



# #FutureFresenius

ANNUAL REPORT 2022



Fresenius is a global healthcare Group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other healthcare facilities worldwide. More than 300,000 employees have dedicated themselves to the service of health.



# GROUP IN FIGURES

€ in millions

## Revenue and earnings

Revenue	
EBITDA <sup>3</sup>	
EBIT <sup>3</sup>	
Net income <sup>4</sup>	
Depreciation and amortization <sup>3</sup>	
Earnings per share in € <sup>4</sup>	

## Cash flow and balance sheet

Operating cash flow	
Operating cash flow as % of sales	
Total assets	
Non-current assets	
Equity <sup>5</sup>	
Equity ratio <sup>5</sup>	
Net debt	
Net debt/EBITDA <sup>6,7</sup>	
Investments <sup>8</sup>	

## Profitability

EBIT margin <sup>3</sup>	
Return on equity after taxes (ROE) <sup>4</sup>	
Return on operating assets (ROOA) <sup>6</sup>	
Return on invested capital (ROIC) <sup>6</sup>	

## Dividend per share in €

## Employees (December 31)

	2022	2021	2020	2019 <sup>1</sup>	2018 <sup>2</sup>
40,840	37,520	36,277	35,409	33,530	
6,808	6,854	7,132	7,104	6,055	
4,004	4,252	4,612	4,688	4,561	
1,729	1,867	1,796	1,879	1,871	
2,804	2,602	2,520	2,416	1,430	
3.08	3.35	3.22	3.37	3.37	
4,198	5,078	6,549	4,263	3,742	
10.3%	13.5%	18.1%	12.0%	11.2%	
76,415	71,962	66,646	67,006	56,703	
58,136	54,501	50,874	51,742	41,913	
32,218	29,288	26,023	26,580	25,008	
42%	41%	39%	40%	44%	
25,014	24,391	24,076	25,604	16,275	
3.65	3.51	3.44	3.61	2.71	
3,465	3,117	3,300	5,086	3,249	
9.8%	11.3%	12.7%	13.2%	13.6%	
8.5%	9.8%	10.6%	11.2%	12.1%	
5.7%	6.5%	7.3%	7.6%	9.0%	
5.1%	5.9%	6.5%	6.7%	8.3%	
0.92 <sup>9</sup>	0.92	0.88	0.84	0.80	
316,920	316,078	311,269	294,134	276,750	

<sup>1</sup> Including IFRS 16 effect

<sup>2</sup> Before adjustments for divestitures of care coordination activities at FMC

<sup>3</sup> Before special items

<sup>4</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

<sup>5</sup> Including noncontrolling interests

<sup>6</sup> Before special items; 2017, 2018, 2019, 2020, 2021, 2022 pro forma acquisitions

<sup>7</sup> At average exchange rates for both net debt and EBITDA

<sup>8</sup> Investments in property, plant and equipment, and intangible assets, acquisitions

<sup>9</sup> Proposal

For a detailed overview of special items please see the reconciliation tables on pages 63 to 66.



View our interactive tool

# TARGETS, RESULTS, AND OUTLOOK

	TARGETS 2022 <sup>1</sup>	RESULTS 2022	OUTLOOK 2023
<b>Fresenius Group</b>			
Revenue growth (in constant currency)	Growth in a low-to-mid-single-digit percentage range	<b>4%</b>	Revenue growth (organic)
Net income <sup>3</sup> growth (in constant currency)	Decline of around 10%	<b>-10%</b>	EBIT growth <sup>2</sup> (in constant currency)
Capital management and efficiency			
Cash flow margin	<b>8% to 10%</b>	<b>10.3%</b>	Cash conversion rate (CCR) <sup>4</sup>
Net debt/EBITDA	to be roughly on the same level as in Q3 / 22 (3.64x) by the end of 2022 <sup>5</sup>	<b>3.58x<sup>5</sup></b>	around 1  Without further acquisitions and depending on divestment activities, at the end of 2023 to be slightly above the level of year-end 2022 (December 31, 2022: 3.65x)
		ROIC <sup>4,7</sup>	Decline around one percentage point below the level of 2022 (5,1%).

<sup>1</sup> Before special items; including expected COVID-19 effects (updated in October 2022; more information within table of achieved Group targets on p. 39)

<sup>2</sup> Before special items; In 2022, operating income was supported by €277 million (at current currency) of U.S. Provider Relief funding (PRF). There is no further receipt of PRF assumed for 2023.

To provide a comparable basis for the 2023 earnings outlook, the basis is adjusted accordingly.

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, excluding acquisitions of Ivenix and mAbxience

<sup>4</sup> Before special items

<sup>5</sup> At average expected exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; before special items, excluding acquisitions of Ivenix and mAbxience

<sup>6</sup> At average expected exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; before special items, including lease liabilities

<sup>7</sup> Pro forma acquisitions

# TARGETS, RESULTS, AND OUTLOOK

	TARGETS 2022 <sup>1</sup>	RESULTS 2022	OUTLOOK 2023 <sup>2</sup>
<b>Business segments</b>			
<b>Fresenius Medical Care<sup>3</sup></b>			
Revenue growth (in constant currency)	Low-single-digit percentage growth	2%	Low-to-mid-single-digit percentage growth
Net income <sup>4</sup> growth (in constant currency)	Decline in the high teens to mid-twenties percentage range	-17%	Flat-to-high-single-digit percentage decline
<b>Fresenius Kabi</b>			
Revenue growth (organic)	Low-single-digit percentage growth	3%	Low-to-mid-single-digit percentage growth
EBIT growth (in constant currency)	Decline in high-single- to low-double-digit percentage range	-10%	Around 1 percentage point below the structural margin band of 14% – 17%
<b>Fresenius Helios</b>			
Revenue growth (organic)	Low-to-mid-single-digit percentage growth	6%	Mid-single-digit percentage growth
EBIT growth (in constant currency)	Mid-single-digit percentage growth	5%	Within the structural margin band of 9% – 11%
<b>Fresenius Vamed</b>			
Revenue growth (organic)	Growth in mid-single-digit percentage range	2%	Low-to-mid-single-digit percentage growth
EBIT	Around €100 million	€20 million	Clearly below the structural margin band of 4 – 6%

<sup>1</sup> Before special items, including estimated COVID-19 effects (updated in October 2022, more information within table of achieved Group targets on p. 39)

<sup>2</sup> Before special items

<sup>3</sup> These targets are based on the 2021 results excluding the costs related to FME25 of EUR 49 million (for Net Income). They are in constant currency and exclude special items. Special items include further costs related to FME25, the impact of the war in Ukraine, the impact of hyperinflation in Turkiye, the Humacyte investment remeasurement, the net gain related to InterWell Health and other effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance.

<sup>4</sup> In 2022, operating income was supported by €277 million (at current currency) of U.S. Provider Relief funding (PRF). There is no further receipt of PRF assumed for 2023. To provide a comparable basis for the 2023 earnings outlook, the basis is adjusted accordingly

<sup>5</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

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## LETTER TO OUR SHAREHOLDERS

**Michael Sen**  
Chairman of the Management Board

## Dear Shareholders,

Some of you surely remember precisely when you decided to invest in Fresenius shares. However, surely all of you remember why you did so; because you found **the value of our company convincing**; namely the innovative strength, the vision, and the prospects that Fresenius has offered for more than 100 years.

That is also the reason that led me to Fresenius. When I took over as CEO in October 2022, I knew the value of our company and its key position **at the heart of healthcare**. But I also knew that the development of this value had been unsatisfactory in recent years. Decreasing margins, high debt, a weak share price, and an extremely complex corporate structure. No one could be satisfied with this. The decline in earnings in Fiscal Year 2022 clearly documents that there is an acute need for action.

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» We want to provide the best possible medical benefit and drive our economic success as well. «

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This is why we have **hit the “reset” button** and have subjected the company to an intensive review of all its parts. I have personally conducted many discussions within Fresenius and elsewhere because I wanted to gain as comprehensive a picture as possible of where we stand and what needs to be done. Based on this thorough analysis, our team has jointly developed a **clear target** for our company: **#FutureFresenius**.

In February of this year, we then set a decisive course for a successful relaunch. These decisions provide Fresenius with a **direction** and enable the company to create sustainable value – for our patients, customers, employees, and of course for you as owners.



Our company has a key position at the heart of healthcare.

In those areas where we are active, in the field of therapy, we have the biggest and most direct impact on preserving and improving the lives of our patients. We have impressively demonstrated this once again in 2022:

- ▶ We have treated more than 24 million patients in our clinics and accompanied more than 84,000 births.
- ▶ We have produced over a billion infusion solutions and launched around 90 cost-effective IV generic drugs worldwide.
- ▶ We have performed more than 52 million life-preserving dialysis treatments and manufactured over 42,000 dialysis machines.
- ▶ And we have rendered technical services to almost 1,000 healthcare facilities.

These are only a few examples of what we have achieved.

In the future, we are going to concentrate strategically on three therapy platforms that cover **key health needs for everyone**: (Bio)Pharma, MedTech and Care Provision. Here we want to provide the best possible medical benefit and drive our economic success as well.

- ▶ In (Bio)Pharma we are going to focus on utilizing our capabilities for specialized and scalable pharmaceutical and nutritional products.
- ▶ MedTech comprises future-oriented medical technology solutions for intensive care and more.
- ▶ Care Provision stands for a flexible and targeted offering of holistic care services in hospitals and for ambulatory and home care.

We are going to offer **world-class therapies** on these three platforms and thus aim to make a significant contribution to improving patient care and treatment outcomes.



In (Bio)Pharma we are going to focus on utilizing our capabilities for specialized and scalable pharmaceutical and nutritional products.

We will continuously measure our success. Hence, we introduced a new, streamlined, and transparent financial framework with a **clear focus on returns**. EBIT margin bands per segment and revenue growth bands for our Operating Companies show where we are headed.

Ambitious financial targets require a **high degree of cost discipline**. We have increased our annual savings target by approximately one billion euros as of 2025, of which a large part is attributable to Fresenius Medical Care. As part of our portfolio analysis moreover, we have identified a handful of businesses for which we are not the best owners in our view and from which we would like to part, both to sharpen our focus and to strengthen our balance sheet.

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» When we talk about the future of our company, about #FutureFresenius, three things will guide our thoughts and actions: a simpler corporate structure, improved performance, and a clear focus. «

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and Investment Companies in our four business segments. Our Operating Companies are Fresenius Kabi and Fresenius Helios. Both companies are active worldwide to serve patients, cover system-critical areas of healthcare, and have attractive market positions. We want to manage Fresenius Medical Care and Fresenius Vamed as Investment Companies.

In line with our new Fresenius Financial Framework, we have also decided to adopt a new, progressive dividend policy. Our objective is to achieve **attractive and predictable dividend**

**yields**. Our new dividend policy provides for an increase in the dividend in line with constant currency earnings per share growth but at least maintain the level of the previous year. That is why our proposal to the Annual General Meeting calls for the dividend to remain at 92 cents per share, despite the decline in net income in Fiscal Year 2022.

When we talk about the future of our company, about #FutureFresenius, three things will guide our thoughts and actions: a **simpler corporate structure, improved performance**, and a **clear focus**. This is why we will make a distinction between Operating Companies



In 2022, we have treated more than 24 million patients in our clinics.



We offer challenging, attractive jobs and want to make Fresenius one of the top addresses for young graduates.

Although Fresenius Medical Care, as the world's number one in dialysis, also has a strong business with first-class market access and technologies, yet this business is different from Fresenius as a whole. In the future therefore, Fresenius Medical Care will be given significantly **more leeway** to fully take advantage of its opportunities in the market. For this purpose, we plan to deconsolidate Fresenius Medical Care and convert it into a German stock corporation ("Aktiengesellschaft") by changing its legal form. Subject to the required consent of the Annual General Meeting and the registration as such in the commercial register, this should be accomplished by the end of the year at the latest.

With this step, Fresenius Medical Care will acquire significantly **more flexibility**, but clearly also **more responsibility**. With 32% of the shares, we will continue to be a key shareholder and active investor in Fresenius Medical Care and of course we want to profit from the future increase in value of our stake in this company.

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» With great passion and a strong sense of responsibility, our employees work every day to improve the quality of life for millions of people. «

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I am aware that this is a **historic step** for Fresenius and for Fresenius Medical Care, but I am convinced that this is the best strategic option to the benefit of the whole Group.

Crucial changes like these do not happen overnight. They need time and require careful thought. This is important to us. However, changes can only come about with clarity and focus. We have now ensured this with our new strategic alignment. A **clear compass** is indispensable. This has never been truer than it is today.

The global environment for our business will continue to be **extremely challenging** in 2023. The consequences of the pandemic, the effects of the terrible war in Ukraine, the challenges of inflation and the lasting geopolitical tensions make economic actions even more complex than they already are. We are going to do our best to deal with all of this. The more prepared we are internally, the better this will work.

► [Letter to our shareholders](#) | [Management Board](#) | [Report of the Supervisory Board](#) | [Fresenius share](#)

On behalf of my colleagues on the Management Board, I would like to take this opportunity to thank our more than 300,000 employees for their hard work and commitment. Challenging times reveal how strong a team really is. And the Fresenius team is indeed strong. With great passion and a true sense of responsibility, our employees work every day to improve the quality of life for millions of people. This is something that we can all be proud of.

What's more, we work in an extremely exciting industry. We offer challenging, attractive jobs. We are going to make Fresenius one of the top addresses for young graduates – for example, with a medical or technical training. Because they can make a difference here. Because what we do has a deep meaning. Because we act responsibly and operate sustainably. Every day, I sense the enthusiasm of our employees, their high level of identification with Fresenius and 'their' respective companies. We need to preserve that, but at the same time, we need to look ahead with curiosity and get down to business. Then we will make Fresenius not only a successful company, but also a modern and attractive one.

Dear Shareholders,

When setting the strategic course of the company **I am also counting on your support**. It is important to create sustainable value once again. We need to regain strength and increase our flexibility for what lies ahead of us. #FutureFresenius stands for a successful future for our company. For us, #FutureFresenius means improving the lives of patients. We will do our best to achieve this.

At our Annual General Meeting on May 17, I look forward to presenting all of this to you in detail once more, to listening to your opinions, and to answering your questions.

Until then, I remain cordially yours,



Michael Sen

Chairman of the Management Board

# MANAGEMENT BOARD



**Dr. Francesco De Meo**  
Business Segment  
Fresenius Helios

**Sara Hennicken**  
Chief Financial Officer

**Michael Sen**  
Chairman of the  
Management Board

**Dr. Sebastian Biedenkopf**  
Responsible for Human Resources  
(Labor Relations Director),  
Risk Management and Legal

**Helen Giza**  
Business Segment  
Fresenius Medical Care

**Dr. Ernst Wastler**  
Business Segment  
Fresenius Vamed

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# REPORT OF THE SUPERVISORY BOARD

The Fresenius logo, featuring a stylized 'F' icon followed by the word 'FRESENIUS' in a bold, sans-serif font.**Wolfgang Kirsch**

Chairman of the Supervisory Board

## REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of Fresenius SE & Co. KGaA fulfilled its obligations in accordance with the provisions of the law, the articles of association, and the rules of procedure in the reporting year. It regularly advised the Management Board of the general partner, Fresenius Management SE, regarding the management of the Company and has supervised the management in accordance with its Supervisory Board responsibilities.

### COOPERATION BETWEEN THE MANAGEMENT AND THE SUPERVISORY BOARD

Carrying out its monitoring and advisory activities, the Supervisory Board was regularly kept informed by the management in a timely and comprehensive oral and written manner about, among other things:

- ▶ all important matters relating to business policy
- ▶ the course of business
- ▶ profitability
- ▶ the situation of the Company and of the Group
- ▶ corporate strategy and planning
- ▶ the risk situation
- ▶ risk management and compliance
- ▶ the work of Internal Audit
- ▶ important transactions

Based on the reports provided by the Management Board of the general partner, the Supervisory Board extensively discussed all significant business operations in the Audit Committee and in its plenary meetings, depending on their areas of responsibility. The Management Board of the general partner discussed the Company's strategic direction in detail with the Supervisory Board. The Supervisory Board passed resolutions within its legal and company statutory authority.

In 2022, the Supervisory Board of Fresenius SE & Co. KGaA convened for four regular meetings on March 17, May 13, October 13, and December 1, and for five extraordinary meetings on February 18, April 27, August 19 and 31, and December 16. Three meetings of the Supervisory Board were held in person, five as a video conference, and one as a mixed face-to-face and video conference meeting. Before the meetings, the Management Board of the general partner sent detailed reports and comprehensive approval documents to the members of the Supervisory Board on a regular basis. At the meetings, the Supervisory Board discussed with them in detail the business performance and any important corporate matters, based on the reports from the general partner's Management Board.

All matters requiring Supervisory Board approval were submitted with sufficient time for proper scrutiny. After reviewing the related approval documents and following detailed consultation with the Management Board of the general partner, the Supervisory Board approved all matters submitted to it.

The Supervisory Board was also informed about any important business operations occurring between meetings. In addition, the Chair of the general partner's Management Board regularly informed the Chair of the Supervisory Board in separate meetings about the latest development of the business and forthcoming decisions and discussed them with him.

### MEETING PARTICIPATION

Prof. D. Michael Albrecht, Ms. Frauke Lehmann, Prof. Iris Löw-Friedrich, and Ms. Susanne Zeidler were each absent from one Supervisory Board meeting. Otherwise, all meetings of the Supervisory Board and its committees in 2022 were attended by all sitting members of the Supervisory Board of Fresenius SE & Co. KGaA or of the respective committee.

Participation in meetings of the Supervisory Board and its committees is also reported individually for each member on the Company's website. Information on this can be found in the "Supervisory Board section".

### MAIN FOCUS OF THE SUPERVISORY BOARD'S ACTIVITIES

In 2022, once again, the Supervisory Board mostly focused its monitoring and advisory activities on supporting business operations and investments carried out by the business segments. The Supervisory Board thoroughly reviewed and

discussed all business operations of significance to the Company with the Management Board of the general partner. The Supervisory Board also dealt with the following items:

- ▶ Budget
- ▶ Medium-term planning of the Fresenius Group
- ▶ Cost-cutting and efficiency-enhancing measures
- ▶ Strategic orientation of the Fresenius Group and its business segments
- ▶ Further development of the risk management and internal control system

At its plenary meetings and within the Audit Committee, the Management Board of the general partner also kept the Supervisory Board regularly informed about the Group's risk situation and risk management activities, as well as compliance.

At the meeting on February 18, 2022, the Supervisory Board obtained information on the planned communication within the framework of the forthcoming financial statement press conference.

At its meeting on March 17, 2022, the Supervisory Board dealt in detail with the audit and approval of the financial statements and the consolidated financial statements (IFRS), as well as the management report and the Group management report of Fresenius SE & Co. KGaA as of December 31, 2021. The results for 2021 were discussed on the basis of

a detailed report provided by the Chair of the Audit Committee and statements by the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. At the same meeting, the resolution took place on the compensation report for Fresenius SE & Co. KGaA for 2021, the report of the Supervisory Board of Fresenius SE & Co. KGaA for 2021, the corporate governance declaration of Fresenius SE & Co. KGaA for 2021, the profit appropriation proposal of the general partner, Fresenius Management SE, and the separate Group Non-financial Report for 2021. In addition, the business segments reported in detail on the course of business in the first two months of the fiscal year. Another topic of discussion was the Annual General Meeting of Fresenius SE & Co. KGaA, which was again held virtually. In addition, reports were made on the personnel work at Fresenius and the further development of risk management.

At the Supervisory Board meeting on April 27, 2022, the Supervisory Board obtained information on personnel matters.

At its meeting on May 13, 2022, following the immediately preceding appointment of two shareholder representatives at the Annual General Meeting, two members and the Chair of the Audit Committee and one member of the Nomination Committee were appointed. In addition, the Management Board of the general partner reported on business performance for the months January through April 2022.

At the meeting on August 19, 2022, the Supervisory Board obtained information on personnel matters.

The meeting of the Supervisory Board on August 31, 2022 focused on the progress of the planned cost-cutting

and efficiency-enhancing measures and the subject of ESG and the planned ESG component in the LTIP 2023. A report on business performance from January through September 2022 was also given to the members of the Supervisory Board, along with an outlook for the rest of the fiscal year. The focus here was on the Fresenius Group and Fresenius Medical Care.

At the meeting on October 13, 2022, the members of the Supervisory Board were informed in detail about business performance from January through September 2022. The Supervisory Board also discussed the declaration of conformity with the German Corporate Governance Code and the issue of IT security at Fresenius.

At the meeting on December 1, 2022, information was provided about the 2023 budget and the mid-term planning for 2024 through 2025, and the 2023 financial budget and the maturities for 2024 through 2025. The Management Board of the general partner also reported on the business performance from January through October 2022. The Chair of the Audit Committee reported in detail on the status of preparation of the financial statements. A resolution also took place on the Supervisory Board's objectives for its composition and profile of skills, on the declaration of conformity with the German Corporate Governance Code, and on holding the 2023 Annual General Meeting of Fresenius SE & Co. KGaA as a virtual Annual General Meeting in accordance with Section 118a of the German Stock Corporation Act. At this meeting, the Supervisory Board also conducted a

self-assessment in accordance with Recommendation D.12 of the German Corporate Governance Code.

The meeting held on December 16, 2022 focused on the 2023 budget and the mid-term planning for 2024 through 2025.

## CORPORATE GOVERNANCE

On December 20, 2022, the Supervisory Board of Fresenius SE & Co. KGaA and the Management Board of the general partner issued the declaration of conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act and made it permanently available to the shareholders on the Company's website.

In 2022, the Chair of the Supervisory Board of Fresenius SE & Co. KGaA was ready, to the extent permitted by law and in close consultation with the Management Board of the general partner, to hold discussions with investors on topics specific to the Supervisory Board. In November 2022, the Chair of the Supervisory Board of Fresenius SE & Co. KGaA participated in a Corporate Governance Roadshow.

The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA have a duty to act in the best interests of the Company. In performing their activities, they do not pursue personal interests or bestow unjustified benefits on others. Any secondary activities or dealings with the Company by members of the corporate bodies must immediately be reported to, and approved by, the Supervisory Board.

There were no conflicts of interest of Supervisory Board members in the past fiscal year.

There are regular separate preliminary meetings of the employee representatives and consultations among the shareholder representatives.

The members of the Supervisory Board independently undertake the necessary training and further education measures for their tasks. They keep themselves regularly informed, through internal and external sources, about the latest requirements with regard to their supervisory activities. The Supervisory Board at all times ensures that its members are suitably qualified, keep their professional knowledge up to date, and further develop their judgment and expertise. They are supported appropriately by the Company. External experts as well as experts from the Company provide information about important developments, for example about relevant new laws and precedents or changes in the IFRS accounting and auditing standards. In 2022, a special training session was held on the requirements of ESG reporting. In addition, the Company offers an individual onboarding for new members of the Supervisory Board.

For more information on Corporate Governance at Fresenius, please see the Corporate Governance Declaration on page 226 ff. of the Annual Report. Fresenius has disclosed the information on related parties on page 393 f. of the Annual Report.

## SEPARATE GROUP NON-FINANCIAL REPORT

PricewaterhouseCoopers GmbH Wirtschaftsprüfungs-gesellschaft, Frankfurt am Main, audited the separate Group Non-financial Report for 2022 and found no reason to object.

The separate Group Non-financial Report and the audit report of the appointed auditor were made available to each member of the Supervisory Board of the Company in good time. At their meetings on March 15 and 16, 2023, the Audit Committee and then the plenary meeting of the Supervisory Board discussed all the documents in detail.

The auditor delivered a report on the main findings of the audits at each of these meetings. The Audit Committee and the Supervisory Board approved the auditor's findings. The Audit Committee's and the Supervisory Board's own audits also found no objections to the separate Group Non-financial Report. At its meeting on March 16, 2023, the Supervisory Board approved the separate Group Non-financial Report presented by the general partner.

The separate Group Non-financial Report is published on pages 101 to 223 of the Annual Report and the auditor's findings are published on page 224 f. of the Annual Report.

## WORK OF THE COMMITTEES

In order to perform its duties efficiently, the Supervisory Board has formed various permanent committees, which prepare the consultations and resolutions during plenary meetings or can pass resolutions themselves. The committees of the Supervisory Board consist of an Audit Committee, a Nomination Committee, and a Joint Committee.

