0.19	0.16	0.17	0.05
Total	5.51	5.32	5.34	n.a.

FRESENIUS GROUP¹ RELATIVE ENERGY CONSUMPTION

in MWh	2020	2019	2018
Energy consumption/€ 1 million sales	152	150	159
Energy consumption/FTE	19.9	20.3	21.7

FRESENIUS GROUP¹ RELATIVE GHG EMISSIONS SCOPE 1 AND 2

t CO ₂ equivalents in thou.	2020	2019	2018
t CO ₂ equivalents/€ 1 million sales	42	43	46
t CO ₂ equivalents/FTE	5.5	5.8	6.2

¹ Fresenius Medical Care figures include energy and water consumption at production sites, as well as electricity and water consumption at dialysis centers. Greenhouse gases are calculated based on energy data. Fresenius Kabi's data includes all facilities worldwide. The data from Fresenius Helios encompasses as of 2018 all hospitals in Spain. Fresenius Vamed's data includes all fully consolidated health care facilities and service entities, and, as of 2018, the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed. If data of the business segments is not available in time, it is extrapolated on the basis of existing data. An adjustment will be made in the next report. Prior-year information was adjusted to conform to the current year's presentation.

As part of its Global Sustainability Program, Fresenius Medical Care assessed its renewable energy impact. To calculate this, the company used the country-specific average share of renewables needed to produce electricity. According to this calculation, renewables accounted for 21% of total electricity consumption in 2020.

Fresenius Kabi

Fresenius Kabi sources energy from external sources, which includes the purchase of renewable energy. The business segment also generates electricity in its own facilities and uses, for example, combined heat and power systems.

Fresenius Kabi's global environmental standard operating procedures include global instructions for responsible handling of energy in its own facilities. Each manufacturing site is required to evaluate the environmental impact, e.g., from emissions and consumption of natural resources.

In addition, the business segment uses an energy management system in line with the international standard ISO 50001 to improve its energy performance. A handbook for the management system as well as standard process guidelines provide all certified local units with a framework for their energy management. The focus of the management system at Fresenius Kabi is primarily on reducing energy usage and emissions – depending on the overall production volume.

Currently, 18 organizations are certified according to ISO 50001, 4 additional manufacturing plants have been included in the certification in 2020. Fresenius Kabi is working to introduce the energy management system according to the international standard ISO 50001 at all manufacturing plants worldwide by 2026¹. Certified organizations set local targets to continuously improve their energy performance.

Fresenius Kabi has a matrix certification for its global energy management system, which is audited and certified by TÜV Rheinland annually. Fresenius Kabi continuously monitors certified organizations to ensure that they comply with the standard process guidelines that are binding for them. To this end, globally appointed auditors conduct regular internal audits of the organizations. The local management reviews the respective energy management system at least once a year to ensure the continued suitability, appropriateness, and effectiveness of the system, and to identify potential for improvement. On a global level, the local management reviews of the energy management system are consolidated, analyzed, and evaluated on an annual basis. Appropriate corrective measures will be initiated if deviations from the requirements of the ISO 50001 management system are identified. The same applies to opportunities for improvement at a global or local level.

Responsibility for energy management lies with the divisional and local organizations; global management responsibility lies with the central organization, which reports to the responsible member of Fresenius Kabi's management board. The responsible department analyzes and evaluates workflows and processes at the global and local levels, facilitating the exchange of energy management practices.

Fresenius Helios

The rising temperatures resulting from climate change are also affecting Fresenius Helios' business operations, especially in Spain. In recent years, refrigeration technology, which serves to cool technical equipment and hospital rooms, has become more important for hospital operations than heat generation. In addition, more frequent severe weather events such as heavy rainfall or flooding may pose a potential threat to the health care services of hospitals.

Further impacts of climate change on human health are likely: changes such as vector-borne infectious diseases (e.g., by mosquitoes, which are spreading into new areas as a result of climate change) can, for example, influence the range of treatments offered by the facilities.

Implementation of the energy management system in accordance with ISO 50001 was completed at all Fresenius Helios sites in Germany at the end of 2020.

In Germany, the Infrastructure business unit has established a central energy procurement and management system that records the energy consumption of each site. Helios Germany uses this system to compare consumption figures and to initiate improvement measures. Helios Germany's own energy supplier, HKG Energiedienstleistungen GmbH, is responsible for energy procurement. The clinics of Helios Germany were audited until the end of 2019 according to

¹ The certification roll-out is going to be concluded at all Fresenius Kabi manufacturing plants in 2026. The certification issuance from the individual certification companies may extend into the following year.



the EDL-G in compliance with DIN EN 16247. With the introduction of the energy management system according to EN ISO 50001 in 2020, the EDL-G will continue to be operated seamlessly.