The **Audit Committee** held eight meetings in the reporting year, four face-to-face and four videoconferences. The main focus of its monitoring activities was the preliminary audit of the annual financial statements and consolidated financial statements for 2021. It also discussed the audit reports and the focal points of the audit with the auditor. The Audit Committee discussed the audit risk assessment, the audit strategy, and audit planning, as well as the auditor's findings, with the auditor. The Chair of the Audit Committee held regular discussions with the auditor on the progress of the audit and reported back to the Audit Committee. The Audit Committee held regular consultations with the auditor, including in the absence of the Management Board. Another matter dealt with by the Audit Committee was its recommendation to the Supervisory Board regarding which auditing firm to propose as auditor for the annual financial statements and consolidated financial statements for 2022. Following the recommendation of the Audit Committee, the Supervisory Board proposed to the 2022

Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as auditor of the annual financial statements and auditor of the consolidated financial statements for 2022 and as auditor for any review of interim financial information within the meaning of Section 115(7) of the German Securities Trading Act (WpHG) that is prepared before the 2023 Annual General Meeting.

The Audit Committee also dealt with the following items in detail:

- ▶ the 2022 quarterly reports
- ▶ half-year report including its review
- ▶ assessment of the quality of the audit
- ▶ monitoring reports on progress of acquisitions
- ▶ compliance and internal audit
- ▶ review of the risk management system, the internal control system, and the internal auditing system
- ▶ approval of non-audit services by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main

The Chair of the Audit Committee reported regularly to the Supervisory Board on the work of the Audit Committee in the subsequent meeting.

Represented by the Chair of the Audit Committee, regular dialog is maintained between the Supervisory Board and the Audit Committee, on the one hand, and the auditor on the other, even outside of meetings.

The Company's **Nomination Committee** met twice in 2022. The meetings were held as a combination of face-to-face meetings and meetings via video conferencing. The Nomination Committee dealt in particular with the preparation of the appointment of the two shareholder representatives Ms. Susanne Zeidler and Dr. Christoph Zindel to the Supervisory Board in May 2022 and with the profile of skills of the Supervisory Board, its composition, and its representation in a skills matrix.

The **Joint Committee** is responsible for approving certain important transactions of Fresenius SE & Co. KGaA and certain legal transactions between the Company and the Else Kröner-Fresenius-Stiftung. In 2022, no transactions were carried out that required its approval. Therefore, the Joint Committee did not meet in 2022.

There is no **Mediation Committee** because the Supervisory Board of Fresenius SE & Co. KGaA does not appoint the members of the Management Board of Fresenius Management SE.

In the context of the capital increase from approved capital to pay share dividends, the Supervisory Board formed the "**Capital increase share dividends" ad hoc committee**" and transferred to this committee the powers granted to the plenary meeting according to the provisions of the law, the articles of association, or the rules of procedure in connection with the share dividends and the associated capital

increase. The members of this committee were Mr. Wolfgang Kirsch (Chair), Ms. Grit Genster, and Ms. Susanne Zeidler. The committee met once in a virtual meeting in June.

For more information about the committees, their composition, and their work methods, please refer to the Corporate Governance Declaration on pages 232 ff. and page 407 of the Annual Report.

## PERSONNEL

The member of the Supervisory Board Ms. Hauke Stars, who was appointed by the Annual General Meeting in 2021, resigned from her position as member of the Supervisory Board and therefore left the Company's Supervisory Board on January 31, 2022, prior to the normal end of her time in office. With effect from February 9, 2022, Ms. Susanne Zeidler was appointed as member of the Supervisory Board by a court until the conclusion of the Annual General Meeting in 2022. The Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022 saw the end of the term of office of Supervisory Board member Mr. Klaus-Peter Müller, who was appointed by the Annual General Meeting in 2021. Ms. Susanne Zeidler and Dr. Christoph Zindel were appointed as shareholder representatives on the Supervisory Board by the Annual General Meeting on May 13, 2022.

In its meeting on May 13, 2022, the Supervisory Board appointed Ms. Susanne Zeidler and Dr. Christoph Zindel as members of the Audit Committee and Ms. Susanne Zeidler as its Chair. In addition, in the Supervisory Board meeting on May 13, 2022, Ms. Susanne Zeidler was appointed as a member of the Nomination Committee. By way of a resolution of the Annual General Meeting of May 13, 2022, Ms. Susanne Zeidler was appointed as a member of the Joint Committee for the Supervisory Board.

The composition of the Management Board of the general partner, Fresenius Management SE, also changed in the past fiscal year. As of September 1, 2022, Ms. Sara Hennicken was appointed as a member of the Management Board responsible for the financial department (CFO). She succeeds Ms. Rachel Empey, who left the Company on August 31, 2022.

As of October 1, 2022, the member of the Management Board responsible for the Fresenius Kabi business segment, Mr. Michael Sen, was appointed Chair of the Management Board. He succeeds Mr. Stephan Sturm, who left the Company on September 30, 2022.

Mr. Rice Powell resigned from the Management Board as of September 30, 2022. Dr. Carla Kriwet was appointed as a member of the Management Board for the Fresenius Medical Care business segment as of October 1, 2022, and resigned as of December 5, 2022. As of December 6, 2022, Ms. Helen Giza was appointed as a member of the Management Board of Fresenius Management SE for the Fresenius Medical Care business segment.

## FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers GmbH Wirtschaftsprüfungs-gesellschaft, Frankfurt am Main, audited the annual financial statements and the management report as well as the consolidated financial statements and the Group management report of the Company for 2022. The firm was appointed as auditor in accordance with a resolution passed at the Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022, and was subsequently commissioned by the Supervisory Board. Except for the meetings on April 27, 2022 and August 19, 2022, the auditor attended all the meetings of the Supervisory Board and all the meetings and conference calls of the Audit Committee.

The annual financial statements, management report, and Group management report of the Company have been prepared in accordance with the accounting regulations of the German Commercial Code (HGB), and the consolidated financial statements of the Company have been prepared in accordance with IFRS, as applicable in the EU, and the supplementary provisions of commercial law applicable in accordance with Section 315e HGB. The auditor issued their unqualified audit opinion for these statements.

The financial statements, the consolidated financial statements, the management reports, and the auditor's reports were submitted to each member of the Company's Supervisory Board within the required time. The auditor reported

on the main findings of their audits at the meetings on March 15 and 16, 2023. In relation to the accounting procedure, the auditor found no weaknesses in the risk management system or the internal control system. At these meetings, first the Audit Committee and then the Supervisory Board discussed in detail all the documents submitted and the findings of the audit presented by the auditor.

The Audit Committee and the Supervisory Board approved the auditor's findings. The Audit Committee's and the Supervisory Board's own audits also found no objections to the Company's financial statements and management report or the consolidated financial statements and the Group management report. At its meeting on March 16, 2023, the Supervisory Board approved the financial statements presented by the general partner.

The Supervisory Board concurs with the general partner's proposal for the 2022 profit distribution.

The Supervisory Board would like to thank the members of the Management Board of the general partner and all employees for their achievements in the past fiscal year.

Bad Homburg v. d. H., March 16, 2023

The Supervisory Board of Fresenius SE & Co. KGaA



Wolfgang Kirsch  
Chairman

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# FRESENIUS SHARE.

The Fresenius share price continued to be impacted by the challenging macroeconomic environment during fiscal year 2022. Despite these challenges, we propose to keep the dividend at the same level as the previous year.

## STOCK MARKETS AND DEVELOPMENT OF THE FRESENIUS SHARE

The ongoing war in Ukraine negatively impacted inflationary pressures on the global economy in 2022. The Fresenius share price declined significantly in the first half of the year, from which it gradually recovered in the course of the last quarter. This was due to the difficult macroeconomic environment characterized by inflation-related cost increases, staff shortages, supply chain disruptions, and the ongoing impact of the COVID-19 pandemic. This had a direct impact on customer and patient behavior.

The inflationary environment prompted global central banks to implement massive key interest rate hikes. These, as well as resulting recession concerns, put strong pressure on international capital markets in 2022.

The DAX, Germany's most important stock market barometer, fell 12% during 2022. The Dow Jones STOXX® Europe 600 ended the year with a decrease of 13%, the largest decline during a single year since fiscal year 2008. In this index, the healthcare sector (Dow Jones STOXX® Europe 600 Health Care) fell by 8%. The leading U.S. indices performed as follows: the S & P 500 and the Dow Jones Industrial Average both fell, by 18% and 9%, respectively.

The closing price for the Fresenius share on December 30, 2022, was €26.25 and thus 26% below the closing price of 2021. During the course of the year, the lowest price was

recorded on October 14 at €20.04, and the highest on February 16 at €37.88.

At [www.fresenius.com/share-price-center](http://www.fresenius.com/share-price-center) you can find an interactive chart tool for graphical display and further analysis of the shares. You can also find out how the Fresenius share has performed compared to the shares of competitors.

The market capitalization of Fresenius was €14.8 billion as of December 30, 2022. The average daily trading volume on Xetra increased by 13% to 1,590,013 Fresenius shares (2021: 1,405,536 shares). In the United States, Fresenius has a Sponsored Level I American Depository Receipt (ADR) program. In this program, four Fresenius ADRs correspond to one Fresenius share.

## CAPITAL STRUCTURE

The total number of issued shares at the end of the year was 563,237,277 (December 31, 2021: 558,502,143 shares). The increase is solely due to the issue of new shares as part of the optional dividend (stock dividend) for the 2021 fiscal year. Information on stock option plans can be found on pages 383 to 393 of the Notes to this Annual Report.

## INVESTOR RELATIONS

Our investor relations activities are in accordance with the transparency rules of the German Corporate Governance Code. We communicate comprehensively, promptly, and openly with private and institutional investors, as well as financial analysts. The equal treatment of all market actors is very important to us.

We also maintained our intense dialog with the capital markets in 2022 both virtually and in person.

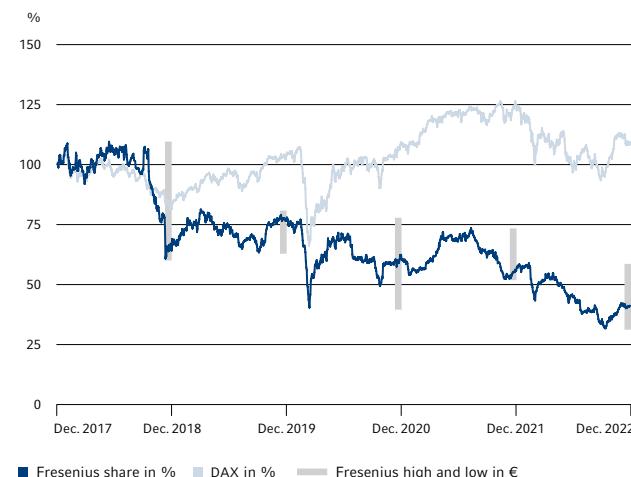
We continued our contacts with institutional investors and analysts and spent 18 days at international investor conferences, 10 days at roadshows, and held numerous one-on-one meetings. We also organized CEO calls and virtual field trips with banks, giving investors and analysts the opportunity to discuss matters with the Management Board.

We continued to communicate with private investors, in particular via the Internet. In addition, we participated in three virtual events and one on-site private shareholder event in 2022.

At [www.fresenius.com/events-and-roadshows](http://www.fresenius.com/events-and-roadshows) our private shareholders can follow live webcasts of the conference calls and can make use of the continuously increasing range of information offered on our website and social media channels on [Twitter](#) and [LinkedIn](#).

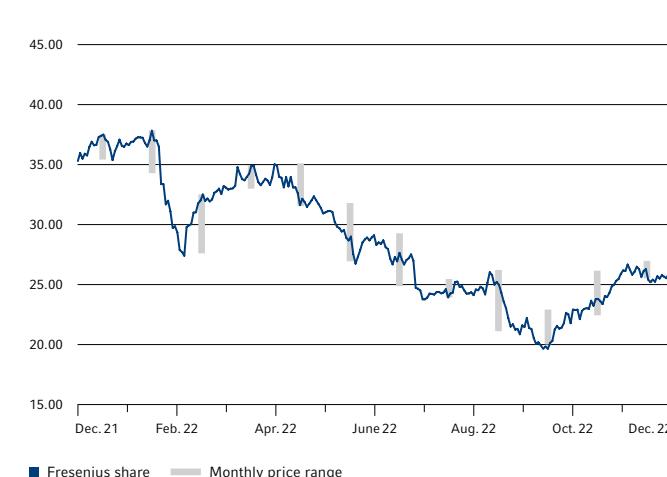
### RELATIVE SHARE PRICE PERFORMANCE 2018 – 2022

#### FRESENIUS SHARE VS. DAX



### ABSOLUTE SHARE PRICE PERFORMANCE 2022

#### FRESENIUS SHARE IN €



### KEY DATA OF THE FRESENIUS SHARE

	2022	2021	2020	2019	2018
Number of shares	563,237,277	558,502,143	557,540,909	557,379,979	556,225,154
Stock exchange quotation <sup>1</sup> in €					
High	37.88	47.44	50.32	52.42	70.94
Low	20.04	33.35	25.66	40.74	38.99
Year-end quotation	26.25	35.40	37.84	50.18	42.38
Market capitalization <sup>2</sup> in million €	14,785	19,771	21,097	27,969	23,573
Total dividend distribution in million €	518 <sup>3</sup>	513.8	490.6	468.0	445.0
Dividend per share in € <sup>4</sup>	0.92 <sup>3</sup>	0.92	0.88	0.84	0.80
Earnings per share in € <sup>4</sup>	3.08	3.35	3.22	3.37	3.37

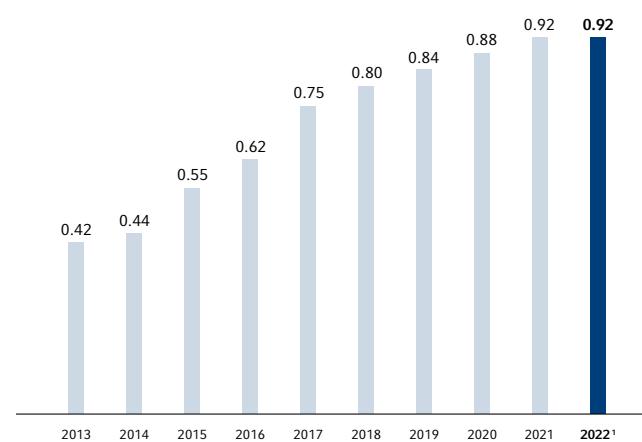
<sup>1</sup> Xetra closing price on the Frankfurt Stock Exchange

<sup>2</sup> Total number of ordinary shares multiplied by the respective Xetra year-end quotation on the Frankfurt Stock Exchange

<sup>3</sup> Proposal

<sup>4</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

## DEVELOPMENT OF DIVIDENDS IN €



<sup>1</sup> Proposal

In 2022, Fresenius' IR team was recognized as the best IR team among the "Medical Technologies & Services" sector by the Europe-wide "Institutional Investor Survey". In this survey, the IR program was awarded first place and the ESG program second place.

In this year's "Investors' Darling" initiative by Manager Magazin, the team was also awarded the "Best Investor Relations" prize and the "Best Digital Communications" prize. The benchmark analysis by NetFed also awarded the Fresenius IR team first place. In the DIR initiative – "Digital Investor Relations" – the Fresenius IR team twice achieved second place in the categories "Best in Digital Reporting" and "DAX 40".

If you would like to contact us, please take a look at the last page of this Annual Report. For additional information visit us at [www.fresenius.com/investors](http://www.fresenius.com/investors).

## DIVIDEND

Fresenius' business was negatively impacted by the difficult macroeconomic environment in 2022. Despite these challenges, we propose to the Annual General Meeting to keep the dividend at the same level at €0.92 per share (2021: €0.92). The proposed dividend distribution to the shareholders of Fresenius SE & Co. KGaA would be €518 million or 30% of Group net income. Based on the proposed dividend and the closing price at the end of 2022, the dividend yield is 3.5%.

## SHAREHOLDER STRUCTURE

The Else Kröner-Fresenius-Stiftung was the largest shareholder of Fresenius SE & Co. KGaA, with 27% of the shares. According to notifications pursuant to the German Securities Trading Act (WpHG), BlackRock, Inc. held below 5% and Harris Associates L.P. above 3% of the shares. For further information on notifications, please visit [www.fresenius.com/shareholder-structure](http://www.fresenius.com/shareholder-structure).

As of December 31, 2022, a shareholder survey identified the ownership of about 96% of our subscribed capital. A total of over 600 institutional investors held about 340 million shares or 61% (2021: 61%) of the subscribed capital; 45.5 million (2021: 48.1 million) shares were identified as retail holdings. The 10 largest investors held about 23% of the share capital (2021: 20%). Our shares were mostly held by investors in Germany, the United States, and the United Kingdom.

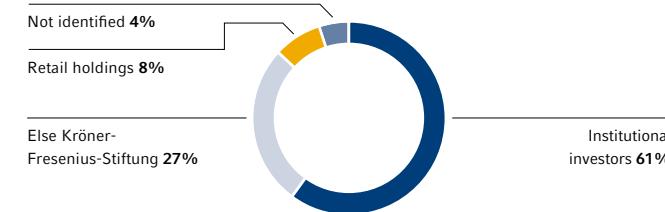
## ANALYST RECOMMENDATIONS

The recommendations published by financial analysts are an important guide for institutional and private investors when making investment decisions. According to our survey, as of February 18, 2023, we were rated with 11 "buy" and 7 "hold" recommendations.

## SHAREHOLDER STRUCTURE BY REGION



## SHAREHOLDER STRUCTURE BY INVESTORS



## ANALYST RECOMMENDATIONS



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# GROUP MANAGEMENT REPORT.

Fresenius is at the heart of healthcare. The focus here is on our services for patients, our clinical decisions, our drugs, our medical devices and technologies – and, above all, our patient care. Every day, our employees improve the quality of life for millions of people around the world.

## FUNDAMENTAL INFORMATION ABOUT THE GROUP

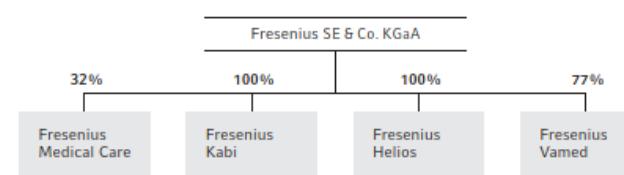
### THE GROUP'S BUSINESS MODEL

Fresenius is a global healthcare Group in the legal form of an SE & Co. KGaA (a partnership limited by shares). We offer products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other healthcare facilities worldwide.

The operating business comprises four business segments, all of which are legally independent entities and have a decentralized structure, managed by the operating parent company Fresenius SE & Co. KGaA.

There were no changes to the Group's business model in 2022.

### GROUP STRUCTURE



As part of the strategic review of the Fresenius Group, we will distinguish between the operating companies Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and the investment companies Fresenius Medical Care (32% ownership share) and Fresenius Vamed (77% ownership share) as of the reporting year 2023.

For the Operating Companies, the focus is on profitability optimization and growth. For the Investment Companies, the focus is on financial value management. Fresenius SE & Co. KGaA is the largest shareholder of Fresenius Medical Care & Co. KGaA. The business segment Fresenius Medical Care is fully consolidated in the consolidated financial statements of the Fresenius Group in accordance with IFRS 10. Fresenius intends to deconsolidate the business segment Fresenius Medical through a change of legal form of Fresenius Medical Care AG & Co. KGaA into a stock corporation (Aktiengesellschaft). The change of legal form shall take effect in the course of the year subject to the required approval of the General Meeting of Fresenius Medical Care AG & Co. KGaA and the registration in the commercial register. For this purpose, an extraordinary General Meeting of Fresenius Medical Care AG & Co. KGaA will decide on the proposal for the change of legal form into a stock corporation (Aktiengesellschaft). As a result of the planned measure, Fresenius Medical Care will no longer be part of

the fully consolidated subsidiaries of Fresenius. Fresenius' share in the subscribed capital of Fresenius Medical Care AG & Co. KGaA in the amount of 32% will remain unaffected by the change of legal form.

For further information on the strategic realignment, please refer to the section "Portfolio in focus" on page 33.

- **Fresenius Medical Care** offers services and products for patients with chronic kidney failure. As of December 31, 2022, Fresenius Medical Care treated 344,687 patients at 4,116 dialysis clinics. Dialyzers and dialysis machines are among the most important product lines. In addition, Fresenius Medical Care offers dialysis-related services.
- **Fresenius Kabi** specializes in products for the therapy and care of critically and chronically ill patients. The portfolio includes biopharmaceuticals, clinical nutrition, MedTech products, intravenously administered generic drugs (generic IV drugs), and IV fluids.

- **Fresenius Helios** is Europe's leading private hospital operator. Under the holding Helios Health, the company includes Helios Germany, Helios Spain (Quirónsalud), and the Eugen Group. At the end of 2022, Helios Germany operated a total of 87 hospitals, around 240 outpatient clinics, 6 prevention centers and 21 occupational health centers. In Spain, Quirónsalud operated 50 hospitals, around 100 outpatient centers, and around 300 occupational risk prevention centers at the end of 2022. In addition, Helios Spain is active in Latin America with 8 hospitals as well as a provider of medical diagnostics. The Eugen Group's network comprises 44 clinics and additional 37 sites across 10 countries on 3 continents. Eugen offers a wide spectrum of state-of-the-art services in the field of fertility treatments.
- **Fresenius Vamed** manages projects and provides services for hospitals as well as other healthcare facilities worldwide and is a leading post-acute care provider in Central Europe. The portfolio ranges along the entire value chain from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management. The services are aimed at various areas of healthcare, ranging from prevention and acute care to rehabilitation and nursing.

Fresenius has an international revenue network and maintains more than 90 production sites. Large production sites are located in the United States, China, Japan, Germany, and Sweden.

## IMPORTANT MARKETS AND COMPETITIVE POSITION

Fresenius operates in more than 90 countries through its subsidiaries. The main markets are Europe with 44% and North America with 40% of revenue, respectively.

**Fresenius Medical Care** holds the leading position worldwide in dialysis care, as it serves about 9% of all dialysis patients, as well as in dialysis products, with a market share of about 35%.

**Fresenius Kabi** is one of the leading companies in Europe for large parts of its product portfolio and has significant market shares in the growth markets of Asia-Pacific and Latin America. Furthermore, Fresenius Kabi is one of the leading companies in the field of generic IV drugs both in the U.S. market and in Europe. Further information on the market position of Fresenius Kabi can be found in the market description on page 51f.

**Fresenius Helios** is Europe's leading private hospital operator. Helios Germany and Helios Spain are the largest private hospital operators in their respective home markets. The Eugen Group is a leading international provider in the field of fertility services.

**Fresenius Vamed** is a global company with no direct competitors covering a comparably comprehensive portfolio of projects, services, and total operational management over the entire life cycle of healthcare facilities. In Central Europe, the company is one of the leading private providers of rehabilitation services. As a result, Fresenius Vamed has an unique selling proposition of its own. Depending on the business segment, the company competes with international companies and consortia, as well as with local providers.

## EXTERNAL FACTORS

The war in Ukraine had a negative impact on the Fresenius Group's business, both directly and indirectly. The negative impact amounted to €43 million in net income<sup>1</sup> in 2022.

In fiscal year 2022, the difficult macroeconomic environment had a negative impact on business development. This included increased uncertainties, inflation-related cost increases, staff shortages, supply chain disruptions, the continued impact of the COVID-19 pandemic, and increased energy costs. This had a direct impact on customer and patient behavior. Despite the challenging market environment, the structural growth drivers in the non-cyclical healthcare markets are in place. We report on our markets on pages 49 ff. We report on the impact of rising energy prices on business performance as well as on the new aid payments in the hospital business on pages 53 ff.

The legal framework for the operating business of the Fresenius Group remained essentially unchanged in 2022.

Fluctuating exchange rates, particularly between the U.S. dollar and the euro, have an effect on the income statement and the balance sheet. In 2022, the average annual exchange rate between the U.S. dollar and the euro of 1.05 was below the 2021 rate of 1.18, and therefore had a positive currency translation effect on the income statement. Details of this can be found in the statement of comprehensive income on page 288.