A total of six Helios Spain sites employ an energy management system according to ISO 50001. These hospitals achieved improvements and optimized their energy consumption. In addition, improvements in energy efficiency shall be achieved in the Spanish hospitals not previously certified to ISO 50001. The division also plans to have further hospitals certified in the next few years. Helios Spain also analyses its energy management risks and uses renewable energy sources in some clinics.

In order to ensure an uninterrupted energy supply at all times, every Fresenius Helios hospital has a main backup system: in the event of a power outage, this system guarantees within a few seconds the security supply of the main energy consumers in the clinics. In order to safeguard this protection, these emergency power systems are inspected and tested regularly, at least once a year.

Fresenius Vamed

The respective management team is directly responsible for energy and emissions management of Fresenius Vamed's health care facilities. The effectiveness of energy management measures in the certified business segments is assessed by regular independent audits as part of the ISO 50001 certification. In Germany, the certification was implemented jointly by the Infrastructure business unit of the Fresenius Helios hospitals. The certification process was successfully finalized end of 2020.

ENVIRONMENT – PROGRESS AND MEASURES 2020

Our business sectors achieved the following progress and measures for environmental protection in the focus areas of water management, waste and recycling management, energy management, and climate protection.

FRESENIUS MEDICAL CARE

Improve products and use resources more efficiently

Fresenius Medical Care counts on innovations to improve the environmental performance of its products and services. Most of the water utilized by Fresenius Medical Care is needed to produce dialysate during life-saving treatments in the company's dialysis centers. Fresenius Medical Care's latest dialysis machine generations, the 5008 and 6008 series, are both designed to be more eco-friendly. They automatically adjust the dialysate flow to the patient's blood flow. This allows Fresenius Medical Care to save substantial amounts of dialysate, water, and energy while maintaining a consistently high dialysis quality.

The 2008T BlueStar machine is another example of Fresenius Medical Care's ongoing efforts to limit the environmental footprint of dialysis. Compared to similar devices, the 2008T machine features an idle mode to reduce dialysate and water usage by up to two-thirds, thus saving additional costs. In 2020, almost every second dialysis machine we produced belonged to one of these resource-friendly machine generations.

Life Cycle Assessments

Fresenius Medical Care also conducts simplified product life cycle assessments for selected products. By assessing the environmental impact along a product's life cycle from raw material extraction to production, distribution, use, and disposal, the company can identify processes and materials that it needs to focus on to improve the eco-performance of its products and services. Based on international guidelines, Fresenius Medical Care calculates the environmental impact caused during the different stages of a product's life cycle in accordance with ISO 14001 and the IEC 60601-1-9 standards. The latter standard applies to efforts to reduce the adverse environmental impacts of medical electrical equipment. Fresenius Medical Care currently applies such life cycle assessments to the majority of its medical device product lines. The company is gradually extending them to disposables, including bloodlines and peritoneal dialysis bags. Fresenius Medical Care has also assessed the environmental impact of its dialysis machines and identified the



life cycle phase with the highest impact. In 2021, Fresenius Medical Care is planning to increasingly consider sustainability aspects in its research and development activities.

In addition, Fresenius Medical Care has conducted detailed comparative product life cycle assessments for important disposables. The assessments follow the structure and requirements of the ISO 14040/44 standards and compare the eco-performance of several of its acid concentrates and dialyzers.

Reduced water consumption

To generate water savings at its manufacturing sites, Fresenius Medical Care engaged in several initiatives in 2020. The business segment managed to reduce water consumption by optimizing the pure water discharge processes as well as reducing the feeding frequency of water treatment with salt or other liquids used for tank cleaning. Further, several plants reclaimed water and wastewater to reuse it in other parts of the plant. This allowed the business segment to minimize the total usage of water and the amount of contaminated water.

Self-sufficiency and improved transport systems

Fresenius Medical Care is working on different projects to reduce GHG emissions. Its biggest plant in St. Wendel, Germany, accounted for around one fourth of the total GHG emissions reported by Fresenius Medical Care's manufacturing sites in 2020. The company operates an internal gas power plant with a heat recovery steam generator. This allows the company to generate close to 100% of the electricity used at this site on its own. Here, in 2020, the busi-

ness segment was able to save more than 23,800 tons of CO₂ compared to buying an energy mix from the electricity grid. This corresponds to a global avoidance of CO₂ emissions of 6% for total manufacturing.