While the balance sheet total increased by 6%, the increase in constant currency was only 4%, in particular due to the exchange rate changes (from 1.13 U.S. dollars on December 31, 2021, to 1.07 U.S. dollars on December 31, 2022).

In 2022, the Fresenius Group was involved in various legal disputes resulting from business operations. Although it is not possible to predict the outcome of these disputes, none is expected to have a significant adverse impact on the assets and liabilities, financial position, and results of operations of the Group. Further information regarding legal matters can be found on pages 355 to 362 of the Notes.

We carefully monitor and evaluate country-specific political, legal, and financial conditions. This also applies to the potential impact on our business that could result from inflation risks.

## MANAGEMENT AND CONTROL

In the legal form of a KGaA, the Company's corporate bodies are the Annual General Meeting, the Supervisory Board, and the general partner, Fresenius Management SE. Fresenius Management SE is wholly owned by Else Kröner-Fresenius-Stiftung. The KGaA has a **two-tier management system** – management and control are strictly separated.

The general partner, represented by its **Management Board**, conducts the business and represents the Company in dealings with third parties. The Management Board generally has seven members. According to the Management Board's rules of procedure, each member is accountable for his or her own area of responsibility. However, the members have joint responsibility for the management of the Group. In addition to the Supervisory Board of Fresenius SE & Co. KGaA, Fresenius Management SE has its own Supervisory Board. The Management Board is required to report to the Supervisory Board of Fresenius Management SE regularly, in particular on its corporate policy and strategies. In addition, the Management Board reports on business profitability, current operations, and any other matters that could be of significance for the Company's profitability and liquidity. The Supervisory Board of Fresenius Management SE also advises and supervises the Management Board in its management of the Company. It is prohibited from managing the Company directly. However, the Management Board's rules of procedure require it to obtain the approval of the Supervisory Board of Fresenius Management SE for specific activities.

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

The members of the Management Board are appointed and dismissed by the Supervisory Board of Fresenius Management SE. Appointment and dismissal is in accordance with Article 39 of the SE Regulation<sup>1</sup>. The articles of association of Fresenius Management SE also provide that deputy members of the Management Board may be appointed.

The **Supervisory Board of Fresenius SE & Co. KGaA** advises on and supervises the management of the Company's business by the general partner, reviews and approves the annual financial statements and the consolidated financial statements, and performs the other functions assigned to it by law and the Company's articles of association. It is involved in corporate planning and strategy, and in all matters of fundamental importance for the Group. The Supervisory Board of Fresenius SE & Co. KGaA has six shareholder representatives and six employee representatives. A Nomination Committee of the Supervisory Board of Fresenius SE & Co. KGaA has been instituted for election proposals for the shareholder representatives. Its activities are aligned with the provisions of law and the Corporate Governance Code. The shareholder representatives are elected by the **Annual General Meeting of Fresenius SE & Co. KGaA**. The European works council elects the employee representatives to the Supervisory Board of Fresenius SE & Co. KGaA.

The Supervisory Board must meet at least twice per calendar half-year. The Supervisory Board of Fresenius SE & Co. KGaA has two permanent **committees**: the Audit Committee, consisting of five members, and the Nomination Committee, consisting of three members. The members of the committees are listed on page 407 of this Annual Report. The Company's annual corporate governance declaration pursuant to Section 315d and Section 289f of the German Commercial Code (HGB) describes the procedures of the Supervisory Board's committees on page 227f.

The declaration can also be found on the website [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

The description of both the **compensation system** and individual amounts paid to the Management Board and Supervisory Board of Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA, are included in the Compensation Report on pages 243 ff. of this Group Annual Report.

#### CAPITAL, SHAREHOLDERS, ARTICLES OF ASSOCIATION

The subscribed capital of Fresenius SE & Co. KGaA amounted to 563,237,277 ordinary shares as of December 31, 2022 (December 31, 2021: 558,502,143).

The shares of Fresenius SE & Co. KGaA are non-par-value bearer shares. Each share represents €1.00 of the capital stock. Shareholders' rights are regulated by the German Stock Corporation Act (AktG – Aktiengesetz) and the articles of association.

Fresenius Management SE, as general partner, is authorized, subject to the consent of the Supervisory Board of Fresenius SE & Co. KGaA: to increase the subscribed capital of Fresenius SE & Co. KGaA by a total amount of up to €125 million, until May 12, 2027, through a single issuance or multiple issuances of new bearer ordinary shares against cash contributions and/or contributions in kind (**Authorized Capital I**). In principle, the shareholders shall be granted a subscription right. In certain cases, however, the right of subscription can be excluded.

In addition, there are the following **Conditional Capitals** according to the articles of association of July 6, 2022:

- The subscribed capital is conditionally increased by up to €4,735,083.00 through the issuance of new bearer ordinary shares (**Conditional Capital I**). The conditional capital increase will only be executed to the extent that convertible bonds for ordinary shares have been issued under the 2003 Stock Option Plan and the holders of these convertible bonds exercise their conversion rights. Following the expiry of the 2003 Stock Option Plan in 2018, Conditional Capital I is no longer used.
- The subscribed capital is conditionally increased by up to €3,452,937.00 through the issuance of new bearer ordinary shares (**Conditional Capital II**). The conditional capital increase will only be executed to the extent that subscription rights have been issued under the 2008 Stock Option Plan, the holders of these subscription rights exercise their rights, and the Company does not use its own shares to service the subscription rights or does not exercise its right to make payment in cash. Following the expiry of the 2008 Stock Option Plan in 2020, Conditional Capital II is no longer used.
- The general partner is authorized, with the approval of the Supervisory Board, until May 12, 2027, to issue option bearer bonds and/or convertible bearer bonds, once or several times. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA was increased conditionally by up to €48,971,202.00 through issuance of new bearer ordinary shares (**Conditional Capital III**).

<sup>1</sup> Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (SE Regulation - SE-Reg)

- The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds issued for cash, or of warrants from option bonds issued for cash, exercise their conversion or option rights and as long as no other forms of settlement are used.
- The share capital is conditionally increased by up to €22,824,857.00 by the issuance of new ordinary bearer shares (**Conditional Capital IV**). The conditional capital increase will only be implemented to the extent that subscription rights have been, or will be, issued in accordance with the Stock Option Program 2013 and the holders of subscription rights exercise their rights, and the Company does not grant its own shares to satisfy the subscription rights.

The Company is authorized, until May 12, 2027, to purchase and use its **own shares** up to a maximum amount of 10% of the subscribed capital. In addition, when purchasing its own shares, the Company is authorized to use equity derivatives with possible exclusion of any tender right. The Company had not utilized these authorizations as of December 31, 2022.

As the **largest shareholder**, Else Kröner-Fresenius-Stiftung, Bad Homburg, Germany, informed the Company on December 15, 2022, that it held 151,842,509 ordinary shares of Fresenius SE & Co. KGaA. This corresponds to an equity interest of 27.0% as of December 31, 2022.

**Amendments to the articles of association** are made in accordance with Section 278 (3) and Section 179 (2) of the German Stock Corporation Act (AktG) in conjunction with Article 17 (3) of the articles of association of Fresenius SE & Co. KGaA. Unless mandatory legal provisions require otherwise, amendments to the articles of association require a simple majority of the subscribed capital represented in the resolution. If the voting results in a tie, a motion is deemed rejected. Furthermore, in accordance with Section 285 (2) sentence 1 of the German Stock Corporation Act (AktG), amendments to the articles of association require the consent of the general partner, Fresenius Management SE. The Supervisory Board is entitled to make such amendments to the articles of association that only concern their wording without a resolution of the Annual General Meeting.

Under certain circumstances, a **change of control** would impact our major long-term financing agreements, which contain customary change of control provisions that grant creditors the right to request early repayments of outstanding amounts in case of a change of control. The majority of our financing arrangements, in particular our bonds placed in the capital markets, however, require that the change of control is followed by a decline or a withdrawal of the Company's rating or that of the respective financing instruments.

## STRATEGY AND GOALS

### AT THE HEART OF HEALTHCARE

Demographic change is posing fundamental challenges to societies worldwide. Not only are people living longer, but the pace of population aging is also increasing significantly. As a result, the social and healthcare systems of many countries are coming under increasing pressure. As the average age of the population increases, so does the number of critically and chronically ill patients.<sup>1</sup> A longer life, however, also offers opportunities for individuals and societies. The extent to which these opportunities can be leveraged depends heavily on one factor: health.

At Fresenius, we are at the heart of healthcare. In line with this purpose, we offer healthcare products and services for critically and chronically ill individuals, in line with the megatrends of health and demographics. We improve people's lives by providing high-quality and affordable healthcare. In doing so, we consider significant paradigm shifts in the healthcare environment with regards to biologic products and therapies, technological change and new forms of data generation, processing and usage. Our goal is to expand Fresenius' position as a leading global provider of products, services, and therapies for critically and chronically ill people. At the same time, we want to grow profitably and use our capital efficiently, in order to create value for our stakeholders and enable us to continue investing in better medicine.

We have lived up to our special responsibility as part of the healthcare system, even under the difficult circumstances of the enduring COVID-19 pandemic, major disruptions in the global supply chains, and shortages of critical medical staff in many of the regions in which we are active.

To improve our management effectiveness and enable a targeted approach to capital allocation, we are

differentiating between our operating companies, Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and our strategic capital investments Fresenius Medical Care (32% ownership share) and Fresenius Vamed (77% ownership share). Fresenius runs operating companies and strategic capital investments in key healthcare areas indispensable for critically and chronically ill patients. We continuously develop our business areas and strive to assume leading positions in system-critical healthcare markets and segments. We orient our portfolio towards healthy, profitable growth, a strong focus on margins and capital returns, and the highest ambitions for operational excellence and competitiveness.

At Fresenius, we hold ourselves accountable to the highest standards of quality and integrity. All of our business segments make an overall contribution to increasing the quality, affordability, and efficiency of healthcare. At the same time, we care for our environment by protecting nature and using its resources carefully.

**Fresenius Kabi's** corporate philosophy "caring for life" expresses the company's commitment to improving the quality of life of its patients. The quality and safety of its products and services is thus of paramount importance to Fresenius Kabi.

**Fresenius Helios** hospitals are characterized by high standards of treatment quality, hygiene, patient safety, and quality of care.

**Fresenius Medical Care** ensures patient health and product safety by providing a safe environment in its clinics. Fresenius Medical Care considers the quality and safety of its products and services to be the foundation of its success.

**Fresenius Vamed** bases its quality processes on clearly defined and generally established standards.

Fresenius will continue building on its strength in technology, its competence and quality in patient care, and its ability to manufacture cost-effectively. Developing products and systems that provide a high level of safety and user-friendliness and enable tailoring to individual patient needs is an inherent part of our strategy of sustainable and profitable growth. We plan to develop more effective products and treatment methods for critically and chronically ill patients in order to offer best-in-class medical standards. Digitalization is playing an increasingly important role – whether it is in healthcare facilities or in production. It drives innovative technologies and treatment concepts and can contribute to solving numerous challenges in the healthcare system (see separate Group Non-financial Report p. 131 ff.).

The commitment of our more than 300,000 employees worldwide is key for the success and sustained growth of Fresenius. We firmly believe in a culture of diversity, as we are convinced that different perspectives, opinions, experiences, and values enable Fresenius to continue successfully growing as a global healthcare company. To tackle the upcoming challenges, attracting new employees is key for the growth of our company. Not only do we try to attract new talent, but also do everything we can to retain and develop our employees over the long term. We offer a variety of flexible working-time models and incentive programs to ensure that our long-term needs for highly qualified employees are met. Furthermore, we offer our employees opportunities to develop their careers in an international and dynamic environment.

<sup>1</sup> WHO 2021: "Ageing and health"

## EXECUTING SEGMENT STRATEGIES

The Fresenius Group offers a broad spectrum of system critical products and services for the health and quality of life of our patients. Our business segments hold leading positions in key areas of healthcare, and all of them are continuing to execute their respective strategic priorities to sustain leadership and contribute significantly to the benefit of healthcare systems. At the level of Fresenius Group, we manage the strategic direction of the Group, and orient our portfolio towards value-maximizing business areas and maximum patient impact.

With its Vision 2026, **Fresenius Kabi** has developed a strategic plan to transform the company for the next decade and to better capture new growth opportunities.

Fresenius Kabi will continue to focus on high-quality products for critically and chronically ill patients. Within this clear direction, Fresenius Kabi has defined three growth vectors, next to the strengthening of resilience of our volume businesses ("3+1" strategy). The growth vectors are:

- ▶ the broadening of our biopharmaceutical offering,
- ▶ further rollout of clinical nutrition,
- ▶ expansion in the MedTech area.

In 2022, we have thoroughly focused on strengthening these growth vectors: with the acquisition of a majority stake in mAbxience, we form a fully integrated, vertical bio-pharma business that holds a strong portfolio and pipeline, provides extensive and cost-efficient manufacturing, and is building a targeted commercial footprint in Fresenius Kabi's and mAbxience's target regions.

Our newly bundled MedTech business has been further strengthened by the acquisition of Ivenix. With the award-winning Ivenix infusion system, we are entering the infusion therapy market in the United States. The design of the Ivenix infusion system is easier to use than conventional systems and increases the safety of infusions. The pump also works seamlessly with other systems.

Through successful organic launches, we have become the leading IV lipid nutrition supplier in North America, further strengthening our global nutrition business in addition to its strong base in Europe, Latin America, and Asia-Pacific.

In parallel, Fresenius Kabi has continued to build resilience in its volume-driven IV business, and is extending the portfolio with continued launches in all regions.

**Fresenius Helios** wants to further strengthen its position as the leading private hospital operator in Europe.

Helios Germany will continue to focus its offerings on cross-sector healthcare, further specialize hospitals, and coordinate their respective medical service portfolios within regional structures. In regional competence centers, we are already pooling expertise in various specialist areas in order to achieve the best treatment results for our patients. We will continue to drive this clustering forward in the future in order to further enhance medical quality. We intend to exploit the growth potential in the outpatient sector by linking our medical care centers (MVZs) even more closely with hospitals. In addition, we will seize the newly created regulatory opportunity of daytime inpatient treatment as a further form of care. We also aim to increase the efficiency of our energy consumption in the interests of sustainability and climate protection. The goal is to reduce it by 20% across all hospitals in 2023 compared to 2021.

In Spain, we expect demand for hospital and other healthcare services to continue to rise. We want to continue to exploit this potential by building new clinics and expanding existing hospital sites. We aim to integrate our diverse range of inpatient and outpatient services even better and further expand them across the entire network of sites. We consistently focus on the strategic factors of medical excellence, innovation, and service quality in order to attract patients. Our focus here is on optimal treatment quality as well as patient satisfaction. In addition, we expect growth opportunities from consolidations in the fragmented private hospital market.

As a hospital operator, we aim to make even greater use of the potential offered by digitalization to further improve patient care and our service. In the future, our range of services will be supplemented even more by digital and telemedical offerings. Digital patient records and telemedicine will provide new communication channels outside the hospital, as well as faster transmission and interpretation of health data.

We also intend to grow our field of reproductive medicine and to specifically expand and extend the global network of reproductive clinics.

**Fresenius Medical Care** launched its FME25 program in 2021 and started to significantly streamline its business model in 2022, creating two global segments – Care Delivery and Care Enablement, which were introduced on January 1, 2023. Fresenius Medical Care is thus aligning its operating model with the relevant value drivers of the future.

**Fresenius Vamed** has realized projects in the area of integrated healthcare services to support healthcare systems more efficiently. In addition, state-of-the-art standards such as the use of building information modeling (BIM) in the construction of healthcare facilities, new concepts for operational management through the use of innovative technologies, and digitalization measures were implemented to improve medical care and reduce the workload of medical staff.

## RESET FOR #FUTUREFRESENIUS

In Q4 2022, we launched #FutureFresenius and embarked on a transformative journey to prepare Fresenius for the coming decades.

The healthcare industry has a long runway for growth, which will be accelerated by quickly evolving technologies, new therapies such as biopharmaceuticals, more and more professional steering of patient journeys, and a true digital revolution. We want Fresenius to be at the forefront of these trends and have thus charted our course to continued system relevance in our businesses.

The first step of this journey was a "Reset": strengthening our return focus, driving structural productivity, and creating change momentum across the organization. With the closure of the "Reset" phase, we are now ready to continue to "Revitalize" Fresenius, gearing up for continuous portfolio optimization and the pursuit of growth verticals.

## PORTFOLIO FOCUS

We have executed a comprehensive diagnosis of our Group portfolio at sub-segment level, in order to highlight growth opportunities aligned with market trends, further refine our management approach for each business we operate, and identify areas to strengthen our portfolio focus.

Going forward, we want to increasingly orient our portfolio along 3 platforms: (Bio)Pharma – including clinical nutrition -, MedTech and Care Provision. With these platforms, we cater to major trends in healthcare and become a more therapy-focused company. The health and quality of life of our patients who we serve with high-quality, affordable products and services is at the core. At the same time, our platforms address attractive value pools in healthcare, which will provide opportunities for future profitable growth.

To improve our management effectiveness and enable a targeted approach to capital allocation, we are differentiating between our operating companies, Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and our strategic capital investments Fresenius Medical Care (32% ownership share) and Fresenius Vamed (77% ownership share). We will prioritize growth investments for the healthcare products and services of tomorrow in our operating companies Fresenius Kabi and Fresenius Helios. Across all segments, we are seeking opportunities to strengthen the focus on core business cells, in order to safeguard a sound capital structure and availability of capital for future growth prospects. Within the Fresenius Group, we will provide effective support and governance services to the benefit of our segments and the overall capital efficiency of the Group.

## STRUCTURAL PRODUCTIVITY

While fundamentally healthy and geared toward long-term growth, our market environment is also characterized by strong current macro headwinds that challenge our operations and increase our cost base. With that in mind, we have reinvigorated our focus on structural productivity and are running corresponding programs in all our business segments and at the corporate center.

Structural productivity improvements are expected to offset market headwinds and to create financial flexibility for future growth investments in the coming years. The new target is to achieve annual structural cost savings of around €1 billion at EBIT level from the fiscal year 2025 onwards. To achieve the targeted cost savings, one-time costs of around €700 to €750 million are expected at EBIT level, of which around 2/3 will be incurred in the year.

In order to reach this goal, Fresenius is running targeted programs across all business segments and the Corporate Center with the oversight and steering of the Group. Key elements include measures to optimize the network, sales and administrative costs, procurement, as well as divesting from non-core assets.

Thanks to our cost and efficiency program we have already realized €152 million in savings after taxes and non-controlling interests in fiscal year 2022, offset by €260 million in one-time costs. In line with previous practice, these expenses are classified as special items.

Fresenius Medical Care will accelerate and extend its FME25 transformation program to further optimize processes along the new operating model. Fresenius Medical Care increases the savings target for the program from €500 million to €650 million by 2025 and now expects to invest up to €650 million in the same period.

By the end of 2022, Fresenius Medical Care delivered €131 million (on EBIT level) of sustainable savings under the FME25 program, exceeding the original target of €40 to 70 million for the same period. In further support of its turnaround efforts the Company will drive additional operational efficiency and cost reduction measures. In Care Delivery, this will include productivity and operating leverage improvements in the core dialysis services business. In Care Enablement, Fresenius Medical Care will focus on pricing initiatives, productivity measures and review of its global manufacturing footprint.

Fresenius Digital Technology entered a strategic partnership with Capgemini, a global leader in the IT sector, to streamline its IT services. As of October, Capgemini has taken over operational delivery of standard IT services, while Fresenius Digital Technology focuses on its core competences as business partner for all Fresenius segments. The partnership will lead to new and optimized products, improved customer satisfaction and increased value creation, and optimized IT operations. In addition, new business models can be developed and strengthened while taking advantage of cost savings and a global support model.

## CHANGE MOMENTUM

At Fresenius, our collective actions have always been driven by our enormous passion and strongest possible commitment to patients. On our pathway to #FutureFresenius, we want to nurture this passion, and combine it with a strong appetite for change, preparing us for the dynamic shifts in the healthcare industry for the best of our patients. As part of #FutureFresenius, we aim to embrace new ways of working and establish a culture of excellence, where we measure ourselves against the best and maintain trusting dialog that welcomes diverse perspectives. Throughout our company, we engage in such trusting dialog with our employees,

stakeholders, and external partners, and our global top leaders are agreed about the need for change. We aim to continuously pick up the pace of change and improvement and use this momentum to create #FutureFresenius.

## SUSTAINABILITY PROGRAM

For Fresenius, sustainability is an integral part of its business model. The company is working to establish global sustainability standards and continuously improve its own sustainability performance. To this end, Fresenius continued to drive forward its ESG (Environment, Social, Governance) initiatives in the fiscal year.

Fresenius has set a climate target for the Group complementing its existing sustainability targets and programs. The company aims to be climate-neutral by 2040 and to reduce 50% of absolute Scope 1 and Scope 2 emissions by 2030 compared to 2020 levels. Fresenius will continuously assess Scope 3 emission impacts for inclusion in our targets.

The Fresenius Group Sustainability Board (GSB) held four meetings to discuss the implementation of regulatory requirements, in particular the EU taxonomy and the Supply Chain Sourcing Obligations Act and the EU's Corporate Sustainability Reporting Directive (CSRD). Furthermore, the internal quarterly reporting of ESG key figures as part of the Management Board compensation system was driven forward and work was done on setting quantitative sustainability targets. In addition, for the first time, Fresenius conducted an employee survey in the past fiscal year, among other things on employee identification and loyalty to the employer. In December 2022, we were again included in the Dow Jones Sustainability Index (DJSI Europe).

## CORPORATE PERFORMANCE CRITERIA

The Management Board makes strategic and operational management decisions based on our Group-wide performance indicators for growth, profitability, liquidity, capital efficiency, and capital management. The most important financial performance indicators for us are explained below and a definition is provided in the glossary of financial terms on pages 412 to 414. There were no changes in the financial performance indicators in fiscal year 2022 compared with the previous year.

The Management Board has revised the financial management system for the fiscal year 2023. As part of the new Fresenius Financial Framework, we have defined ambition levels (growth bands, amongst others EBIT margin) for the business segments. These serve as an ambition level for the internal management of our business sectors and are benchmarked against leading competitors. The new Fresenius Financial Framework will be rolled out in fiscal year 2023.

The key figures for the financial performance indicators for 2023 of the Group and the business segments can be found in the outlook on pages 82f.

### GROWTH

For Fresenius, currency-adjusted revenue growth, in particular organic revenue growth in the Group and in the business segments, is of central importance for managing revenue growth. It shows the growth of our business that comes from our own resources and not from acquisitions, divestitures, or currency translation effects. Currency translation effects are the difference between revenue in the reporting period at the exchange rates of the reporting period, less revenues in the reporting period at the exchange rates of the comparative period.

A portfolio effect takes place in the case of an acquisition or divestment. Any portfolio effect is excluded for 12 months after the end of the relevant transaction in the reporting or comparative period, after which both current and prior periods fully reflect the portfolio change.

In the new Fresenius Financial Framework, organic revenue growth represents the key performance indicator for the Group's growth and that of the business segments. With the new Fresenius Financial Framework, we have defined annual organic revenue growth ranges (ambition levels) for the operating companies. No annual ambition levels were defined for organic sales growth of the investment companies.

### AMBITION LEVEL OF ANNUAL ORGANIC REVENUE GROWTH

OPERATING COMPANIES	Organic revenue growth p.a.
Fresenius Kabi	4% – 7%
Fresenius Helios	3% – 5%

### PROFITABILITY

We measured the earnings performance of the segments in fiscal year 2022 using earnings before interest and taxes (EBIT) and EBIT growth in constant currency. At Group level, we primarily used net income<sup>1,2</sup> and its currency-adjusted growth.

In order to better compare operating performance over several periods, we have adjusted the earnings figures for special items where appropriate.

As part of the new Fresenius financial framework, we have defined annual margin bands (ambition levels) for the business segments. These serve as an ambition level for the internal management of our business sectors and are benchmarked against leading competitors. The annual EBIT margin is defined as earnings before interest and taxes divided by revenue. To improve comparability of operating performance over several periods, the earnings figure is adjusted for special items where necessary.

### AMBITION LEVEL OF ANNUAL EBIT MARGIN BANDS

OPERATING COMPANIES	EBIT margin bands p.a.
Fresenius Kabi	14% – 17%
Fresenius Helios	9% – 11%
INVESTMENT COMPANIES	
Fresenius Medical Care	10% – 14%
Fresenius Vamed	4% – 6%

For Fresenius Medical Care and Fresenius Vamed, we present the annual margin band that reflects our expectation as the major shareholder.

At Group level, we primarily use earnings before interest and taxes (EBIT) and EBIT growth in constant currency. To improve comparability of operating performance over several periods, the earnings figure is adjusted for special items where necessary.

<sup>1</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> Before special items

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## LIQUIDITY AND DIVIDEND

Within the Group, cash flow margin is used as the main liquidity indicator in fiscal year 2022.

With the new Fresenius Financial Framework, we will in future manage our business according to the cash conversion rate (CCR), which is defined as the ratio of adjusted free cash flow (cash flow before acquisitions and dividends; before interest, tax, and special items) to operating income (EBIT) before special items. This allows us to assess our ability to generate cash and pay dividends, among other things. The ambition level for the CCR is around 1.0, considering the growth profile of the respective year.

With the new Fresenius Financial Framework Fresenius aims to generate attractive and predictable dividend yields. In line with its progressive dividend policy, the Company aims to increase the dividend in line with earnings per share growth (before special items, in constant currency) but at least maintain the dividend at the prior-year's level. For fiscal year 2022, we will propose to the Annual General Meeting a dividend at the prior-year level of €0.92 per share (2021: €0.92). The payout to the shareholders of Fresenius SE & Co. KGaA will amount to €518 million or 30% of consolidated net income. Based on this proposal and the year-end share price, the dividend yield is 3.5%.

## FINANCIAL PERFORMANCE INDICATORS 2022

Growth	Profitability	Liquidity	Capital efficiency	Capital management
<b>Sales growth</b> (in constant currency)  <b>Sales growth</b> (organic)	<b>Operating income (EBIT)</b> $\div$ Financial result - Income taxes - Minority interests  $=$ Net income  <b>EBIT growth</b> (in constant currency)  <b>Net income growth</b> (in constant currency)	Operating cash flow $\div$ Sales  $=$ Cash flow margin	<b>EBIT</b> $-$ Income taxes  $=$ NOPAT $\div$ Invested capital  $=$ ROIC  <b>EBIT</b> $+$ Operating assets  $=$ ROOA	Net debt $\div$ EBITDA  $=$ Leverage ratio

## FINANCIAL PERFORMANCE INDICATORS 2023

### Financial performance indicators of the new Fresenius Financial Framework

Growth	Profitability	Liquidity and dividend	Capital efficiency	Capital management
<b>Revenue growth</b> (organic)	<b>Operating income (EBIT)</b> $\div$ Revenue  $=$ EBIT-margin  <b>EBIT growth</b> (in constant currency)	<b>Free Cash Flow, adjusted</b> (before Interest, Taxes and Special items) $\div$ EBIT  $=$ Cash Conversion Rate  <b>Profit distribution</b> $\div$ Number of outstanding shares  $=$ Dividend per share	<b>EBIT</b> $-$ Income taxes  $=$ NOPAT $\div$ Invested capital  $=$ ROIC	Net debt $\div$ EBITDA  $=$ Leverage ratio

## CAPITAL EFFICIENCY

We work as profitably and efficiently as possible with the capital provided to us by shareholders and lenders. In order to manage this, we primarily calculate the return on invested capital (ROIC) and the return on operating assets (ROOA) for fiscal year 2022.

Under the new Fresenius Financial Framework, the Group's capital efficiency will in future be managed on the basis of return on invested capital (ROIC). This serves as an ambition level for the internal management of our Group. We aim to achieve a ROIC of between 6% and 8%. An overview of the return on invested capital by business area can be found in the Group Management Report on page 76.

## CAPITAL MANAGEMENT

We use the ratio of net debt and EBITDA as the key parameter for managing the capital structure. This measure indicates the degree to which a company is able to meet its payment obligations. Our business segments usually hold leading positions in growing and mostly non-cyclical markets. Since the majority of our customers are of high credit quality, they generate mainly stable, predictable cash flows. According to the management assessment, the Group is therefore able to use debt to finance its growth to a greater extent than companies in other industries.

In the context of the new Fresenius Financial Framework, we will continue to manage our capital structure using the ratio of net debt to EBITDA. The self-imposed target corridor for the leverage ratio remains unchanged at 3.0x to 3.5x.

## NON-FINANCIAL PERFORMANCE TARGETS

In fiscal year 2022, sustainability was included as a non-financial performance target in the Management Board compensation system. Based on the ESG key performance indicators (KPIs) identified in fiscal year 2021, the business segments worked on transparent reporting, performance measurement, and target setting to manage sustainability performance in future. The focus continued to be on the topics of quality, employees, innovation, compliance and the environment, which are essential for Fresenius. These are derived from the company's materiality analysis. We use a proprietary ESG scoring methodology to qualitatively measure the achievement of targets for the Management Board compensation. From fiscal year 2023, the qualitative measurement of fiscal years 2021 and 2022 will be replaced by quantitative ESG KPIs in the Management Board short-term variable remuneration (Short-term Incentive – STI). The KPIs cover the key sustainability topics of medical quality/patient satisfaction and employees.

The topic of **employees** is measured with the key figure of the **Employee Engagement Index (EEI)** for the Fresenius Group. The indicator measures how positively employees identify with their employer, how committed they feel, and how engaged they are at work. The key figure can be reported in relation to a business segment or for the entire Group. The EEI of the Fresenius Group is weighted according to the number of employees in the business segments. The EEI is measured on a scale between 1 and 6.

The **Medical Quality/Patient Satisfaction** topic is made up of four equally weighted key performance indicators defined at business segment level. The four key figures are based on their respective materiality for the business model.

- Fresenius Medical Care: Net Promoter Score
- Fresenius Kabi: Audit & Inspection Score
- Fresenius Helios: Inpatient Quality Indicator
- Fresenius Vamed: Patient Satisfaction Score

The patient **Net Promoter Score (NPS)** is designed to ensure that Fresenius Medical Care maintains excellent patient relationships and that the opinions of patients are used to provide strategic insights to improve patient relationships. Improving the Net Promoter Score leads to better service, higher quality of care, improved quality of life and loyalty to Fresenius Medical Care as the provider of choice. The patient Net Promoter Score is measured on a scale between -100 and +100 points.

The **Audit & Inspection Score** at Fresenius Kabi is based on the number of critical and serious non-conformances from regulatory GMP inspections and the number of serious non-conformances from TÜV ISO 9001 audits in relation to the total number of inspections and audits performed. The score shows how many deviations were identified on average during the inspections and audits considered. The Audit & Inspection Score is measured as a percentage (scale >0%).

The **Inpatient Quality Indicator** at Fresenius Helios comprises the measurement of a set of standardized German in-patient quality indicators (G-IQI). These are based on routinely collected hospital billing data from hospital information systems. The number of indicators achieved compared to the total number of indicators is calculated to measure the overall success rate. There is individual target setting and measurement of target achievement in the two Helios segments Helios Germany and Helios Spain. Subsequently, target achievement is consolidated at Helios company level with equal weighting (50% each) for Executive Board compensation. The Inpatient Quality Indicator is measured on a scale of 0% to 100%.

Fresenius Vamed measures the level of **patient satisfaction** in the Vamed healthcare facilities and the overall patient satisfaction with the services offered in the Vamed healthcare facilities. At or immediately after the point of discharge, each patient receives a questionnaire, which contains 16 standardized questions that are evaluated for the patient satisfaction target. Patient Satisfaction is measured on a scale from 1 (very satisfied) to 5 (not satisfied).

Further information on our sustainability program can be found in the separate Group Non-financial Report starting on page 101 and in the Compensation Report starting on page 243.

## INVESTMENT AND ACQUISITION PROCESS

Against the backdrop of debt, Fresenius pursues a targeted capital allocation with a focus on deleveraging. Our investments and acquisitions are carried out using a detailed coordination and evaluation process. As a first step, the Management Board sets the Group's investment targets and the budget based on investment proposals. In the next step, the respective business segments and the internal Acquisition & Investment Council (AIC) determine the proposed projects and measures, taking into account the overall strategy, the total investment budget, and the required and potential return on investment. We evaluate investment projects based on commonly used methods, such as internal rate of return (IRR) and net present value (NPV). Within the framework of the due diligence process, opportunities and risks associated with the potential acquisition target are analyzed and assessed. To this end, we review the business model, the key financial figures and tax issues, and the resulting company valuation. In addition, we comprehensively analyze the market and competitive environment, the regulatory framework and the legal aspects. The audit also covers various issues relating to compliance, production, research and development, quality, information technology, human resources, and the environment. Based on investment volume, a project is submitted for approval to the executive committees or respective managements of the business segments, to the Group Management Board of Fresenius Management SE, and/or, if applicable, also additionally the consent of its Supervisory Board.

You can find more details on our key performance indicators in our interactive tool on our website at [www.fresenius.com/interactive-tool](http://www.fresenius.com/interactive-tool).

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GROUP<sup>1</sup>

	Targets 2022 <sup>2</sup>	2022	2021	2020	2019	2018
Revenue growth (in constant currency)	Growth in a low-to-mid-single-digit percentage range	4%	5%	5%	6%	6%
Net income <sup>3</sup> growth (in constant currency)	Decline of around 10% <sup>6</sup>	-10% <sup>6</sup>	5%	-3%	0%	7%
<b>Liquidity and capital management</b>						
Operating cash flow margin	8% to 10%	10.3%	13.5%	18.1%	12.0% / 9.9% <sup>4</sup>	11.2%
Net debt/EBITDA <sup>5</sup>	Roughly on the same level as in Q3/22 (3.64x) <sup>6</sup>	3.58x <sup>6</sup>	3.51x	3.44x	3.61x / 3.14x <sup>4</sup>	2.71x
<b>Capital efficiency</b>						
Return on invested capital (ROIC) <sup>7</sup>	Decrease by 80 to 100 basis points compared to 2021 level	5.1%	5.9%	6.5%	6.7% / 7.4% <sup>4</sup>	8.3%
Return on operating assets (ROOA) <sup>7</sup>	Decrease by 80 to 100 basis points compared to 2021 level	5.7%	6.5%	7.3%	7.6% / 8.2% <sup>4</sup>	9.0%

BUSINESS SEGMENTS<sup>1</sup>

	Targets 2022 <sup>2</sup>	2022	2021	2020	2019	2018
<b>Fresenius Medical Care</b>						
Revenue growth (in constant currency)	Low-single-digit percentage growth	2%	2%	5%	5%	4%
Net income growth <sup>8,9</sup> (in constant currency)	Decline in the high teens to mid-twenties percentage range	-17%	-23%	12%	-2%	4%
<b>Fresenius Kabi</b>						
Revenue growth (organic)	Low-single-digit percentage growth	3%	4%	4%	4%	7%
EBIT growth (in constant currency)	Decline in high-single- to low-double-digit percentage range <sup>6</sup>	-10% <sup>6</sup>	7%	-6%	3%	2%
<b>Fresenius Helios</b>						
Revenue growth (organic)	Low-to-mid-single-digit percentage growth	6%	7%	4%	5%	3%
EBIT growth (in constant currency)	Mid-single-digit percentage growth	5%	10%	0%	-4%	0%
<b>Fresenius Vamed</b>						
Revenue growth (organic)	Growth in mid-single-digit percentage range	2%	11%	-8%	16%	16%
EBIT (growth in constant currency)	Around €100 million	+€20 million	+ €101 million	+ €29 million	19%	45%

<sup>1</sup> Growth rates are based on the assumptions of the respective annual forecasts and are adjusted for special items and, if applicable, other effects affecting the underlying growth (adjustments to new accounting standards, acquisitions/divestments, acquisition costs, or cost-saving programs).

<sup>2</sup> Including expected COVID-19 effects (updated October 2022)

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>4</sup> Excluding IFRS 16 effect

<sup>5</sup> Both net debt and EBITDA calculated at LTM average exchange rates; before special items, pro forma closed acquisitions/divestitures

<sup>6</sup> Excluding acquisitions of Ivenix and mAbxience

<sup>7</sup> Before special items, pro forma acquisitions

<sup>8</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>9</sup> Special items are effects (when consolidated at the Fresenius Group: special items), that are unusual in nature and were not foreseeable or not foreseeable in size or impact at the time of giving guidance.

## RESEARCH AND DEVELOPMENT

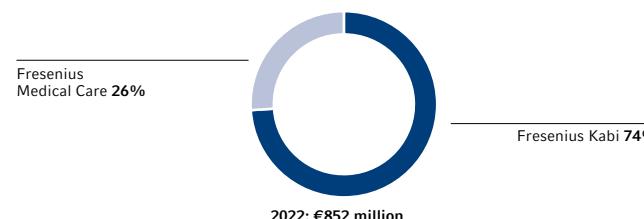
New product and process development and the improvement of therapies are at the core of our strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- Dialysis
- Generic IV drugs
- Biopharmaceuticals
- Infusion and nutrition therapies
- Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

Research services provided by third parties are mainly used by Fresenius Kabi, especially in the field of biopharmaceuticals.

R & D EXPENSES BY SEGMENT<sup>1</sup>



<sup>1</sup> Before expenses related to the Fresenius cost and efficiency program and revaluations of contingent biosimilars purchase price liabilities

As of December 31, 2022, there were 3,799 employees in research and development (2021: 3,656). Of that number, 1,235 were employed at Fresenius Medical Care (2021: 1,236) and 2,525 at Fresenius Kabi (2021: 2,366).

Our main research sites are in Europe, the United States, and India. Product-related development activities are also carried out in China.

Research and development **expenses<sup>1</sup>** were €852 million (2021: €818 million), approximately 7.2% of our product revenue (2021: 7.5%).

## KEY FIGURES RESEARCH AND DEVELOPMENT

	2022	2021	2020	2019	2018
R&D expenses, € in millions <sup>1</sup>	852	818	748	677	649
as % of product revenue <sup>1,2</sup>	7.2%	7.5%	7.2%	6.8%	6.7%
R&D employees	3,799	3,656	3,565	3,412	3,042

<sup>1</sup> 2022, 2021: before expenses related to the Fresenius cost and efficiency program  
2021, 2020, 2019, and 2018: before revaluations of biosimilars contingent purchase price liabilities

<sup>2</sup> 2022, 2021, 2019, and 2018 excluding impairment losses from capitalized in-process R & D activities

## FRESENIUS MEDICAL CARE

At Fresenius Medical Care, we are driving the development of new products that continuously improve the quality of life and treatment outcomes of our patients. We have an extensive portfolio of innovation projects.

We focus on technologies in both our core business and related areas that are of strategic interest to us.

In the future, we want to provide innovative, competitive products even more efficiently. As part of our organizational realignment, we have therefore begun to consolidate our previously decentralized product business, including research and development, in the Care Enablement segment as of January 1, 2023. The product business will be organized according to the three treatment modalities we offer: dialysis centers, home dialysis, and critical care.

Alongside our research and development activities, we collaborate with external partners with the aim of expanding our comprehensive innovation and technology network. These partners include numerous academic institutions, such as research institutes at prestigious universities in the United States. Another partner is the Renal Research Institute in New York. This subsidiary of Fresenius Medical Care North America is a renowned institution in the field of clinical research into all aspects of chronic kidney failure. Together, we are working on fundamental issues relating to renal therapies. In addition, Fresenius Medical Care Ventures collaborates with start-ups and early-stage companies with the objective of promoting an open culture of innovation and enabling access to the latest technologies.

## In-center dialysis

The FDA has approved the 2008-series hemodialysis machines with silicon tubing, which includes platinum catalysts. The platinum catalyst tubing eliminates detectable non-dioxin-like (NDL) polychlorinated biphenyl acids (PCBAs) in machines in this series and thus addresses the concerns raised by the FDA in May 2022.

## Home dialysis

For many people with chronic kidney failure, peritoneal dialysis is the gentlest and thus preferred treatment option during the first years of renal replacement therapy. Our goal for this form of treatment is to make therapy systems more accessible, intelligent, and networked. One example of this is the Kinexus digital therapy platform, which will support all APD (automated peritoneal dialysis) cyclers in our portfolio in the future and provide physicians and nurses with continuous online access to treatment data and remote programming of individual prescriptions. This will further improve treatment outcomes and increase the productivity of the caregivers deployed. The Kinexus platform is already available in conjunction with the Liberty® Select Cycler, a peritoneal dialysis machine used in the U.S. market that received FDA approval for additional programming through remote therapy in November 2022. This digital innovation is expected to reduce hospitalizations, technical failures and treatment discontinuations. It also extends the average length of stay on peritoneal dialysis, which is typically beneficial for patients. In addition, Kinexus will serve as an enabling technology for future innovations.

SILENCIA is a new APD cycler that uses a very simple, ultra-quiet, and highly reliable gravity-based fluid control mechanism that enables high-quality automated peritoneal dialysis to be performed at very low cost. Positive results in terms of stability and functionality of the system have already been achieved in treatments in South America. A rollout in Asia, the Middle East, and North Africa is planned.

In fiscal year 2022, we launched the "China CAPD" app (CAPD = continuous ambulatory peritoneal dialysis) on the Chinese market. The app is designed to help peritoneal dialysis patients enter therapy data and vital signs, order consumables and track order progress and delivery themselves. The China CAPD app enables medical professionals to gain an improved overview of therapy outcomes, document home visits and provide targeted training content for their patients.

## Critical care

Continuous kidney replacement therapy (CKRT), in which the blood is purified by means of special solutions and filters, is a proven and effective treatment option for patients with acute kidney damage. The natural functions of the kidney are imitated and continuous monitoring of body fluid balance is enabled.

Another leading CKRT platform, the NxStage System One, is available in the United States. Its "speed swap" function, launched in 2022, enables filter replacement during therapy without changing the treatment set. This new option makes the therapy system more attractive for day-to-day use by the clinic staff.

## Digitalization in healthcare

Digitalization of processes in healthcare is mainly focused on connecting patients, doctors, and nursing staff and improving nursing documentation at the point of care. The aims are achieve better treatment results and significant reductions in treatment costs for our patients as well as an improvement in our own cost base.

Connected patient care will make it possible to coordinate treatments individually and detect warning signs and causes of kidney disease at an early stage. To this end, using the world's largest database for clinical data in the field of advanced kidney disease, we are developing modules based on artificial intelligence and machine learning in order to assist doctors and nursing staff with their duties.

## Research in the field of regenerative medicine

We have further expanded our collaboration with the U.S. pharmaceutical company Humacyte, Inc. (Humacyte), a developer and manufacturer of universally implantable biotechnologically produced human tissue. The Humacyte Human Acellular Vessel (HAV) is a regenerative vascular system used for various vascular applications, including vascular trauma repair, arteriovenous access for hemodialysis, and peripheral arterial disease. Our investment in Humacyte is currently centered on the most advanced clinical program, with market launch having occurred in under two years.

## Fresenius Medical Care Ventures

Fresenius Medical Care Ventures makes targeted investments in start-ups and early-stage companies in the fields of diagnostics, therapies, medical equipment, digital solutions, xenotransplantation, and monitoring technologies. The aim is to improve treatment outcomes for patients suffering from chronic diseases or in need of acute care.

## FRESENIUS KABI

Fresenius Kabi's research and development activities concentrate on products for the therapy and care of critically and chronically ill patients. Our products are used where the patient is most at risk: in emergency medicine, intensive care, special care, and for those who need to be treated in hospital or as an outpatient for a longer period of time. In these patient groups, every single step is essential for the success of the therapy. Products from Fresenius Kabi make a crucial contribution to the success of the treatment, and the interaction between medicine and technology is highly important.

We consider it our task to develop products that help to support medical advancements in acute and post-acute care and improve patients' quality of life. At the same time, our products are intended to enable an increasing number of people worldwide to have access to high-quality and modern therapies.

Chronic diseases are on the increase worldwide. In the care of critically ill patients, the requirements for successful treatment are becoming ever higher. The demand for effective therapies in conjunction with intelligent medical technology applications and devices will continue to rise in the future. We want to be the preferred point of contact for doctors and nursing staff in the care of critically and chronically ill patients. With Fresenius Kabi's Vision 2026 we have defined a clear direction for Fresenius Kabi with three growth paths: broadening of our biopharmaceutical range, further development and global introduction of our clinical nutrition products, and expansion in the area of MedTech. In the volume-driven IV business, we will continue to expand our resilience. Our future development work will be geared toward this.

Our **development competence** includes all related components, such as the drug raw material, the pharmaceutical formulation, the primary packaging, the medical device needed for application of drugs and infusions, and the production technology. In the area of biopharmaceuticals, we have specialized in the development of products in the areas of autoimmune diseases and oncology.

In the **biopharmaceutical** area we are committed to bringing more therapeutic solutions to more patients. In both therapeutic areas, we continue to expand our biosimilar portfolio and have multiple candidates in various development phases. A biosimilar is a biological product that is similar to another approved biological product called a "reference product". The biosimilar product demonstrates a similar analytical profile, pharmacokinetics, efficacy, safety, and immunogenicity to the reference product. The adoption and uptake of biosimilars has been growing worldwide and more and more patients have been treated with high-quality biologic drugs. For many, biologic therapy means a completely new life, and access to biologics has been improved in recent years.

With our growing biosimilars portfolio, we offer more patients worldwide access to high-quality, safe, effective, and affordable medicines. We apply the same high-quality standards to our biosimilar products during research, development, and preparation as are required for the reference product.

Our research and development center for biosimilars is based in Eysins, Switzerland, where new biosimilars for the treatment of autoimmune and oncological diseases are developed in state-of-the-art development and research laboratories. Furthermore, Fresenius Kabi acquired a majority stake in mAbxience, a leading international biopharmaceutical company, in 2022. Further information on the acquisition of mAbxience can be found in the Investments and acquisitions chapter from p. 71 onwards.

Our first biosimilar is Idacio<sup>1</sup>, an adalimumab biosimilar that can be used in chronic inflammatory diseases such as rheumatoid arthritis, Crohn's disease, and psoriasis (skin disease). Since its introduction in 2019, we have launched the product in over 37 countries within Europe, the Middle East, North America, Latin America, and Asia-Pacific. In the reporting year, we worked on further market approvals. In December 2022, Fresenius Kabi received U.S. Food and Drug Administration (FDA) approval for Idacio.

Our second biosimilar, Stimufend®<sup>2</sup>, is a pegfilgrastim biosimilar, a drug used to treat patients who experience neutropenia following chemotherapy. It stimulates the growth of certain white blood cells, which are essential for fighting infections. The European Commission (EC) granted marketing authorization for Stimufend® for all approved indications of the reference medicine in the first quarter of 2022. In the reporting year, we have launched Stimufend® as planned in France and the FDA also granted approval for our pegfilgrastim biosimilar Stimufend® in September 2022.

MSB11456<sup>3</sup> is a biosimilar candidate of tocilizumab used in various indications such as rheumatoid arthritis. In the reporting year, Fresenius Kabi also announced that the FDA had accepted for review its 351(k) Biologics License Application (BLA) for MSB11456, the company's biosimilar candidate for Actemra® (tocilizumab).

The BLA application includes presentations for both subcutaneous (prefilled syringe and autoinjector) and intravenous administrations designed to provide a comprehensive offering for patients using tocilizumab.

The tocilizumab biosimilar candidate is the company's third BLA submission to the FDA, after submissions for its pegfilgrastim and adalimumab biosimilar candidates.

In August 2022, Fresenius Kabi additionally announced that the Marketing Authorization Application (MAA) for its tocilizumab biosimilar candidate (MSB11456) of RoActemra® has been accepted for review by the European Medicines Agency (EMA). The tocilizumab biosimilar candidate represents the third biosimilar candidate from Fresenius Kabi submitted in the European Union.

In addition to Fresenius Kabi's biosimilars development activities in Switzerland, mAbxience develops biosimilar products in Spain and Argentina. Bevacizumab and rituximab, two of mAbxience's biosimilars used to treat various types of cancer, have been commercially available to patients in more than 40 countries in Latin America, Asia-Pacific, and the Middle East for many years. In addition, mAbxience received EMA approval for its bevacizumab biosimilar in 2021, making it available in Europe.

In the United States, the FDA granted marketing approval for mAbxience's bevacizumab biosimilar, making it available to patients in the United States as of October 2022. Further, mAbxience also received marketing approval for the bevacizumab biosimilar in five additional countries between August and December 2022.