In 2020, Fresenius Medical Care worked on further saving measures, including different transportation packaging systems. These allow the company to carry more products at a time, resulting in reduced fuel consumption and, consequently, lower CO₂ emissions. As part of the Global Sustainability Program, Fresenius Medical Care is planning to define qualitative environmental goals as well as quantitative reduction targets for GHG emissions.

FRESENIUS KABI

Information platform for energy and water management

In 2019, Fresenius Kabi established an internal information platform for exchanging information on energy and water management practices, which is directed at all relevant production sites. This exchange has already produced ideas for improvements, which resulted in eight energy-saving projects and five water-saving projects of which the implementation began 2020.

Product improvements to save materials

In the enteral nutrition product segment, for example, Fresenius Kabi is continuously working on reducing the material consumption of its product packaging. This also contributes to reducing plastic waste from product packaging. The amount of plastic used for the enteral container EasyBottle (200 ml) has already been reduced from 20 g to 16 g in the recent years. In addition, Fresenius Kabi has

been delivering the EasyBottle without a drinking straw since 2019 in order to avoid plastic waste from drinking straws. Through these steps, the amount of plastic used for the EasyBottle has already been reduced by almost 5 g or 23% of the original weight. In 2020, the business segment managed to reduce the weight of the EasyBottle again by more than 12% of the previous weight. Production of the lighter EasyBottle started in 2020.

In order to analyze the environmental performance of the EasyBag – another of Fresenius Kabi's product packaging for enteral nutrition – over the product lifecycle, the business segment commissioned an external institute to conduct a lifecycle assessment. The environmental performance of the EasyBag was assessed and compared with other product packaging for enteral nutrition over the various phases of the product life cycle – from raw material extraction to, production, use, and disposal. Overall, the EasyBag performed better according to the environmental criteria than comparable product packaging in the market. This is particularly due to the low material consumption: the EasyBag is 60% lighter than the average product packaging for enteral nutrition available on the market and thus generates about 85% less plastic waste in volume.

Fresenius Kabi also attaches great importance to environmentally friendly materials for the outer packaging of the enteral nutrition products. In the enteral nutrition product segment, cardboard boxes are used that are made from 100% FSC-MIX certified materials. The cartons MIX-certified by the Forest Stewardship Council (FSC) are made from a mixture of materials from certified forests, recycled material, or controlled wood.



Energy savings in production

Fresenius Kabi continuously works to improve its energy and environmental performance. In 2020, for example, Fresenius Kabi replaced an air compressor with a new, more efficient one at its plant in Bad Homburg. This can reduce the energy consumption by approximately 57 MWh of energy or 14 tons of CO₂. In addition, the steam traps were tested at the same location. The test enabled the optimization of the condensate conductor, which has led to energy savings of approximately 263 MWh of energy or 53 tons of CO₂.

FRESENIUS HELIOS

In-house generation at the Helios clinics

Helios Germany's covers a low double-digit percentage of total electricity requirements by electricity generated in-house. This provides a secure and uninterrupted energy supply to the clinics. Thanks to its own power generation, Fresenius Helios saves CO₂ at its German hospital sites compared to purchasing it entirely from outside sources. Thanks to its balanced electricity supply, Helios also counters fluctuating prices on the energy market. With regard to the construction of alternative technologies for energy generation (e.g. photovoltaic systems), Helios Germany carefully considers in advance whether this form of in-house generation is legally permitted under energy legislation.

Seven Helios Spain clinics use thermal solar energy and photovoltaic systems to generate energy. To generate thermal energy, the division also uses micro cogeneration plants at two clinics and biomass at another clinic.

Sites and infrastructure

Fresenius Helios relies on an external service provider for the timely collection of energy data from the German hospitals. Evaluation and assessment are carried out centrally by the Infrastructure business unit. Various parameters can be controlled via a central portal – from the price of electricity on the energy market to the hospitals' respective energy consumption. In order to monitor energy flows more precisely, a measurement concept is being implemented at relevant sites. This is an essential component to meet the requirements of the ISO-50001 standard.

With the help of its central energy procurement and management system, Fresenius Helios can compare the consumption values of the clinics, initiate targeted improvement measures, and share best practices from individual clinics within the company.

FRESENIUS VAMED

Water-saving and environmentally friendly technologies

In project business, Fresenius Vamed ensures that the latest generation of water-saving technologies is used. Future operators and employees receive comprehensive training. The participants learn, for example, how they can save water most effectively. In the non-European markets, the business segment uses fully biological sewage treatment plants in its

project business to treat wastewater. In the reporting period, Fresenius Vamed integrated such a plant into a project in Trinidad and Tobago.