**Clinical nutrition** provides care for patients who cannot nourish themselves normally or sufficiently. This includes, for example, patients in intensive care units (ICU) and those who are seriously or chronically ill. Early and adequate intervention can help prevent malnutrition and its consequences.

Malnutrition is a common problem in hospitalized patients: studies carried out in Europe show that one in four patients in the hospital suffers from malnutrition or is at risk of malnutrition. The clinical significance of malnutrition results from a less favorable prognosis in terms of morbidity and mortality. Further consequences can be a longer stay in the hospital and higher associated treatment costs.

In the parenteral nutrition product segment, we focus our research and development on products that help improve clinical treatment and the nutritional condition of patients, and on innovative containers such as our multi-chamber bags that are safe and convenient in everyday use.

In 2022, we also continued development work on parenteral products. We are concentrating on formulations that are tailored to the needs of individual patient groups. In addition to our global development projects, we are also working on parenteral nutrition products for specific markets such as the United States, China, and Europe.

<sup>1</sup> Idacio is a biosimilar of Humira® and has not yet been approved by the relevant health authorities. Humira® (adalimumab) is a registered trademark of AbbVie Biotechnology Ltd.

<sup>2</sup> Stimufend® (pegfilgrastim) is a registered trademark of Fresenius Kabi Deutschland GmbH in selected countries; it is a pegfilgrastim biosimilar of Neulasta® (pegfilgrastim) a registered trademark of Amgen Inc.

<sup>3</sup> MSB11456 is a tocilizumab biosimilar candidate of Actemra®/RoActemra® and has not yet been approved by the relevant health authorities. Actemra®/RoActemra® (tocilizumab) are registered trademarks of Chugai Seiyaku Kabushiki Kaisha Corp., a member of the Roche Group.

One focus area is the use of fish oil in parenteral nutrition. Parenteral nutrition containing fish oil has numerous beneficial effects on important biological functions, including the modulation of the immune and inflammatory response. The use of fish oil in parenteral nutrition products may help to improve clinical outcomes and the duration of ICU and hospital stays.

In the area of enteral nutrition, we are focusing our research and development activities on product concepts that support therapeutic compliance and thus the success of therapy. In particular, the flavor of enteral products is known to be a critical parameter in ensuring the acceptance of the products and compliance with the nutritional therapy. For years, we have been working continuously to develop products with a wide variety of flavors to offer the users variations and thus provide them with the best possible support to complete the necessary nutritional therapy. In this regard, we are expanding our offer of plant-based products as a response to customers' demands and preferences. Another focus of our work is on the development of products with an increased calorie and protein concentration. This way, we make it easier for the user to take in the necessary amount of nutrients in small volumes. In addition to global product developments, we are continuing to work on product developments for specific market requirements.

In the area of **medical devices**, we focus on developing new products as well as on further developing our existing portfolio. This industry in particular is characterized by technological innovations. Digitalization is a more crucial factor here than in any of our other product segments. Devices not only have to be continuously developed in terms of their application, but they also increasingly have to be embedded in the IT system landscape of hospitals, blood donation centers, and plasma centers. In the future, we want to benefit from this trend and are already focusing on the continuous development of our software solutions to increase the efficiency and benefit for our customers.

As part of Fresenius Kabi's acquisition of Ivenix, a specialized infusion therapy company, Fresenius Kabi's research and development activities focus on further developing the Infusion Management Systems (IMS) and their software, in particular regarding cybersecurity, workflow optimization, and connectivity with various electronic medical record (EMR) systems. Further information on the acquisition of Ivenix can be found in the Investments and acquisitions chapter from p. 72 onwards.

We also continued the development work on our new infusion management system Exelia in the reporting year. This system features a modern operating system and will enable new therapy and treatment procedures in the intensive care unit and operating room. Fresenius Kabi will continue to develop the Exelia system further to continuously meet the advancing demands in the area of application.

In the reporting year, we continued to develop the Vigilant Software Suite, a software solution for our Agilia family of infusion pumps in hospitals.

In research and development in the area of **transfusion technology**, we are working intensively on products for use in cell therapy. Our focus is on product developments for the automated washing and concentration of cell concentrates. These products are used in CAR T-cell<sup>1</sup> and similar cell therapies. In 2022, we successfully launched the CUE<sup>1</sup> cell processing system. This device has been specifically developed for smaller filling quantities and end-use applications in the area of cell therapy and will complement our LOVO<sup>1</sup> cell processing system, which is already available on the market.

In the area of extracorporeal photopheresis (ECP), we continue to focus on the introduction of the Amicus Blue system and the associated Phelix light box in Europe, as well as on the further development of an ECP application method, which only requires one vascular access. In this therapy method, certain blood cells outside the body are treated with ultraviolet light (phototherapy). This method is used to treat various immunological diseases, including to kill malignant immune cells (lymphocytes) outside the body.

<sup>1</sup> For more information, see the glossary on page 410.

In the area of **generic IV drugs**, we are continuously working on the extension of our product portfolio. For example, in the reporting year, we launched the drug Romidepsin injection as an extension of our oncology portfolio in the United States. The product was the only generic for the originator product ISTODAX on the market. Furthermore, the products Bortezomib and Pemetrexed were launched with the formation of the generic market for these products in the United States.

In addition, we are working on the continuous improvement of IV drugs already on the market. For example, we are developing IV drugs with new formulations and dosage forms, as well as improved primary packaging. In 2022, we had about 100 active projects in the area of generics. Our research and development activities focus on complex formulations, such as an emulsion solution that has already been confirmed as a first-to-file abbreviated new drug application (ANDA) submission in the United States, as well as peptide formulations that can be applied with an autoinjector, among other methods. In addition, we are constantly working on product improvements that bring additional benefits to both medical personnel and patients.

For example, we develop ready-to-use products that are especially convenient and safe and help to prevent application errors in day-to-day medical care. These include ready-to-use solutions in our freeflex infusion bags, the cost-effective KabiPac infusion bottle, and prefilled syringes. Drugs in pre-filled syringes are easier and safer to use than traditional applications. In the reporting year, we launched Calcium Gluconate in freeflex bags and Glycylrolate in pre-filled syringes in the United States. In Europe, we launched, among other drugs, Icatibant in pre-filled syringes. Further, we launched the drug Dexamethasone, which is essential for the treatment of COVID-19 patients, in additional European countries.

To improve drug safety, Fresenius Kabi is implementing a global program to introduce data matrix barcodes on our generic drugs. This initiative is intended to prevent errors in the manual entry of drug information in data management systems, e.g., those of hospitals.

In the area of **infusion solutions**, we have focused our development activities on improving and developing new container technologies to improve the daily work routine and safety of healthcare professionals, as we have done in previous years. With freeflex+, we further rolled out a needle-free injection port and are working on new projects to complement this container range. Our portfolio extension to the U.S. market is advancing, as we are in the last stages of completing the rollout of our product offering for infusion solutions, which was specifically designed for this key market.

## EMPLOYEES

The knowledge, experience, and commitment of our employees are critical to our success. For this reason, Fresenius values a culture of **diversity**. The interplay of a wide range of views, opinions, cultural backgrounds, experiences, and values enables us to successfully exploit our potential as a global company.

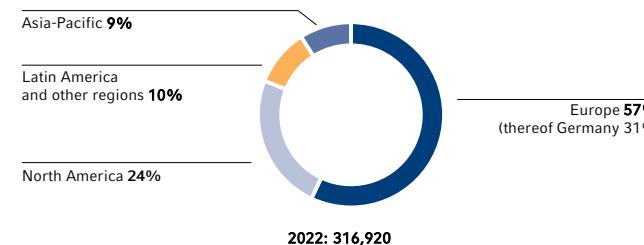
The **number of employees** remained nearly on previous year's level with 316,920 employees at the end of 2022. Personnel expenses for the Fresenius Group were €17,378 million in 2022 (2021: €15,610 million), equivalent to 42.6% of revenue (2021: 41.6%). **Personnel expenses** are above the previous year's level. Personnel expenses per employee, based on the average number of employees, were €54.6 thousand (2021: €49.8 thousand) and €52.4 thousand in constant currency. In Germany, Fresenius companies have signed tariff agreements with IG BCE, Marburger Bund, and ver.di (labor union for services). There were no significant structural changes to compensation or employment agreements in 2022.

## HUMAN RESOURCES MANAGEMENT

We are constantly adapting our human resources tools to meet new requirements arising from demographics, the transformation to a service economy, the shortage of skilled workers, and employees' desire to better balance family and career. For example, we offer flexible working hours.

Further information can be found in our separate Group Non-financial Report on pages 150ff.

### EMPLOYEES BY REGION



### NUMBER OF EMPLOYEES

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Change 2022/2021	% of total as of Dec. 31, 2022
Fresenius Medical Care	128,044	130,251	133,129	-2%	41%
Fresenius Kabi	42,063	41,397	40,519	2%	13%
Fresenius Helios	125,700	123,484	116,952	2%	40%
Fresenius Vamed	20,184	19,721	19,414	2%	6%
Corporate/Other	929	1,225	1,255	-24%	0%
<b>Total</b>	<b>316,920</b>	<b>316,078</b>	<b>311,269</b>	<b>0%</b>	<b>100%</b>

### PERSONNEL EXPENDITURE

€ in millions	2022	2021	2020
Fresenius Medical Care	7,940	6,962	7,068
Fresenius Kabi	2,196	1,907	1,809
Fresenius Helios	6,120	5,707	5,270
Fresenius Vamed	937	866	815
Corporate/Others	185	168	166
<b>Total</b>	<b>17,378</b>	<b>15,610</b>	<b>15,128</b>

## EMPLOYEE RECRUITMENT AND PERSONNEL DEVELOPMENT

In order to ensure that our long-term needs for highly qualified employees are met, and to recruit new employees, we make use of online personnel marketing, regularly participate in recruiting events and careers fairs, and organize our own recruiting events. In addition, we try to encourage long-term retention with attractive development programs.

The approaches and measures for employee recruitment and personnel development in the business segments are based on the market requirements of each segment. They are coordinated, developed, and realized independently for each business segment. At Fresenius, qualifications and experience are the only things that matter in the selection of personnel. Consequently, at Fresenius we have the aspiration that women and men with comparable qualifications will continue to have the same career opportunities. The proportion of female employees in the Fresenius Group was 69% as of December 31, 2022 (Dec. 31, 2021: 69%). The proportion of females in services or care is traditionally higher than in the area of production. This is reflected in the proportion of female employees in our business segments: our business segment Fresenius Helios has, with 75%, the highest proportion of female employees among the Group. The number of female participants in the Group-wide Long Term Incentive Plan (LTIP 2018) is a good indication of the share of women in management positions. According to this, the ratio of women among the more than 1,800 top executives increased to 33.9% as of December 31, 2022 (Dec. 31, 2021: 32.6% of 1,800 top executives).

You can visit our multiple-award-winning careers portal at [www.fresenius.com/Careers](http://www.fresenius.com/Careers). Further information on employment management can be found in our separate Group Non-financial Report on pages 147 ff.

## CHANGES TO THE SUPERVISORY BOARD

The Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022 elected Dr. Christoph Zindel to the Supervisory Board of Fresenius SE & Co. KGaA. Dr. Christoph Zindel is a member of the Audit Committee of the Supervisory Board.

As announced a year ago, Klaus-Peter Müller stepped down from the Supervisory Board at the end of the Annual General Meeting on May 13, 2022 and handed over the chairing of its Audit Committee to Susanne Zeidler.

## CHANGES TO THE MANAGEMENT BOARD

Michael Sen has been Chief Executive Officer of Fresenius since October 1, 2022. He was appointed unanimously by the Supervisory Board of Fresenius Management SE to succeed Stephan Sturm, who left the Company on good terms on September 30, 2022. Michael Sen will, in addition, continue to serve as CEO of Fresenius Kabi until a successor is decided for this position.

The Fresenius Management SE Supervisory Board has unanimously appointed Sara Hennicken as the Company's new Chief Financial Officer as of September 1, 2022. She succeeds Rachel Empey, who joined the Management Board of Fresenius as CFO on August 1, 2017, and left the Company at her own request at the end of August. Helen Giza has been appointed Chief Executive Officer of Fresenius Medical Care effective December 6, 2022. Previously, she was Vice-Chair of the Management Board of Fresenius Medical Care. The Supervisory Board of Fresenius Medical Care Management AG unanimously appointed her to succeed Dr. Carla Kriwet, who left the company at her own request and by mutual agreement due to strategic differences.

Dr. Carla Kriwet succeeded Rice Powell on October 1, 2022, who retired after 10 years at the helm of the company in accordance with the age limit for Executive Board

members. Rice Powell resigned as CEO on September 30, 2022. Helen Giza will continue to serve as Chief Financial Officer of Fresenius Medical Care until her successor is appointed. As Chief Executive Officer of Fresenius Medical Care, Helen Giza is also a member of the Management Board of Fresenius Management SE. Dr. Carla Kriwet has resigned from the Management Board of Fresenius Management SE.

The Supervisory Board of Fresenius Management SE has appointed Pierluigi Antonelli as the new Chief Executive Officer of Fresenius Kabi effective March 1, 2023. He takes over from Michael Sen, who had continued in this position on an acting basis after his appointment as Chairman of the Management Board of Fresenius SE on October 1, 2022. The Human Resources, Risk Management and Legal department will be expanded to include Environmental, Social and Governance (ESG). Sebastian Biedenkopf will leave the company by mutual agreement when his contract expires at the end of the year. He will be available to his successor Michael Moser, who will take up his post no later than August 1, 2023, until the end of his contract to ensure a smooth handover.

The CVs of the members of the Supervisory Board and the Management Board can be found on our website at <https://www.fresenius.com/Corporate-Management>.

► Fundamental information about the Group | Economic report | Overall assessment of the business situation | Outlook | Opportunities and risk report

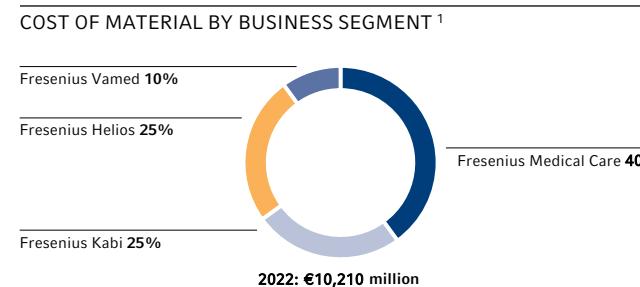
## PROCUREMENT

In 2022, the cost of raw materials and supplies and of purchased components and services was €10,210 million (2021: €8,820 million). An efficient value chain is important for our profitability. In an environment characterized by ongoing cost-containment pressure from health insurers, as well as price pressure, security and quality of supply play an important role. Within each business segment of the Fresenius Group, procurement processes are coordinated centrally, enabling us to bundle similar requirements, negotiate global framework agreements, constantly monitor market and price trends, and ensure the safety and quality of materials.

Further information on supply chain at Fresenius can be found in our Opportunities and Risk Report on page 96 f. and in our separate Group Non-financial Report on pages 193 ff. of our Annual Report.

### COST OF MATERIALS AND SUPPLIES AND PURCHASED COMPONENTS

€ in millions	2022	2021
Cost of raw materials and supplies	8,420	7,629
Write-downs of raw materials, supplies, and purchased components	11	0
Cost of purchased components and services	1,779	1,191
<b>Total</b>	<b>10,210</b>	<b>8,820</b>



## QUALITY MANAGEMENT

The quality of our products, services, and therapies is the basis for optimal medical care.

All processes are subject to the highest quality and safety standards, for the benefit of the patients and to protect our employees. Our quality management has the following three main objectives:

- ▶ to identify value-enhancing processes oriented toward efficiency and the needs of our customers,
- ▶ to monitor and manage these processes on the basis of performance indicators,
- ▶ to improve procedures.

Further information on quality management at Fresenius can be found in our Opportunities and Risk Report on page 95 f. as well as our separate Group Non-financial Report on page 110 of our Annual Report.

## RESPONSIBILITY, ENVIRONMENTAL MANAGEMENT, SUSTAINABILITY

We orient our activities within the Fresenius Group to long-term goals, and thus ensure that our work is aligned to the needs of patients and employees, as well as shareholders and business partners, in a sustainable manner. Our **responsibility as a healthcare Group** goes beyond our business operations. It is our mission to constantly improve our performance in the areas of environmental protection, occupational health and technical safety, and product responsibility and logistics, and to comply with legal requirements.

Further information on our sustainability management can be found in our separate Group Non-financial Report on pages 101 ff. of our Annual Report.

<sup>1</sup> Before consolidation

## ECONOMIC REPORT

### HEALTHCARE INDUSTRY

The healthcare sector is one of the world's largest industries and we are convinced that it shows excellent growth opportunities.

The main **growth factors** are:

- ▶ rising medical needs deriving from aging populations,
- ▶ the growing number of chronically ill and multimorbid patients,
- ▶ stronger demand for innovative products and therapies,
- ▶ advances in medical technology,
- ▶ the growing health consciousness, which increases the demand for healthcare services and facilities, and
- ▶ the increasing demand for digital health services for patients.

In the **emerging countries**, additional drivers are:

- ▶ expanding availability and correspondingly greater demand for basic healthcare, and
- ▶ increasing national incomes and hence higher spending on healthcare.

At the same time, the **cost of healthcare** is rising and claiming an ever-increasing share of national income. Healthcare spending averaged 9.7% of GDP in the OECD countries in 2020 (2019: 8.8%)<sup>1,2</sup>.

The United States had the highest per capita spending with an estimated US\$12,318<sup>1</sup> in 2021 (2020: US\$11,859). Germany is expected to rank third among the OECD countries with an estimated US\$7,383<sup>1</sup> in 2021 (2020: US\$6,939). In Germany, an estimated 86%<sup>1</sup> of **health spending** was funded by public sources in 2021 (2020: 85%), above the average of 76%<sup>1,2</sup> for the year 2020 in the OECD countries. Most of the OECD countries have enjoyed large gains in **life expectancy** over the past decades, thanks to improved living standards, public health interventions, and progress in medical care. In 2020, average life expectancy in the OECD countries was 81 years<sup>1,2</sup> (2019: 81 years).

#### HEALTHCARE SPENDING AS % OF GDP

in %	2021	2010	2000	1990	1980	1970
USA	17.8	16.3	12.5	11.2	8.2	6.2
France	12.4	11.2	9.6	8.0	6.8	5.2
Germany	12.8	11.1	9.9	8.0	8.1	5.7
Switzerland	11.8	9.9	9.1	7.6	6.4	4.8
Spain	10.7	9.1	6.8	6.1	5.0	3.1
China	5.1	4.4	4.5	-	-	-

Source: The latest available data from OECD Health Data, as no more recent data has been published; database for Switzerland and Spain is 2020 and China 2018.

Healthcare structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising **healthcare expenditures**. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the healthcare system to create incentives for cost- and quality-conscious behavior. Overall treatment costs will be reduced through improved quality standards.

In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

Furthermore, increasing digitalization in healthcare can contribute to improved patient care and greater cost efficiency.

Our most important **markets** developed as follows:

<sup>1</sup> OECD Health Data

<sup>2</sup> The latest available data from OECD Health Data refers to 2020, as no more recent data has been published.

## THE DIALYSIS MARKET

According to our estimates, the volume of the global dialysis market will be around €82 billion in 2022 (2020: €81 billion). We assume that this market volume will be roughly made up as follows: dialysis products around €15 billion (2021: €15 billion) and dialysis care (including dialysis drugs) around €67 billion (2020: €66 billion).

## Dialysis services

According to our estimates, the number of dialysis patients worldwide reached around 3.9 million in 2022 (2021: 3.8 million) – a 3% growth rate. Fresenius Medical Care is the global leader in dialysis care, providing treatment to about 9% of all dialysis patients (2021: 9%). In the same period, 344,687 patients were treated in Fresenius Medical Care's network of dialysis centers (2021: 345,425).

The overall market for dialysis care services in the United States is consolidated. Across all market segments, we treat around 38% of all dialysis patients here (2021: 37%). In the United States, home dialysis is becoming increasingly important. In 2022, about 15% (2021: 15%) of our U.S. dialysis treatments were performed at home. Outside the United States, the dialysis services business is much more fragmented. With over 1,450 dialysis centers (2021: 1,490) and approximately 139,000 patients (2021: 139,000) in around 50 countries (2021: 50), Fresenius Medical Care operates by far the largest network of clinics.

## Dialysis products

Fresenius Medical Care is also the global market leader for dialysis products. Products made by Fresenius Medical Care for use in our own dialysis centers or for sale to third-party customers accounted for a market share of 35% in 2022 (2021: 36%). In the case of hemodialysis products, we had a 41% share of the global market (2021: 42%), making us the world leader in this field as well.

Dialyzers for hemodialysis are the largest product group in the dialysis market, with a worldwide revenue volume of around 390 million units in 2022 (2021: 377 million). Approximately 161 million (around 41%) of these were made by Fresenius Medical Care (2021: 158 million or around 42%), giving us by far the biggest market share. Hemodialysis machines constitute another key component of our product business. Here, too, we are the market leader. Of the estimated 90,000 machines installed in 2022 (2021: 94,000), approximately 42,000, or around 47% (2021: 48,000 or around 52%), were produced by Fresenius Medical Care.

Furthermore, we hold a strong position in the market for peritoneal dialysis products: around 15% (2021: around 15%) of all peritoneal dialysis patients use products made by Fresenius Medical Care.

## Renal care continuum

To meet the challenges of the future, we are leveraging our core strategic competencies: developing innovative products, operating outpatient facilities, standardizing medical procedures and coordinating patients effectively.

With the implementation of our corporate strategy, we intend to take a further step to bring us closer to our goal of providing healthcare for chronically and critically ill patients across the renal care continuum. We aim to use our

innovative, high-quality products and services to offer sustainable solutions at a reliable cost.

The renal care continuum encompasses the following aspects:

New renal care models: we intend to use digital technologies such as artificial intelligence and big-data analytics to develop new care models for patients with kidney failure, such as personalized dialysis and holistic home treatment.

Value- and risk-based care models: these models allow us to offer care that is not only better, but also affordable in the long term. Our aim is to establish sustainable partnerships with payers around the world to drive forward the transition from fee-for-service payment to pay-for-performance models.

Chronic kidney disease and transplantation: we want to provide patients with holistic care along their entire treatment path. To this end, we have broadened our value- and risk-based care programs to include the treatment of chronic kidney disease with a view to slowing disease progression, enabling a smoother start to dialysis and preventing unnecessary hospital stays. We also intend to incorporate kidney transplants into value-based care models in the future.

## Future innovations

Through Fresenius Medical Care Ventures we invest in start-ups and early-stage companies in the healthcare sector with the goal of gaining access to new and disruptive technologies and treatment concepts for our core business and complementary assets.

## Critical care solutions

The number of patients requiring continuous renal replacement therapy to treat acute kidney failure is set to rise in the next decade to more than 1.5 million per year. In addition to acute dialysis, the Company is also active in other areas of extracorporeal critical care therapy, such as the treatment of acute heart, lung, and multi-organ failure.

## Complementary assets

We will supplement and strengthen our existing network where feasible through additional partnerships, investments, and acquisitions. This will help us to create medical added value while saving costs, enabling us to build an even more solid foundation for our future growth.

## THE MARKET FOR BIOPHARMACEUTICALS, CLINICAL NUTRITION, MEDTECH, GENERIC IV DRUGS, AND IV FLUIDS<sup>1</sup>

The market for **biopharmaceuticals** from the therapeutic areas of oncology and autoimmune diseases – consisting of originator products and biosimilars – grew by approximately 20% to around €176 billion in 2022. The acquisition of a majority stake in mAbxience significantly strengthens Fresenius Kabi in this growth market, in which the company participates through biosimilars and contract development and manufacturing of biopharmaceuticals. The market for biopharmaceuticals is a fast-growing and innovative segment, which will gain even more relevance for the care of patients going forward.

In 2022, the global market for **clinical nutrition** was about €10 billion in size. In Europe, this market grew by about 4%. Growth rates in emerging market regions were higher. In Latin America, the market for clinical nutrition grew by around 10%. A similarly strong growth of around 7% was realized in southeast Asia. There is growth potential worldwide, because nutrition therapies are often not yet sufficiently used in patient care, although studies have proven their medical and economic benefits. In cases of health- or age-induced nutritional deficiencies, the administration of clinical nutrition can reduce hospital costs

through shorter stays. Fresenius Kabi is one of the leading suppliers for enteral nutrition and market leader in parenteral nutrition. The company will roll out its clinical nutrition offerings into countries where it does not offer a comprehensive range yet. With a further expanded product portfolio as well as the use of new distribution channels, Fresenius Kabi will develop its global footprint.

The **MedTech Infusion and Nutrition Systems (INS)** product portfolio of Fresenius Kabi is broad and composed of product groups such as infusion and nutrition pumps and their dedicated disposables, extended by IT-based solutions focusing on application safety, user workflows, increased therapy efficiency, and interoperability with hospital systems, non-dedicated disposables, anesthesia monitoring devices, and dedicated sensors. The market for devices and related dedicated disposables is estimated to be worth more than €4 billion. There is a significant further market for non-dedicated disposables. The MedTech INS product range will be developed regionally and thus be available in more countries, in particular in the United States with the acquisition of Ivenix. In the MedTech INS segment, Fresenius Kabi ranks among the leading suppliers worldwide.

<sup>1</sup> Market data is based on company research and refers to the markets relevant for Fresenius Kabi. This is subject to annual volatility due to currency fluctuations and patent expiries of original drugs in the IV drug market, among other things.

<sup>2</sup> As in the previous year, the market definition also includes revenue of off-patent products.

The market for **MedTech Transfusion Medicine and Cell Therapies** (TCT) grew by around 4% to about €3.5 billion. Fresenius Kabi is the leading company in the market for blood collections, which has recovered slightly compared to the previous year. Increased demand for plasma-derived therapies and autotransfusion treatments has resulted in attractive market growth; Fresenius Kabi holds top three positions in both markets. Due to newly approved treatments, the segment of cell and gene therapies is the fastest-growing market within TCT. With the continued success of LOVO, now used in two of the four approved CAR-T cell therapy treatments in the United States, our cell therapies business grew compared to the previous year.

In 2022, the global market for **generic IV drugs and IV fluids** was around €50 billion<sup>2</sup> in size. With significant regional differences, the market generated low-to-mid-single-digit growth. Fresenius Kabi was able to enter additional segments of the global addressable market due to the expansion of our product portfolio in the areas of complex formulations, differentiated generics, and prefilled syringes, among others.

## THE HOSPITAL MARKET<sup>1</sup>

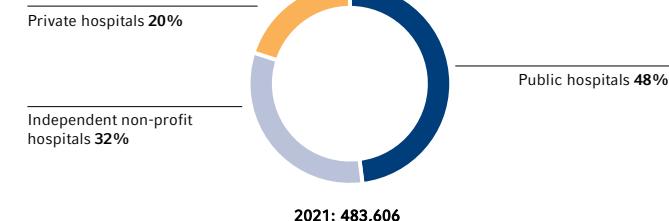
The market volume for acute care hospitals in Germany in 2021 was around €123 billion<sup>2</sup>, as defined by total costs (gross). Personnel costs accounted for around 61% of this total and material costs for 37%, increasing by around 5% and 4%, respectively.

With a share of revenue of around 6%<sup>3</sup>, Helios Germany is the leading company in the German market for acute care hospitals. The company's hospitals compete primarily with individual hospitals or local and regional hospital associations. The main private competitors are Asklepios Kliniken, Sana Kliniken, and Rhön-Klinikum.

The COVID-19 pandemic had a significant impact on the number of **inpatient treatment** cases in German hospitals in 2021, with a total of 16.7 million cases, or about 14% fewer patients, treated than in the pre-pandemic year 2019. The **economic situation** is viewed critically by German hospitals overall. Compared with the previous year, the economic situation has deteriorated significantly. 43% of German hospitals reported losses in 2021 (2020: 29%). The proportion of hospitals with an annual profit was 44% (2020: 60%). The main reason for the worsening economic situation are the COVID-19-related revenue losses.

In addition to the often difficult economic and financial situation, there is an enormous **need for capital expenditure**. This results from medical and technological progress, increased quality requirements, and necessary building renovations, as well as investments in digitalization.

## HOSPITAL BEDS BY OPERATOR



In addition, the federal states have not been able to adequately meet their legal obligation to provide the necessary financial resources in recent years. The German Hospital Institute (DKI) estimates that the annual investment requirements of German hospitals amount to over €6.8 billion. Less than half of this investment comes from public funds.

In order to continue to assist hospitals with the revenue shortfalls resulting from COVID-19, **full-year compensation** (coronavirus compensation) remained in place in 2022. The reference benchmark was hospital-specific revenue from 2019 (excluding non-personnel costs). To determine the amount of reimbursement, 2019 revenue is compared to 2022 revenue (excluding non-personnel costs). In addition, revenue from compensation payments or from supply surcharges (for patients who test positive for COVID-19) for 2022 is taken into account. The resulting revenue shortfall in 2022 compared to the base year 2019 is offset by 85% to reimburse costs incurred.

<sup>1</sup> In each case, the most recent market data available refers to the year 2021 as no more recent data has been published: German Federal Statistical Office, 2021 data; German Hospital Institute (DKI), Krankenhaus Barometer 2022

<sup>2</sup> The market is defined by total costs of the German acute care hospitals (gross), less academic research and teaching.

<sup>3</sup> Measured by 2022 revenues in relation to gross total costs of acute care hospitals minus scientific research and teaching in Germany (latest available data: Federal Statistical Office, 2021 data)

To offset the additional costs of gas and energy, the German Bundestag resolved in December 2022 to introduce a **gas and electricity price brake** and thus also aid payments for hospitals. To support hospitals, compensation totaling €6.0 billion is to be provided under the newly introduced Section 26f of the Hospital Act (KHG) for increased costs for the purchase of natural gas, heat, and electricity and for other inflation-related additional costs via the liquidity reserve of the healthcare fund.

The increase in the remuneration of hospital services in the German DRG system is determined by what is referred to as the **rate of change figure**. The rate of change figure is determined annually. For 2022, it was 2.29% (2021: 2.53%).

Since 2020, **nursing staff costs** for patient-centered nursing care in hospitals have been separated from the DRG flat rates and fully reimbursed by the health insurance funds via separate nursing budgets based on the principle of self-cost recovery. For this purpose, hospital-specific care budgets to be negotiated with the health insurers are agreed. The narrower definition (interpretation) of nursing staff costs, which has been in force since 2021, remains unchanged for 2022.

#### KEY FIGURES FOR INPATIENT CARE IN GERMANY

	2021	2020	2019	2010	2000	Change 2021/2020
Hospitals	1,887	1,903	1,914	2,064	2,242	0%
Beds	483,606	487,783	494,326	502,749	559,651	-1%
Length of stay (days)	7.2	7.2	7.2	7.9	9.7	0%
Number of admissions (millions)	16.74	16.80	19.41	18.03	17.26	0%
Average costs per admission in € <sup>1</sup>	7,582	7,239	5,926	4,432	3,216	5%

<sup>1</sup> Total costs, gross  
Source: German Federal Statistical Office, 2021 data

According to the Hospital Barometer of the German Hospital Institute (DKI), the **shortage of specialists** and problems in filling nursing vacancies will continue to be a key challenge for inpatient hospital care in Germany in 2022. In spring 2022, 89% of hospitals had problems filling vacant nursing positions on general wards. Three out of four hospitals had difficulties filling vacant intensive care nursing positions. On average, vacant nursing positions in intensive care units are unfilled for almost half a year.

In 2022, **nursing staff minimum levels** for nursing-sensitive units were expanded to include orthopedics, gynecology, and obstetrics.

To finance care for children and adolescents, the legislature introduced financial aid of €390 million p.a. for the years 2023 and 2024.

In the interests of modern, needs-based hospital treatment, **day treatments** without overnight stays can be billed using flat rates per case from January 1, 2023. This is intended to reduce night services, particularly in nursing, in order to create additional capacity among nursing staff on the day shift.

The **private hospital market** in Spain had a volume of around €18 billion<sup>1</sup> in 2021.

<sup>1</sup> Market data based on company research and refers to the addressable market of Quirónsalud. Market definition includes both inpatient and outpatient healthcare services. It includes neither public-private partnership (PPP) nor occupational risk prevention centers (ORP). The market definition may differ from the definition in other contexts (e.g., regulatory definitions).

Helios Spain is the market leader with a market share of around 12% in the private hospital market in terms of revenue. Helios Spain competes with a large number of stand-alone private hospitals as well as with smaller hospital chains such as HM Hospitales, Hospiten, Vithas, Ribera Salud, Hospitales Sanitas, and HLA, among other chains.

By the beginning of 2022, the healthcare system in Spain had already returned to normality, as it was before the start of the COVID-19 pandemic. Due to the high vaccination rate of over 85%<sup>1</sup>, as well as a large proportion of recovered people in the population, hospitals recorded hardly any severe COVID-19 cases. Hospital operations returned to normal with some safety precautions. As a result, average facility occupancy rates returned to pre-COVID-19-pandemic levels.

In contrast, the price and cost increases of 2022 as a result of the high inflation rate in Spain posed a challenge for the entire industry. In particular, there were significant additional burdens in the area of energy costs, which could only be partially offset by efficiency and savings measures. A challenge in some regions of the country continued to be the **shortage of skilled workers**, particularly in the area of nursing, although the situation has improved significantly compared with the time of the first COVID-19 waves.

The use of **telemedicine** was further accelerated by the COVID-19 crisis and also led to an increase in video consultations in 2022. This trend will continue as, among other things, medical care can be improved and greater efficiencies in healthcare can be created.

The global **market for fertility services** was worth about €13 billion in 2021. Market growth is driven by demographic and health trends as well as changing lifestyles.

Notable scientific advances in this field have led to higher success rates and less strain for patients. The global market for fertility services is highly fragmented, representing an attractive opportunity for consolidation.

## THE MARKET FOR PROJECTS AND SERVICES FOR HOSPITALS AND OTHER HEALTHCARE FACILITIES

After two years predominantly under the influence of the COVID-19 pandemic, a robust development of the global economy was anticipated. Hopes of a strong economic recovery were not fulfilled due to the war in Ukraine. The general conditions for hospital planning and construction projects were again challenging and characterized by supply bottlenecks, extraordinary cost increases, especially with regard to energy prices, and travel and quarantine restrictions.

Fresenius Vamed meets these challenges through long-standing project partnerships with a high level of competence and experience, as well as through the establishment of a global, decentralized hub structure. The service business also faces challenges with regard to energy costs, as well as the still-increased safety measures for employees and patients in the context of COVID-19 protection concepts. Capacity restrictions and lower demand for rehabilitation services due to postponed elective surgeries played a slightly smaller role in 2022 than last year. Demand for reliable management of medical technology and high-end healthcare services remains robust.

The market for projects and services for hospitals and other healthcare facilities is very fragmented. Therefore, an overall market size cannot be determined. The market is country-specific and depends, to a large extent, on factors such as public healthcare policies, government regulation, and levels of privatization, as well as demographics and

economic and political conditions. In markets with established healthcare systems and mounting cost pressure, the challenge for healthcare facilities is to increase their efficiency. Here, demand is especially high for sustainable planning and energy-efficient construction, optimized hospital processes, and the outsourcing of medical-technical support services to external specialists. This enables hospitals to concentrate on their core competency – treating patients.

In addition to offering services for healthcare facilities worldwide, Fresenius Vamed itself is active as a leading post-acute care provider in Central Europe, especially in Germany, Austria, Switzerland, and the Czech Republic. In emerging markets, the focus is on building and developing healthcare infrastructure and improving the level of healthcare.

Fresenius Vamed is a global company with no direct competitors covering a comparably comprehensive portfolio of projects, services, and total operational management over the entire life cycle of healthcare facilities. As a result, Fresenius Vamed has a unique selling proposition of its own. Depending on the business segment, the company competes with international companies and consortia, as well as with local providers.

<sup>1</sup> COVID-19 statistics ([www.corona-zahlen-heute.de](http://www.corona-zahlen-heute.de))

## OVERALL BUSINESS DEVELOPMENT

### THE MANAGEMENT BOARD'S ASSESSMENT OF THE EFFECT OF GENERAL ECONOMIC DEVELOPMENTS AND THOSE IN THE HEALTHCARE SECTOR FOR FRESENIUS AS WELL AS BUSINESS RESULTS AND SIGNIFICANT FACTORS AFFECTING OPERATING PERFORMANCE

The war in Ukraine had a negative impact on the Fresenius Group's business, both directly and indirectly. The negative impact amounted to €43 million in net income<sup>1</sup> in 2022.

In 2022, the difficult macroeconomic environment had a negative impact on business development. This included increased uncertainties, inflation-related cost increases, staff shortages, supply chain disruptions, the continued impact of the COVID-19 pandemic, and increased energy costs. In this difficult macroeconomic environment, the Fresenius Group had to lower its revenue guidance once and its net income guidance twice.

For this reason, the Management Board believes that 2022 was a challenging fiscal year for the Fresenius Group.

Fresenius Medical Care's revenue increased significantly by 10% (increased by 2% in constant currency) to €19,398 million (2021: €17,619 million). Net income<sup>2</sup> attributable to shareholders of Fresenius Medical Care decreased significantly by 10% (17% in constant currency) to €913 million (2021: €1,018 million).

Fresenius Kabi achieved organic revenue growth of 3%. EBIT<sup>2</sup> decreased by 6% (decreased by 14% in constant currency; decreased 10% in constant currency excluding the acquisitions of Ivenix and mAbxience) to €1,080 million (2021: €1,153 million).

The organic revenue growth of Fresenius Helios was 6%. EBIT<sup>2</sup> increased by 5% (5% in constant currency) to €1,185 million (2021: €1,127 million).

The organic revenue development of Fresenius Vamed was 2%. EBIT<sup>2</sup> decreased significantly to €20 million (2021: €101 million).

### COMPARISON OF THE ACTUAL BUSINESS RESULTS WITH THE FORECASTS

The overall macroeconomic environment in 2022 was characterized by increased uncertainties, inflation-related cost increases, staff shortages, supply chain disruptions, and higher energy costs. This had a direct impact on customer and patient behavior. In this difficult macroeconomic environment, the Fresenius Group had to lower its Group revenue forecast once and its Group earnings forecast twice.

The overview on page 57 shows how the outlook for the Group and the business segments developed in 2022.

Revenue in fiscal year 2022 increased by 4% in constant currency and was thus in line with the adjusted expectation in July 2022. Excluding estimated COVID-19 effects<sup>4</sup>, the Fresenius Group would have achieved currency-adjusted revenue growth of 4% to 5% in the financial year.

Currency-adjusted net income<sup>2,3</sup> decreased by 10% in fiscal year 2022, in line with the expectation that was adjusted downward for the second time in October 2022. Excluding estimated COVID-19 effects<sup>4</sup>, the Fresenius Group would have achieved currency-adjusted net income growth<sup>1</sup> before special items of -16% to -12%.

We invested €1,886 million in **property, plant and equipment** (2021: €2,032 million). At 4.6%, the investments in property, plant and equipment are below the prior-year level of 5.4%, but in line with the adjusted expectation. In October 2022, we expected to spend around 5% (previously around 6%) as a percentage of revenue. Overall, the Fresenius Group was able to continue its investment programs, despite the pandemic, to a large extent.

**Operating cash flow** was €4,198 million and thus significantly lower than one year earlier (2021: €5,078 million) due to low earnings and higher. The cash flow margin was 10.3% (2021: 13.5%) and therefore in line with the adjusted expectation. In October 2022, we had expected to achieve a cash flow margin between 8% and 10% (previously: between 10% and 12%).

<sup>1</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> Before special items

<sup>3</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA, excluding acquisitions Ivenix and mAbxience

<sup>4</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

An overview of the effect of COVID-19 is provided on page 56.

The **net financial debt/EBITDA** ratio was 3.58<sup>1</sup> (December 31, 2021: 3.51<sup>1</sup>), excluding the already-completed acquisition of Ivenix and the completed acquisition of the majority stake in mAbxience. In October 2022, we had anticipated that the net financial debt/EBITDA ratio at the end of 2022 would be roughly at the level of Q3 2022 (3.64<sup>x1</sup>) and thus above the target corridor of 3.0x to 3.5x we had set ourselves (previously: ratio excluding acquisitions Ivenix and mAbxience slightly above the self-set target corridor of 3.0x to 3.5x). We have met this adjusted expectation.

Group ROIC was 5.1%<sup>2</sup> (2021: 5.9%<sup>2</sup>), and Group RROA was 5.7%<sup>2</sup> (2021: 6.5%<sup>2</sup>). In October 2022, we expected a decline of 80 to 100 basis points (previously 50 to 80 basis points) for both metrics for the full year. At the beginning of fiscal year 2022, we had anticipated that ROIC and RROA would be at the same level as in fiscal year 2021. The change is mainly attributable to lower NOPAT and EBIT and slightly higher invested capital and operating assets.

### Estimated COVID-19 effects

The Fresenius Group was affected by the impact of the COVID-19 pandemic. In an environment with direct, but also many indirect, effects of COVID-19, it is not possible to provide precise information on the financial impact on the consolidated income statement. This applies in particular to the impact of lost revenue and the associated reductions in profitability. Therefore, the table below shows management's best estimates.

#### ESTIMATED COVID-19 EFFECTS

€ in millions	Reported growth rate in constant currency including COVID-19 effects		Estimated COVID-19 impact in constant currency		Estimated growth rate in constant currency excluding COVID-19 effects	
	2022	2021	2022	2021	2022	2021
Revenue	4%	5%	0% to -1%	0% to -1%	4% to 5%	5% to 6%
Net income (before special items) <sup>1</sup>	-12%	5%	4% to 0%	-1% to -5%	-16% to -12%	6% to 10%

<sup>1</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> Both net debt and EBITDA calculated at average exchange rates; before special items, pro forma closed acquisitions / divestitures; 2022: excluding acquisitions Ivenix and mAbxience

<sup>2</sup> Before special items

Fundamental information about the Group ► **Economic report** | Overall assessment of the business situation | Outlook | Opportunities and risk report

## ACHIEVED GROUP TARGETS 2022

	Guidance 2022, published February 2022	Guidance adjustment/ update, published July 2022	Guidance adjustment/ update, published October 2022	Achieved in 2022
<b>Group<sup>1</sup></b>				
Revenue (growth, in constant currency)	Mid-single-digit percentage growth	Growth in a low-to-mid- single-digit percentage range	Confirmed	4%
Net income <sup>2,5</sup> (growth, in constant currency)	Low-single-digit percentage growth	Decline in a low-to-mid- single-digit percentage range	Decline around 10%	-10%
<b>Fresenius Medical Care<sup>1,3</sup></b>				
Revenue (growth, in constant currency)	Low-to-mid-single-digit percentage growth	Low-single-digit percentage growth	Confirmed	2%
Net income <sup>4</sup> (growth, in constant currency)	Low-to-mid single-digit percentage growth	Decline at around a high-teens percentage range	Decline in the high-teens to mid-twenties percentage range	-17%
<b>Fresenius Kabi<sup>1</sup></b>				
Revenue (growth, organic)	Low-single-digit percentage growth	Confirmed	Confirmed	3%
EBIT <sup>5</sup> (growth, in constant currency)	Decline in high-single- to low-double-digit percentage range	Confirmed	Confirmed	-10%
<b>Fresenius Helios<sup>1</sup></b>				
Revenue (growth, organic)	Low-to-mid-single-digit percentage growth	Confirmed	Confirmed	6%
EBIT (growth, in constant currency)	Mid-single-digit percentage growth	Confirmed	Confirmed	5%
<b>Fresenius Vamed<sup>1</sup></b>				
Revenue (growth, in constant currency)	High-single- to low-double-digit percentage growth	Confirmed	Growth in a mid-single-digit percentage range	2%
EBIT	Returning to absolute pre-COVID levels (2019: €134 m)	Confirmed	Around €100 million	€20 million

<sup>1</sup> Before special items<sup>2</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA, 2022: excluding acquisitions Ivenix and mAbxience<sup>3</sup> Targets are based on 2021 results. The targets include the expected impact of COVID-19, are in constant currency and exclude special items. Special items include costs related to FME25 as well as other effects that are unusual in nature and were not foreseeable at the time the outlook was prepared, or whose magnitude or impact was not foreseeable.<sup>4</sup> Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA<sup>5</sup> 2022: excluding acquisitions Ivenix and mAbxience

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### RESULTS OF OPERATIONS

#### Revenue

**Group revenue** increased by 9% (4% in constant currency) to €40,480 million (2021: €37,520 million). In fiscal year 2022, the challenging macroeconomic environment with its direct impact on customer and patient behavior had a negative impact on Group revenue. The reported figures are positively impacted by currency translation, in particular due to the strong U.S. dollar. Excluding estimated COVID-19 effects<sup>1</sup>, the Fresenius Group achieved currency-adjusted revenue growth of 4% to 5% in the fiscal year.

In detail, the revenue performance of the business segments<sup>2</sup> was as follows:

- Revenue of **Fresenius Medical Care** increased by 10% (2% in constant currency) to €19,398 million (2021: €17,619 million). Organic revenue growth was 2%. Currency translation effects had a positive impact of 8%. Health Care Services revenue increased by 11% to €15,418 million (+2% at constant currency, +1% organic). At constant currency, this was mainly driven by organic growth in EMEA, including the effects of hyperinflation in Turkiye, Asia-Pacific and Latin America, which was partially offset by the impact of COVID-19 on organic growth in North America.

#### REVENUE BY REGION

€ in millions	2022	2021	Growth	Currency translation effects	Constant currency growth	Organic growth	Acquisitions	Divestitures/ others	% of total revenue
North America	16,106	14,354	12%	12%	0%	-1%	1%	0%	40%
Europe	17,877	16,885	6%	0%	6%	5%	1%	0%	44%
Asia-Pacific	4,141	3,949	5%	5%	0%	0%	0%	0%	10%
Latin America	2,182	1,830	19%	-3%	22%	19%	3%	0%	5%
Africa	534	502	6%	0%	6%	6%	0%	0%	1%
<b>Total</b>	<b>40,840</b>	<b>37,520</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>1%</b>	<b>0%</b>	<b>100%</b>

#### REVENUE BY BUSINESS SEGMENT<sup>2</sup>

€ in millions	2022	2021	Growth	Currency translation effects	Constant currency growth	Organic growth	Acquisitions	Divestitures/ others	% of total revenue
Fresenius									
Medical Care	19,398	17,619	10%	8%	2%	2%	1%	-1%	47%
Fresenius Kabi	7,850	7,193	9%	5%	4%	3%	1%	0%	19%
Fresenius Helios	11,716	10,891	8%	1%	7%	6%	2%	-1%	29%
Fresenius Vamed	2,359	2,297	3%	1%	2%	2%	1%	-1%	5%
<b>Total</b>	<b>40,840</b>	<b>37,520</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>1%</b>	<b>0%</b>	<b>100%</b>

#### ORDER INTAKE AND ORDER BACKLOG FRESENIUS VAMED

€ in millions	2022	2021	2020	2019	2018
Order intake	1,241	1,290	1,010	1,314	1,227
Order backlog (December 31)	3,689	3,473	3,055	2,865	2,420

<sup>1</sup> An overview of the effect of COVID-19 is provided on page 56.

<sup>2</sup> The following description of revenue relates to the respective external revenue of the business segments. Consolidation effects and corporate entities are not taken into account. Therefore, aggregation to total Group revenue is not possible.

Health Care Products revenue grew by 6% to €3,980 million (+2% at constant currency, +2% organic). At constant currency, higher sales of in-center disposables were offset by lower sales of machines for chronic treatment.

► **Fresenius Kabi** increased revenue by 9% (4% in constant currency) to €7,850 million (2021: €7,193 million). Organic growth amounted to 3%. Currency translation effects had a positive impact of 5%. They mainly resulted from the U.S. dollar. Revenue in the biopharmaceuticals business increased significantly year-on-year and amounted to €188 million in fiscal year 2022. In North America, however, continuing competitive pressure and challenges in the supply chains impacted revenue development. In Asia-Pacific, organic growth was primarily impacted by price declines in connection with NVBP (National Volume-Based Procurement) tenders in China.

► **Fresenius Helios** increased revenue by 8% (7% in constant currency) to €11,716 million (2021: €10,891 million). Organic revenue growth amounted to 6%. Acquisitions, in particular at Helios Spain and Helios Fertility, contributed a total of 2% to revenue growth. Divestments reduced revenue by 1%.