CO₂-neutral power supply

The majority of Fresenius Vamed's consolidated health care facilities in Austria are supplied with CO₂-neutral electricity from hydropower. Fresenius Vamed also obtains a modest amount of energy from its own combined heat and power plants in Germany. Swiss healthcare facilities purchase regional electricity, some of which comes from renewable sources.

LEED standard for VAMED

During its project developments for new functional buildings, VAMED consults during processes and awarding of contracts for services in accordance with the specifications of the sustainability standard LEED (Leadership in Energy and Environmental Design) and incorporates them into energy-conscious construction at the Gold quality level.

REPORT PROFILE

We want to inform our stakeholders transparently about our sustainability activities through this report. The report meets the regulatory requirements for a separate Group Non-financial Report. It was prepared in accordance with Section 315c in connection with Sections 289c to 289e of the German Commercial Code (HGB). Together with the additional information we offer on our website, it forms our Sustainability Report 2020. In accordance with Section 289d HGB § 289d HGB, Fresenius SE & Co. KGaA uses the international sustainability standard of the Global Reporting Initiative (GRI) for the structured description of management approaches. This report contains a materiality analysis in accordance with GRI 102-46 (determination of report content and topic delimitation) and the legal requirements. Furthermore, the management approaches are presented in accordance with GRI 103.

REPORT FRAMEWORK

This separate Group Non-financial Report covers the financial year (calendar year) 2020 and relates to the Group including its four business segments, i.e. all fully consolidated companies that are subject to the legal or actual control of Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany.

The notes to the consolidated financial statements in the Annual Report contain further information, see pages 229 ff. Deviations from this reporting framework are marked in the appropriate place. References to data or information outside of the Group Management Report or the Notes are considered further information and are not part of the separate Group Non-financial Report. The report is published annually as a separate Group Non-financial Report and is part of the Annual Report. The last separate Group Non-financial Report was published in March 2020.

DETERMINATION OF THE CONTENTS OF THE REPORT

We base our choice of report content on the GRI standards, the principles of materiality and the requirements of our stakeholders, especially the capital market. In addition, the United Nations' Sustainable Development Goals (SDGs) serve as a framework for identifying and aligning our sustainability activities. In the year under review, we conducted a comprehensive materiality analysis, see pages 110 f. for more information. Experts from the four business segments as well as relevant Group functions have reviewed and validated the results. The content of this separate Group Non-financial Report was defined in accordance with Sections 289c (2) and (3) HGB for the principle of dual materiality. The Management Board has reviewed and approved this report. The contents of the have also been examined by the Supervisory Board of Fresenius SE & Co. KGaA in accordance with Section 171 (1) of the German Stock Corporation Act (AktG). The Supervisory Board made use of the option pursuant to Section 111 (2) of the German Stock Corporation Act (AktG) to commission an external audit by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

EXTERNAL AUDIT

Auditors PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft submitted the information in the separate Group Non-financial Report to an audit according to ISAE 3000 (Revised) to obtain limited assurance against the relevant legal requirements and issued an independent audit certificate.



INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING¹

To Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe

We have performed a limited assurance engagement on the separate non-financial group report pursuant to § (Article) 315b Abs. (paragraph) 3 HGB ("Handelsgesetzbuch": "German Commercial Code") of Fresenius SE & Co. KGaA, Bad Homburg, (hereinafter the "Company") for the period from 1 January to 31 December 2020 (hereinafter the "Non-financial Report").

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Non-financial Report in accordance with §§ 315c in conjunction with 289c to 289e HGB.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of non-financial reporting as well as making assumptions and estimates related to individual non-financial disclosures

which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Non-financial Report that is free from material misstatement whether due to fraud or error.

INDEPENDENCE AND QUALITY CONTROL OF THE AUDIT FIRM

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the information in the Non-financial Report based on the assurance engagement we have performed.

Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Non-financial Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from 1 January to 31 December 2020 has not been prepared, in all material aspects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial group report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.



Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- ▶ Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- ▶ Inquiries of the Company's management and personnel involved in the preparation of the Non-financial Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Non-financial Report
- ▶ Identification of the likely risks of material misstatement of the Non-financial Report
- ▶ Evaluation of the implementation of central management requirements, processes, and specifications regarding data collection through targeted sample testing at selected sites
- ▶ Analytical evaluation of selected disclosures in the Non-financial Report
- ▶ Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- ▶ Evaluation of the presentation of the non-financial information

ASSURANCE CONCLUSION

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from 1 January to 31 December 2020 has not been prepared, in all material aspects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

INTENDED USE OF THE ASSURANCE REPORT

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement. The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Frankfurt am Main, February 22, 2021

PricewaterhouseCoopers GmbH
 Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Nicolette Behncke
 Wirtschaftsprüfer
 [German Public Auditor]

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