**Helios Germany's** revenue increased by 4% to €7,021 million (2021: €6,733 million), mainly driven by increasing admissions and a return to a pre-COVID patient structure by year-end. Acquisitions had no impact (0%) on revenue growth.

**Helios Spain's** revenue increased by 10% (in constant currency: 10%) to €4,441 million (2021: €4,021 million). Organic growth amounted to 9% and was driven by continued high demand for treatments. Furthermore, hospitals in Latin America showed pleasing development. Acquisitions contributed 1% to revenue growth.

**Helios Fertility's** revenue was €250 million (2021: €133 million). The difficult macroeconomic environment resulted in lower utilization due to postponed treatments. In the prior year, the business was only consolidated on a pro rata temporis basis.

► **Fresenius Vamed's** revenue increased by 3% (2% in constant currency) to €2,359 million (2021: €2,297 million). The organic growth was 2%. In the **project business**, revenue decreased by 6% to €674 million (2021: €717 million). The decline was mainly driven by the ongoing difficult macroeconomic environment. Revenue in the **services business** increased by 7% to €1,685 million (2021: €1,580 million), mainly due to increased workloads as capacity restrictions in the rehabilitation business no longer applied.

**Order intake** in the project business was €1,241 million (2021: €1,290 million). Fresenius Vamed increased its **order backlog** by 6% to €3,689 million (December 31, 2021: €3,473 million).

Fresenius Vamed is the only business segment within the Fresenius Group whose business is also significantly influenced by order intake and order backlog.

## EARNINGS STRUCTURE

In 2022, **Group net income<sup>1</sup> before special items** decreased by 7% (12% in constant currency) to €1,729 million (2021: €1,867 million). COVID-19 had an estimated effect of 4 to 0 percentage points on Group net income growth in constant currency. In 2022, **earnings per share<sup>1</sup> before special items** decreased by 8% (13% in constant currency) to €3.08 (2021: €3.35). The weighted average number of shares was 561.3 million.

**Reported Group net income<sup>1</sup>** decreased by 25% (29% in constant currency) to €1,372 million (2021: €1,818 million). **Reported earnings per share<sup>1</sup>** decreased by 25% (30% in constant currency) to €2.44 (2021: €3.26).

**Group EBITDA before special items** decreased by 1% (-6% in constant currency) to €6,808 million (2021: €6,854 million). **Group EBITDA reported** was €6,294 million (2021: €6,825 million).

**Group EBIT before special items** decreased by 6% (-11% in constant currency) to €4,004 million (2021: €4,252 million). **Group EBIT reported** decreased by 20% (-25% in constant currency) to €3,321 million (2021: €4,158 million).

## GROUP RETURN RATIOS

in %	2022	2021	2020	2019	2018
EBITDA margin <sup>1</sup>	16.7	18.3	19.7	20.1	18.1
EBIT margin <sup>1</sup>	9.8	11.3	12.7	13.2	13.6
Return on revenue (before taxes and noncontrolling interests) <sup>1</sup>	8.5	10.0	10.9	11.2	11.9

<sup>1</sup>Before special items

## STATEMENT OF INCOME (SUMMARY)

€ in millions	2022	2021	Growth
<b>Revenue</b>	40,840	37,520	9%
Cost of goods sold	-30,115	-27,209	-11%
Gross profit	10,725	10,311	4%
Selling, general and administrative expenses	-6,744	-5,453	-24%
Other operating income and expenses	207	105	97%
Research and development expenses	-867	-805	-8%
Operating income (EBIT)	3,321	4,158	-20%
Financial result	-507	-506	0%
Income before income taxes	2,814	3,652	-23%
Income taxes	-697	-833	16%
Net income	2,117	2,819	-25%
Noncontrolling interests	-745	-1,001	26%
<b>Net income attributable to Fresenius SE &amp; Co. KGaA<sup>1,2</sup></b>	1,729	1,867	-7%
Net income attributable to Fresenius SE & Co. KGaA <sup>1</sup>	1,372	1,818	-25%
Earnings per ordinary share in € <sup>1,2</sup>	3.08	3.35	-8%
Fully diluted earnings per ordinary share in € <sup>1,2</sup>	3.08	3.35	-8%
Earnings per ordinary share in € <sup>1</sup>	2.44	3.26	-25%
Fully diluted earnings per ordinary share in € <sup>1</sup>	2.44	3.26	-25%
Average number of shares	561,264,305	558,061,878	1%
EBITDA <sup>2</sup>	6,808	6,854	-1%
Depreciation and amortization <sup>2</sup>	2,804	2,602	8%
EBIT <sup>2</sup>	4,004	4,252	-6%
EBITDA margin <sup>2</sup>	16.7%	18.3%	
EBIT margin <sup>2</sup>	9.8%	11.3%	

<sup>1</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> Before special items

<sup>1</sup> Net income attributable to the shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 63–66.

## **EBIT development by business segment** was as follows:

The presentation of the business segments' earnings development is provided before special items. The special items are reported in the Corporate segment.

- ▶ **Fresenius Medical** Care's EBIT<sup>1</sup> decreased by 5% (13% in constant currency) to €1,817 million (2021: €1,915 million). In constant currency, the decrease was mainly due to a lower number of dialysis treatments in North America and higher personnel costs, as well as inflation and cost increases in the supply chains. This was partly offset by financial support from the U.S. government to offset certain costs related to COVID-19. The EBIT margin<sup>1</sup> decreased to 9.4% (2021: 10.9%). EBIT reported decreased by 18% (25% in constant currency) to €1,512 million (2021: €1,852 million), and the EBIT margin was 7.8% (2021: 10.5%).
- ▶ **Fresenius Kabi**'s EBIT<sup>1</sup> decreased by 6% (14% in constant currency) to €1,080 million (2021<sup>1</sup>: €1,153 million). EBIT development was characterized by rising cost inflation, supply chain challenges, and continued competitive pressure. The EBIT margin<sup>1</sup> was 13.8% (2021: 16.0%). Excluding the acquisition of Ivenix and the acquisition of the majority stake in mAbxience, the EBIT margin<sup>1</sup> was 14.4%<sup>2</sup>.

▶ The EBIT<sup>1</sup> of **Fresenius Helios** increased by 5% (5% in constant currency) to €1,185 million (2021: €1,127 million). The EBIT<sup>1</sup> margin was 10.1% (2021: 10.3%). The increase was mainly driven by increasing admissions and a return to a pre-COVID patient structure by year-end.

The EBIT<sup>1</sup> of **Helios Germany** increased by 2% to €623 million (2021: €613 million). The EBIT<sup>1</sup> margin was 8.9% (2021: 9.1%). Increased costs for the increased use of external personnel due to COVID-19-related employee absences impacted earnings. EBIT was also slightly impacted by rising cost inflation.

The EBIT of **Helios Spain** increased by 8% (8% in constant currency) to €556 million (2021: €514 million). The EBIT margin decreased to 12.5% (2021: 12.8%) despite increased cost inflation.

The EBIT of **Helios Fertility** was €21 million (2021: €19 million). In the prior year, the business was only consolidated on a pro rata basis. The EBIT margin decreased to 8.4% (2021: 14.3%). The decrease was due to the difficult macroeconomic environment, which resulted in lower utilization due to postponed treatments.

▶ The EBIT<sup>1</sup> of **Fresenius Vamed** decreased to €20 million (2021: €101 million). The EBIT margin<sup>1</sup> was 0.8% (2021: 4.4%). Earnings were significantly lower than the prior-year figure (€101 million) and the earnings forecast (around €100 million) due to the continuing difficult conditions at the end of 2022.

Weak revenues due to the economic environment with increased costs in particular and negative non-recurring effects from the writedown and reassessment of claims and court cases weighed on earnings in the project business.

The service business reported solid revenue, but one-time effects and the macroeconomic environment had a negative impact on profitability, in particular as a result of write-downs due to delayed business initiations that did not materialize as planned.

<sup>1</sup> Before special items

<sup>2</sup> Excluding acquisition of Ivenix and mAbxience

## Development of other major items in the statement of income

**Group gross profit** increased by 4% (decreased by 1% in constant currency) to €10,725 million (2021: €10,311 million, increased by). The gross margin decreased to 26.3% (2021: 27.5%). The cost of revenue increased by 11% to €30,115 million (2021: €27,209 million). Cost of revenue as a percentage of Group revenue increased to 73.7% (2021: 72.5%).

**Selling, general, and administrative expenses** consisted primarily of personnel costs, marketing and distribution costs, and depreciation and amortization. These expenses, excluding other operating income and expenses, increased by 24% to €6,744 million (2021: €5,453 million), mainly due to the rise in personnel costs, acquisitions and currency translation effects. Selling, general, and administrative expenses as a percentage of Group revenue was 16.5% (2021: 14.5%). **R&D expenses** increased by 8% to €867 million (2021: €805 million). The increase resulted from higher expenses at Fresenius Kabi.

**Depreciation and amortization** was €2,804 million<sup>1</sup> (2021: €2,602 million<sup>1</sup>). The ratio as a percentage of revenue was 6.9%<sup>1</sup> (2021: 6.9%<sup>1</sup>). **Group personnel costs** increased to €17,378 million (2021: €15,610 million). The personnel cost ratio was 42.6% (2021: 41.6%).

The **Group financial result before special items** was -€533 million (2021: -€504 million), mainly driven by increasing interest rates. The **Group financial result reported** was -€507 million (2021: -€506 million).

The **Group tax rate before special items** was 23.7% (2021: 22.6%). The **Group tax rate reported** was 24.8% (2021: 22.8%).

**Noncontrolling interests before special items** were -€918 million (2021: -€1,033 million), of which 91% were attributable to the noncontrolling interests in Fresenius Medical Care.

## RECONCILIATION FRESENIUS GROUP

To present the underlying operational business performance and in order to compare the results with the scope of the guidance provided for fiscal year 2022, key figures are presented before special items.

Consolidated results for FY/22 as well as for FY/21 include special items. These concern: revaluations of biosimilars contingent purchase price liabilities, expenses associated with the Fresenius cost and efficiency program (including costs related to the FME25 program), impacts related to the war in Ukraine, transaction costs for mAbxience and Ivenix, hyperinflation in Turkey, retroactive duties, re-measurement of the Humacyte investment, and net gain related to InterWell Health. The special items shown within the reconciliation tables are reported in the "Corporate" segment.

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on pages 63–66.

## Reconciliation Fresenius Group

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Revenue reported</b>	<b>40,840</b>	<b>37,520</b>	<b>9%</b>	<b>4%</b>
<b>EBIT reported (after special items)</b>	<b>3,321</b>	<b>4,158</b>	<b>-20%</b>	<b>-25%</b>
Revaluations of biosimilars contingent purchase price liabilities	23	-49		
Expenses associated with the Fresenius cost and efficiency program	466	143		
Impacts related to the war in Ukraine	86	-		
Transaction costs mAbxience, Ivenix	40	-		
Hyperinflation Turkey	12	-		
Retroactive duties	9	-		
Remeasurement Humacyte investment	103	-		
Net Gain related to InterWell Health	-56	-		
<b>EBIT (before special items)</b>	<b>4,004</b>	<b>4,252</b>	<b>-6%</b>	<b>-11%</b>
<b>Net interest reported (after special items)</b>	<b>-507</b>	<b>-506</b>	<b>-0%</b>	<b>5%</b>
Revaluations of biosimilars contingent purchase price liabilities	-26	2		
<b>Net interest (before special items)</b>	<b>-533</b>	<b>-504</b>	<b>-6%</b>	<b>-0%</b>
<b>Income taxes reported (after special items)</b>	<b>-697</b>	<b>-833</b>	<b>16%</b>	<b>20%</b>
Revaluations of biosimilars contingent purchase price liabilities	1	14		
Expenses associated with the Fresenius cost and efficiency program	-104	-29		
Impacts related to the war in Ukraine	-8	-		
Transaction costs mAbxience, Ivenix	-7	-		
Hyperinflation Turkey	0	-		
Retroactive duties	-1	-		
Remeasurement Humacyte investment	-27	-		
Net Gain related to InterWell Health	19	-		
<b>Income taxes (before special items)</b>	<b>-824</b>	<b>-848</b>	<b>3%</b>	<b>7%</b>

Fundamental information about the Group ► **Economic report** | Overall assessment of the business situation | Outlook | Opportunities and risk report

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Noncontrolling interests reported (after special items)</b>	<b>-745</b>	<b>-1,001</b>	<b>26%</b>	<b>32%</b>
Expenses associated with the Fresenius cost and efficiency program	-102	-32		
Impacts related to the war in Ukraine	-35	-		
Transaction costs mAbxience, Ivenix	-6	-		
Hyperinflation Turkey	-3	-		
Remeasurement Humacyte investment	-52	-		
Net Gain related to InterWell Health	25	-		
<b>Noncontrolling interests (before special items)</b>	<b>-918</b>	<b>-1,033</b>	<b>11%</b>	<b>18%</b>
<b>Net income reported (after special items)<sup>1</sup></b>	<b>1,372</b>	<b>1,818</b>	<b>-25%</b>	<b>-29%</b>
Revaluations of biosimilars contingent purchase price liabilities	-2	-33		
Expenses associated with the Fresenius cost and efficiency program	260	82		
Impacts related to the war in Ukraine	43	-		
Transaction costs mAbxience, Ivenix	27	-		
Hyperinflation Turkey	9	-		
Retroactive duties	8	-		
Remeasurement Humacyte investment	24	-		
Net Gain related to InterWell Health	-12	-		
<b>Net income (before special items)<sup>1</sup></b>	<b>1,729</b>	<b>1,867</b>	<b>-7%</b>	<b>-12%</b>

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fundamental information about the Group ► **Economic report** | Overall assessment of the business situation | Outlook | Opportunities and risk report

## Reconciliation business segments

FRESENIUS MEDICAL CARE — RECONCILIATION ACCORDING TO FRESENIUS MEDICAL CARE

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Revenue reported</b>	<b>19,398</b>	<b>17,619</b>	<b>10%</b>	<b>2%</b>
<b>EBIT reported (after special items)</b>	<b>1,512</b>	<b>1,852</b>	<b>-18%</b>	<b>-25%</b>
Costs related to FME25 program	204	63		
Impacts related to the war in Ukraine	49	-		
Hyperinflation Turkey	5	-		
Remeasurement Humacyte investment	103	-		
Net Gain related to InterWell Health	-56	-		
<b>EBIT (before special items)</b>	<b>1,817</b>	<b>1,915</b>	<b>-5%</b>	<b>-13%</b>
<b>Net income reported (after special items)<sup>1</sup></b>	<b>673</b>	<b>969</b>	<b>-31%</b>	<b>-37%</b>
Costs related to FME25 program	149	49		
Impacts related to the war in Ukraine	47	-		
Hyperinflation Turkey	5	-		
Remeasurement Humacyte investment	76	-		
Net Gain related to InterWell Health	-37	-		
<b>Net income (before special items)<sup>1</sup></b>	<b>913</b>	<b>1,018</b>	<b>-10%</b>	<b>-17%</b>

<sup>1</sup> Net income attributable to Fresenius Medical Care AG & Co. KGaA

## Reconciliation business segments

FRESENIUS KABI

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Revenue reported</b>	<b>7,850</b>	<b>7,193</b>	<b>9%</b>	<b>4%</b>
Revaluations of biosimilars contingent purchase price liabilities	23	-49		
Expenses associated with the Fresenius cost and efficiency program	195	58		
Impacts related to the war in Ukraine	15	-		
Transaction costs mAbxience, Ivenix	40	-		
Hyperinflation Turkey	7	-		
<b>EBIT (before special items)</b>	<b>1,080</b>	<b>1,153</b>	<b>-6%</b>	<b>-14%</b>

FRESENIUS HELIOS

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Revenue reported</b>	<b>11,716</b>	<b>10,891</b>	<b>8%</b>	<b>7%</b>
Expenses associated with the Fresenius cost and efficiency program	0	10		
<b>EBIT (before special items)</b>	<b>1,185</b>	<b>1,127</b>	<b>5%</b>	<b>5%</b>

FRESENIUS VAMED

€ in millions	2022	2021	Growth rate	Growth rate in constant currency
<b>Revenue reported</b>	<b>2,359</b>	<b>2,297</b>	<b>3%</b>	<b>2%</b>
Expenses associated with the Fresenius cost and efficiency program	4	0		
Impacts related to the war in Ukraine	22	-		
<b>EBIT (before special items)</b>	<b>20</b>	<b>101</b>	<b>-80%</b>	<b>-81%</b>

## FINANCIAL POSITION

### Financial management policies and goals

The financing strategy of the Fresenius Group has the following main objectives:

- ▶ Ensuring financial flexibility
- ▶ Maintaining our investment grade rating
- ▶ Limiting refinancing risks
- ▶ Optimizing the weighted average cost of capital

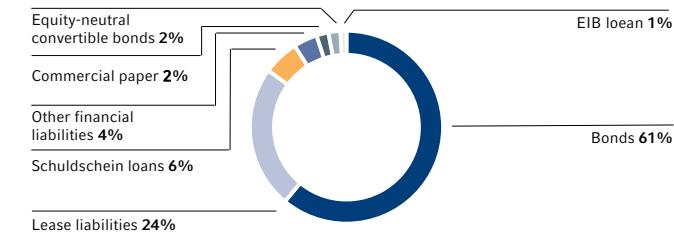
Assuring financial flexibility is key to the financing strategy of the Fresenius Group. Our investment grade rating provides us with good access to the capital and credit markets. Moreover, adequate liquidity headroom maintains our financial flexibility.

Our refinancing risks are limited due to a balanced maturity profile that is characterized by a broad spread of maturities with a high proportion of medium- and long-term financing up to 2033. In the selection of **financing instruments**, we take into account criteria such as market capacity, investor diversification, funding flexibility, credit conditions, cost of capital, and the existing **maturity profile**. We also take into account the currencies in which our income and cash flows are generated.

Our main medium- and long-term financing instruments are bonds, as shown in the adjacent chart. Bonds denominated in euros are issued under the €12.5-billion Debt Issuance Program of Fresenius SE & Co. KGaA or the €10-billion Debt Issuance Program of Fresenius Medical Care AG & Co. KGaA. Other important long-term financing instruments include Schuldschein loans, bank loans, and an equity-neutral convertible bond. Short-term financing requirements are covered by issuances under the commercial paper programs of Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA of €1.5 billion each and by bilateral credit lines. Moreover, lease liabilities (according to IFRS 16) as well as accounts receivable programs are part of our short- and medium-term financing. The syndicated credit facilities of Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA signed in July 2021, each of €2 billion, serve as backup lines and were undrawn as of December 31, 2022.

Another main objective of the Fresenius Group's financing strategy is to optimize the weighted average **cost of capital** by employing a balanced mix of equity and debt. Due to the Company's diversification within the healthcare sector and the strong market positions of the business segments in global, growing, and non-cyclical markets, predictable and sustainable cash flows are generated. These allow for a reasonable proportion of debt. Measures to strengthen the equity base may also be considered in exceptional cases to support long-term growth.

### FINANCING MIX OF THE FRESENIUS GROUP<sup>1</sup>



<sup>1</sup> The syndicated revolving credit facilities of Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA in the amount of €2 billion each were undrawn as of December 31, 2022 and are therefore not included in the chart.

Overall, there was no significant change in our financing strategy in 2022. Against the background of the volatile capital market environment, however, upcoming maturities were refinanced much earlier. For example, with the €1-billion bond issuance in November we already refinanced 2023 and parts of our 2024 maturities. The average maturity of our major financing instruments (excluding leasing) as of December 31, 2022 was 4.4 years and the average cost of interest was 2.1%. In line with the Group's structure, financing for Fresenius Medical Care and the rest of the Fresenius Group is conducted separately. There are no joint financing facilities and no mutual guarantees. The Fresenius Kabi, Fresenius Helios, and Fresenius Vamed business segments are financed primarily through Fresenius SE & Co. KGaA, in order to avoid any structural subordination.

## Financing

Fresenius meets its financing needs through a combination of operating cash flows generated in the business segments and short-, mid-, and long-term debt. Important financing instruments include bonds, Schuldschein loans, bank loans, convertible bonds, commercial paper programs, and accounts receivable programs. In addition, our financing mix includes lease liabilities in accordance with IFRS 16. In 2022, the proceeds of the financing activities were mainly used for general corporate purposes, including the refinancing of existing financial liabilities.

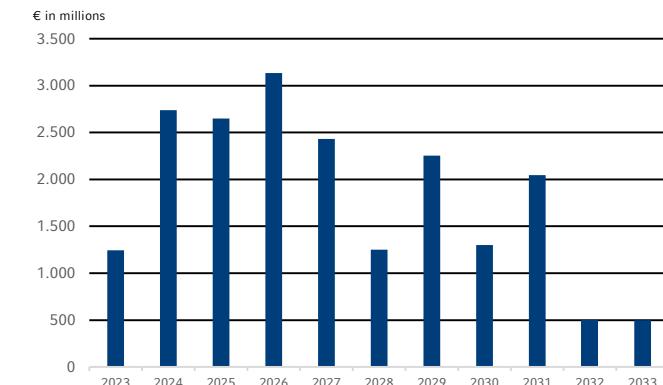
Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA have Debt Issuance Programs, under which bonds of up to €12.5 billion (Fresenius SE & Co. KGaA) and up to €10 billion (Fresenius Medical Care AG & Co. KGaA) can be issued in different currencies and maturities. The syndicated credit facilities serve as backup lines and were undrawn as of December 31, 2022.

For short-term financing needs, Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA maintain bilateral credit lines and commercial paper programs. Under each of the commercial paper programs, short-term notes of up to €1.5 billion can be issued. As of December 31, 2022, €80 million of Fresenius SE & Co. KGaA's commercial paper program were utilized. The commercial paper program of Fresenius Medical Care AG & Co. KGaA was utilized in the amount of €497 million.

To ensure short-term liquidity, both Groups can also conclude bilateral credit lines with banks that can be drawn at any time.

Detailed information on the Fresenius Group's financing can be found on pages 323 to 330 of the Notes. Further information on financing measures in 2023 is included in the outlook section on page 94.

### MATURITY PROFILE OF THE FRESENIUS GROUP FINANCING FACILITIES<sup>1,2</sup>



<sup>1</sup> As of December 31, 2022, and based on utilization of major financing instruments, excl. commercial paper and accounts receivable facilities

<sup>2</sup> The variable tranche of €175 million of Fresenius SE & Co. KGaA's Schuldschein Loans in the total amount of €421 million originally due on January 31, 2024 was repaid prior to maturity on January 31, 2023. The bonds issued by Fresenius US Finance II, Inc. in the amount of US\$300 million, which were originally due on January 15, 2023, were redeemed prior to maturity on December 13, 2022.

## FINANCIAL POSITION – FIVE-YEAR OVERVIEW

€ in millions

Operating cash flow

as % of sales

Working capital<sup>1</sup>

as % of sales

Investments in property, plant and equipment, net

Cash flow before acquisitions and dividends

as % of sales

	2022	2021	2020	2019	2017
4,198	5,078	6,549	4,263	3,742	
10.3	13.5	18.1	12.0	11.2	
9,586	8,690	8,104	8,812	7,721	
23.5	23.2	22.3	24.9	23.0	
-1,777	-2,017	2,366	2,433	2,077	
2,421	3,061	4,183	1,830	1,665	
5.9	8.2	11.5	5.2	5.0	

<sup>1</sup> Trade accounts receivable and inventories, less trade accounts payable and payments received on accounts.

## Corporate rating

The credit quality of Fresenius is assessed and regularly reviewed by the leading rating agencies Moody's, Standard & Poor's, and Fitch. Fresenius is rated investment grade by all three rating agencies. The rating agency Fitch lowered the outlook from stable to negative in November 2022. Other than that, there were no rating changes in 2022.

### RATING OF FRESENIUS SE&CO. KGAA

	Dec. 31, 2022	Dec. 31, 2021
Standard & Poor's		
Corporate Credit Rating	BBB	BBB
Outlook	stable	stable
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB-	BBB-
Outlook	negative	stable

## Effect of off-balance-sheet financing instruments on our financial position and liabilities

Fresenius is not involved in any off-balance-sheet transactions that are likely to have a significant impact on its financial position, results of operations, liquidity, investments, assets and liabilities, or capitalization at present or in the future.

## Liquidity analysis

The main sources of liquidity are cash provided by operating activities and cash used in financing activities, i.e. short-, medium- and long-term borrowings. Cash flows from operating activities are influenced by the profitability of Fresenius' business and by working capital, in particular receivables. Cash inflows from financing activities are generated through the use of various short-term financing instruments. To this end, we issue commercial paper and draw on bilateral bank credit lines. Short-term liquidity requirements can also be covered by accounts receivable programs. Medium- and long-term financing is mainly provided by bonds, Schuldsschein loans, bilateral credit lines, an equity-neutral convertible bond and leasing liabilities. Fresenius SE & Co. KGaA has access to the €2 billion syndicated revolving credit facility as additional liquidity headroom. Fresenius is confident that the existing credit facilities, inflows from further debt financings as well as cash inflows from operating activities and other short-term financing sources will be sufficient to cover the Group's foreseeable liquidity needs.

## Dividend

The general partner and the Supervisory Board will propose to the Annual General Meeting that the dividend will be kept stable compared with the previous year, despite the challenging year. This is intended to maintain dividend continuity.

For 2022, a dividend of €0.92 per share is proposed (2021: €0.92 per share). This results in a total payout of €518 million (2021: €514 million, thereof €147 million in shares as part of the scrip dividend).

## Cash flow analysis

**Operating cash flow** decreased by 17% to €4,198 million (2021: €5,078 million), with a margin of 10.3% (2021: 13.5%). The cash flow development is mainly attributable to lower earnings and higher inventories.

**Cash provided by operating activities** exceeded financing needs from investment activities before acquisitions, with cash outflows for capital expenditures amounting to €1,917 million (2021: €2,047 million) and cash inflows from disposals of noncurrent assets of €140 million (2021: €30 million).

**Cash flow before acquisitions and dividends** was €2,421 million (2021: €3,061 million). This was sufficient to finance the Group dividends of €890 million.

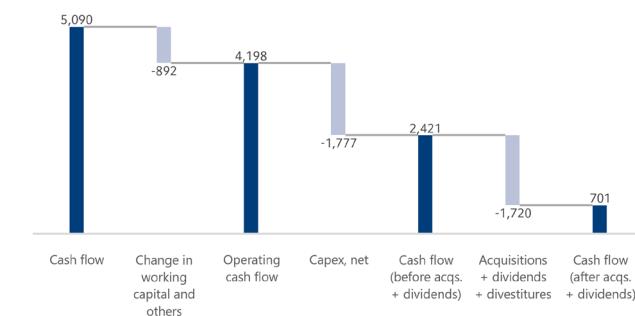
The dividend amount is calculated as follows: in total, there was a dividend payment of €514 million to the shareholders of Fresenius SE & Co. KGaA. Of this amount, €147 million in dividend rights for new shares were contributed from Authorized Capital due to the scrip dividend and thus not substituted in cash. Group dividends consisted of dividend payments of €367 million to the shareholders of Fresenius SE & Co. KGaA, payments of €396 million by Fresenius Medical Care to its shareholders, and dividends paid to third parties of €254 million (primarily relating to Fresenius Medical Care). These payments were partially offset by the dividend of €127 million that Fresenius SE & Co. KGaA received as a shareholder of Fresenius Medical Care.

The cash outflow for acquisitions was €830 million, mainly for the acquisitions of mAbxience and Ivenix at Fresenius Kabi.

**Cash flow after acquisitions and dividends** was €701 million (2021: €1,193 million). Overall, cash used for financing activities was €714 million, (2021 cash used for financing activities: €384 million). Cash and cash equivalents decreased by €15 million to €2,749 million as of December 31, 2022 (December 31, 2021: €2,764 million). Cash and cash equivalents were negatively influenced by currency translation effects of -€2 million (2021: positive effect of €118 million).

Working capital increased by 10% to €9,586 million (2021: €8,690 million), mainly due to higher inventories.

CASH FLOW IN € MILLIONS



## CASH FLOW STATEMENT (SUMMARY)

€ in millions

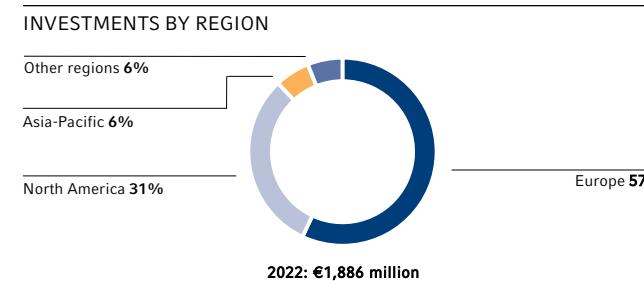
	2022	2021	Growth	Margin 2022	Margin 2021
Net income	2,117	2,819	-25%		
Depreciation and amortization	2,973	2,667	11%		
Change in working capital and others	-892	-408	-119%		
<b>Operating cash flow</b>	<b>4,198</b>	<b>5,078</b>	<b>-17%</b>	<b>10.3%</b>	<b>13.5%</b>
Capital expenditure, net	-1,777	-2,017	12%		
<b>Cash flow before acquisitions and dividends</b>	<b>2,421</b>	<b>3,061</b>	<b>-21%</b>	<b>5.9%</b>	<b>8.2%</b>
Cash used for acquisitions/proceeds from divestitures	-830	-800	-4%		
Dividends paid	-890	-1,068	17%		
<b>Free cash flow after acquisitions and dividends</b>	<b>701</b>	<b>1,193</b>	<b>-41%</b>		
Cash provided by/used for financing activities	-714	-384	-86%		
Effect of exchange rates on change in cash and cash equivalents	-2	118	-102%		
<b>Net change in cash and cash equivalents</b>	<b>-15</b>	<b>927</b>	<b>-102%</b>		

## Investments and acquisitions

In 2022, the Fresenius Group spent €3,465 million (2021: €3,117 million) for investments and acquisitions. **Investments in property, plant and equipment** decreased to €1,886 million (2021: €2,032 million). At 4.6% of reported revenue (2021: 5.4%), this was below the depreciation level<sup>1</sup> of €2,804 million. A total of €1,579 million was invested in **acquisitions** (2021: €1,085 million). Of the total capital expenditure in 2022, 54% was invested in property, plant and equipment and 46% was spent on acquisitions.

The cash outflow for acquisitions is primarily related to the following business segments:

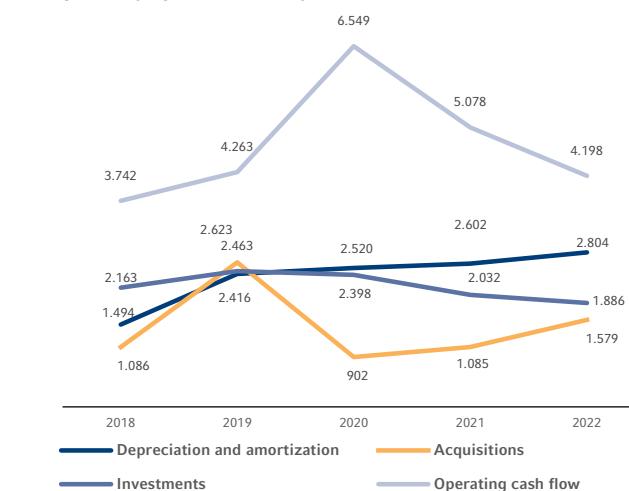
- ▶ Fresenius Medical Care's acquisition spending was mainly related to the business combination of Inter-Well Health as well as the acquisition of dialysis clinics.
- ▶ Fresenius Kabi acquired a majority stake in mAbxience Holding S.L., a leading international biopharmaceutical company, and Ivenix Inc., a specialized infusion therapy company, in 2022. Fresenius Kabi's acquisition spending was also for acquisition-related milestone payments for the acquisition of the biosimilars business from Merck KGaA.
- ▶ Fresenius Helios' acquisition spending was mainly for the acquisition of clinics in Latin America.



## INVESTMENTS AND ACQUISITIONS

€ in millions	2022	2021	Change
Acquisitions	1,579	1,085	46%
Investment in property, plant and equipment	1,886	2,032	-7%
thereof maintenance	59%	58%	
thereof expansion	41%	42%	
Investment in property, plant and equipment as % of revenue	4.6%	5.4%	
<b>Total investments and acquisitions</b>	<b>3,465</b>	<b>3,117</b>	<b>11%</b>

## INVESTMENTS, ACQUISITIONS, OPERATING CASH FLOW, DEPRECIATION AND AMORTIZATION IN € MILLIONS – FIVE-YEAR OVERVIEW<sup>1</sup>



## INVESTMENTS/ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	2022	2021	Thereof property, plant and equipment	Thereof acquisitions	Change	% of total
Fresenius Medical Care	1,470	1,482	724	746	-1%	42%
Fresenius Kabi	1,243	533	509	734	133%	36%
Fresenius Helios	642	1,021	560	82	-37%	19%
Fresenius Vamed	96	81	79	17	19%	3%
Corporate/Other	14	0	14	0	-	0%
<b>Total</b>	<b>3,465</b>	<b>3,117</b>	<b>1,886</b>	<b>1,579</b>	<b>11%</b>	<b>100%</b>

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on pages 63–66.

## Acquisitions at Fresenius Kabi

In 2022, Fresenius Kabi acquired a majority stake of 55% in mAbxience Holding S.L. ("mAbxience") for €499 million and milestone payments, which are tied to the achievement of future commercial and development targets. mAbxience is an international biopharmaceutical company, specialized in the rapidly developing biosimilars market. The company has established itself as a strong player in the development and manufacturing of biological drugs, with two commercialized biosimilar products (Rituximab and Bevacizumab) and a mid-single-digit number of molecules across immunology and oncology. This is supported by internal R & D laboratories and state-of-the-art manufacturing facilities in Spain and Argentina. In addition to very competitive production costs for the manufacture of its own products, the manufacturing platform of mAbxience allows the company to offer third-party biological contract development and manufacturing organization (CDMO) services. mAbxience operates three state-of-the-art manufacturing plants for the production of biological drug substances. This addresses a critical gap in Fresenius Kabi's value chain, adding flexible, single-use biological drug substance capacity that can be leveraged to provide competitive cost of production for the enlarged biosimilars portfolio of Fresenius Kabi. The acquisition is part of Fresenius Kabi's Vision 2026 and targets one of three growth vectors to broaden its biopharmaceuticals business.

Furthermore, Fresenius Kabi acquired Ivenix Inc., a specialized infusion therapy company, in 2022 to expand its MedTech business. Ivenix has developed a technologically advanced infusion system including a large-volume pump (LVP) with administration sets, infusion management software tools, applications, and analytics to improve care and advance efficiency.

The Ivenix infusion system's innovative design and architecture sets a new standard in infusion safety, simplicity, and interoperability. The system is centered around the patient, nursing staff, and clinician and is designed to reduce infusion-related errors and drive down the total cost of ownership. The Ivenix' infusion system provides access to attractive development potential for Fresenius Kabi in the large and growing infusion therapy market. The combination of Ivenix's leading hardware and software products with Fresenius Kabi's offerings in intravenous fluids and infusion disposables will create a comprehensive and leading portfolio of premium products, forming a strong basis to enable sustainable growth in the high-value MedTech business. Fresenius Kabi acquired Ivenix for US\$240 million (€228 million) and subsequent milestone payments, which are linked to the achievement of future commercial and operating targets.

## Acquisitions at Fresenius Helios

In January 2022, Quirónsalud, Spain's largest private hospital operator, owned by Fresenius Helios, completed the acquisition of the specialty hospitals Centro Oncológico de Antioquia (COA) and Clínica Clofán. The clinics, located in Colombia's second largest city, Medellín, expand the existing Quirónsalud network, which already includes 6 hospitals and 10 diagnostic centers in the country. The two clinics will be consolidated as of February 2022.

COA is a clinic specializing in the diagnosis and treatment of cancer, with 75 beds, 4 operating rooms and focus centers for nuclear medicine, radiotherapy, and bone marrow transplantation.

Clínica Clofán is the second largest eye clinic in the city, with 10 operating rooms and other specialized facilities, where severe chronic eye diseases can be treated and complicated procedures can be performed.

Both hospitals offer their patients the latest medical technology and the most modern medical standards and, with their renowned medical staff, are regarded as leading institutions in their field. Together, they generated revenue of around €30 million in 2020. Both clinics already contributed positively to Fresenius Helios' earnings in 2022.

Helios Fertility, which forms a separate business and operating unit alongside Helios Germany and Helios Spain, offers a wide range of state-of-the-art services in the field of reproductive medicine. The company acquired various smaller clinics in the reporting year totaling to around €11 million, including in the important Brazilian market.

## Acquisitions at Fresenius Medical Care

On August 24, 2022, Fresenius Medical Care announced that it has completed the business combination to form InterWell Health. The business combination of InterWell Health, Fresenius Health Partners and Cricket Health created the leading provider of value-based renal therapy in the United States. This is expected to significantly improve care for people with kidney disease and further strengthen the company's leading position in value-based care. The net gain related to InterWell Health resulted in a positive effect on net income of €12 million in 2022 and is treated as a special item.

The main **investments in property, plant and equipment** were as follows:

- ▶ Most of the investments in property, plant and equipment related to the maintenance of existing clinics and centers, dialysis machines provided to customers, capitalizable development costs, equipment for new clinics and centers, and IT implementation costs at Fresenius Medical Care.
- ▶ Optimization and expansion of production facilities for Fresenius Kabi.
- ▶ New building and modernization of hospitals at Fresenius Helios. The most significant individual projects were, among other locations, hospitals in Wiesbaden, Duisburg, Wuppertal, and Niederberg, and investments in IT infrastructure.

Investments in property, plant and equipment of €226 million will be made in 2023, to continue with **major ongoing investment projects**. These are investment obligations at Fresenius Helios. These projects will be financed from operating cash flow.

#### **Investment program at Fresenius Kabi**

Fresenius Kabi has a global network of production centers. We manufacture our finished medicines in our own plants and, at some sites, also produce active pharmaceutical ingredients. Our investments aim, among other things, to continuously modernize and automate as well as to increase the competitiveness of the plants at a consistently high level of quality.

In the United States, Fresenius Kabi continued its extensive investment program at the manufacturing sites. In 2022, we continued equipping our plants with the latest technologies for the production of pharmaceutical products.

Due to the demand for enteral nutrition products in China, we are expanding our production capacity there. At completion we will have invested around €100 million (including investments from prior years), primarily to expand capacity. In 2022, we continued work on a new production building on our campus in Wuxi. In the future, we will be producing enteral nutrition products there that have the status of Food for Special Medical Purposes. Fresenius Kabi will also be expanding its research and development activities for enteral nutrition at the Wuxi site.

In the Netherlands, we are converting our site in Emmer-Compascuum into a production facility for enteral nutrition products and will invest a total of around €160 million in this manufacturing site. The production build-up and capacity expansion have been started successfully.

In Austria, we continued to expand our production and logistics site in Graz. In the manufacturing plant, the mobile preparatory area will be enlarged, freeze-drying (lyophilization) expanded, and new filling systems implemented. With capital expenditure of around €110 million, we will continue to expand this site. The plant manufactures sterile drugs such as intravenously administered drugs and large-volume products for parenteral nutrition; the site also specializes in complex process requirements and innovative technologies.

In France, we continued with the modernization of our plant in Louviers. We plan to complete a new building comprising an area of 3,300 square meters for the production of freeflex infusion bags there. This also allows us to further optimize the European production network as a whole. In total, we will be investing €35 million in the modernization.

In Germany, a new KabiClear production line is being installed at our Friedberg plant to meet the increasing demand in the infusion bottles business in Europe. A total of €40 million is expected to be invested in the course of this project.

Our Haina plant in the Dominican Republic is the central manufacturing facility for disposable products in the field of apheresis and cell therapy. Driven by the high market demand for plasma and cell therapy products, we have gradually expanded the plant in recent years. In the plasma collection business, in addition to disposable products for our Aurora plasmapheresis system, the disposable products of the successor system, Aurora Xi, are also produced in Haina. In 2022, a new building was inaugurated at the facility. We are now also working on relocating production of our Comtec and Ivenix sets to this plant.

In order to continue to meet the growing market demand for disposable products, we intend to expand our manufacturing plant in the coming years with highly automated production facilities and clean-room capacities. In total, we expect to invest approximately US\$80 million in the Haina plant going forward.

## ASSETS AND LIABILITIES

### Asset and liability structure

The Group's **total assets** increased by 6% (4% in constant currency) to €76,415 million (Dec. 31, 2021: €71,942 million). The increase is mainly due to the expansion of business activities and currency translation effects. Inflation had no significant impact on the assets of Fresenius in 2022.

**Current assets** increased by 5% (4% in constant currency) to €18,279 million (Dec. 31, 2021: €17,461 million). Within current assets, trade accounts receivable and other receivables decreased by 1% to €7,008 million (Dec. 31, 2021: €7,045 million). At 65 days, average days revenue outstanding was below the previous year's level (70 days).

**Inventories** increased by 15% to €4,833 million (Dec. 31, 2021: €4,218 million). The scope of inventory in 2022 was 64 days (Dec. 31, 2021: 63 days). The ratio of inventories to total assets increased to 6.3% (Dec. 31, 2021: 5.9%).

**Non-current assets** increased by 7% (4% in constant currency) to €58,136 million (Dec. 31, 2021: €54,501 million). The increase due to acquisitions and new rights of use under leases was offset mainly by depreciation and amortization. The goodwill and intangible assets in the amount of €35,843 million (Dec. 31, 2021: €32,774 million) has proven sustainable. The increase is mainly due to currency translation effects as well as acquisitions at Fresenius Medical Care and Fresenius Kabi. The addition to the goodwill from acquisitions was €1,536 million in fiscal year 2022.

## BALANCE SHEET OVERVIEW

€ in millions	Dec. 31, 2022	Dec. 31, 2021	Growth
<b>ASSETS</b>			
<b>Current assets</b>	<b>18,279</b>	<b>17,461</b>	<b>5%</b>
thereof trade accounts receivables	7,008	7,045	-1%
thereof inventories	4,833	4,218	15%
thereof cash and cash equivalents	2,749	2,764	-1%
thereof other current assets	3,689	3,434	7%
<b>Non-current assets</b>	<b>58,136</b>	<b>54,501</b>	<b>7%</b>
thereof property, plant and equipment	12,919	12,569	3%
thereof goodwill and other intangible assets	35,843	32,774	9%
thereof right-of-use-assets	5,922	6,014	-2%
<b>Total assets</b>	<b>76,415</b>	<b>71,962</b>	<b>6%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>	<b>44,197</b>	<b>42,674</b>	<b>4%</b>
thereof trade accounts payable	2,070	2,039	2%
thereof accruals and other short-term liabilities	10,488	10,594	-1%
thereof debt	27,763	27,155	2%
<i>thereof lease liabilities</i>	6,592	6,590	0%
thereof other non-current liabilities/liabilities to related parties	3,876	2,886	34%
Noncontrolling interests	11,803	10,290	15%
Total Fresenius SE & Co. KGaA shareholders' equity	20,415	18,998	7%
<b>Total shareholders' equity</b>	<b>32,218</b>	<b>29,288</b>	<b>10%</b>
<b>Total liabilities and shareholders' equity</b>	<b>76,415</b>	<b>71,962</b>	<b>6%</b>

## ASSETS AND LIABILITIES – FIVE-YEAR OVERVIEW

€ in millions	2022	2021	2020	2019	2018
<b>Total assets</b>	<b>76,415</b>	<b>71,962</b>	<b>66,646</b>	<b>67,006</b>	<b>56,703</b>
<b>Shareholders' equity<sup>1</sup></b>	<b>32,218</b>	<b>29,288</b>	<b>26,023</b>	<b>26,580</b>	<b>25,008</b>
as % of total assets <sup>1</sup>	42%	41%	39%	40%	44%
<b>Shareholders' equity<sup>1</sup>/non-current assets, in %</b>	<b>56%</b>	<b>54%</b>	<b>51%</b>	<b>51%</b>	<b>60%</b>
<b>Debt</b>	<b>27,763</b>	<b>27,155</b>	<b>25,913</b>	<b>27,258</b>	<b>18,984</b>
as % of total assets	36%	38%	39%	41%	33%
<b>Gearing<sup>1</sup> in %</b>	<b>78%</b>	<b>83%</b>	<b>93%</b>	<b>96%</b>	<b>65%</b>

<sup>1</sup> Including noncontrolling interests

**Shareholders' equity** increased by 10% (7% in constant currency) to €32,218 million (Dec. 31, 2021: €29,288 million). The increase is due to the net income as well as currency translation effects. **Group net income** attributable to Fresenius SE & Co. KGaA increased shareholders' equity by €1,372 million. The equity ratio was 42.2% (Dec. 31, 2021: 40.7%).

The liabilities and equity side of the balance sheet shows a solid financing structure. Total shareholders' equity, including noncontrolling interests, covers 56% of non-current assets (Dec. 31, 2021: 54%). Shareholders' equity, noncontrolling interests, and long-term liabilities cover all non-current assets and 96% of inventories.

**Long-term liabilities** increased by 11% (9% in constant currency) to €30,539 million (Dec. 31, 2021: €27,612 million). **Short-term liabilities** decreased by 9% (-11% in constant currency) to €13,658 million (Dec. 31, 2021: €15,062 million).

The Group has neither provisions nor accruals that are of major significance as individual items. Other provisions and accruals result mainly from provisions for self-insurance programs, for personnel expenses, for warranties and claims, and for litigation and other legal risks.

**Group debt** increased by 2% (1% in constant currency) to €27,763 million (Dec. 31, 2021: €27,155 million). Its relative weight in the balance sheet was 36% (Dec. 31, 2021: 38%). Approximately 28% of the Group's debt is denominated in U.S. dollars. Liabilities due in less than one year were €3,036 million (Dec. 31, 2021: €4,772 million), while liabilities due in more than one year were €24,727 million (Dec. 31, 2021: €22,383 million).

Other non-current liabilities/liabilities to related parties increased by 34% to €3,876 million. This increase resulted mainly from higher liabilities from put options entered into in connection with acquisitions made in 2022, mainly InterWell and mAbxience.

Group **net debt** increased by 3% (1% in constant currency) to €25,014 million (Dec. 31, 2021: €24,391 million). The net debt to equity ratio including noncontrolling interests (gearing) is 78% (Dec. 31, 2021: 83%).

The **return on equity after taxes**<sup>1</sup> (equity attributable to shareholders of Fresenius SE & Co. KGaA) was 8.5% (Dec. 31, 2021: 9.8%). The return on total assets after taxes and before noncontrolling interests<sup>1</sup> was 3.5% (2021: 4.0%).

Group **ROIC** was 5.1%<sup>2</sup> (2021: 5.9%<sup>2</sup>). Group **ROOA** was 5.7%<sup>2</sup> (2021: 6.5%<sup>2</sup>). Estimated COVID-19 effects had a negative impact of 80 basis points on ROIC and a negative impact of 90 basis points on ROOA. Within the position invested capital, the goodwill of €31.4 billion had a significant effect on the calculation of ROIC.

It is important to take into account that approximately 65% of the goodwill is attributable to the strategically significant acquisitions of

- ▶ National Medical Care in 1996,
- ▶ Renal Care Group and HELIOS Kliniken in 2006,
- ▶ APP Pharmaceuticals in 2008,
- ▶ Liberty Dialysis Holdings in 2012,
- ▶ Hospitals of Rhön-Klinikum AG in 2014,
- ▶ Quirónsalud and the biosimilars business in 2017,
- ▶ NxStage in 2019, as well as
- ▶ Eugin Group in 2021
- ▶ Ivenix, mAbxience and InterWell Health in 2022.

Those have significantly strengthened the competitive position of the Fresenius Group.

The WACC (weighted average cost of capital) of Fresenius Medical Care was 6.05%; the WACC of the other business segments was 5.65%.

<sup>1</sup> Before special items

<sup>2</sup> Before special items; pro forma acquisitions/divestitures

Fundamental information about the Group ► **Economic report** | Overall assessment of the business situation | Outlook | Opportunities and risk report

## FIVE-YEAR OVERVIEW FINANCING KEY FIGURES<sup>1,2</sup>

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Debt/EBITDA	4.0	4.0	3.6	3.8	3.2
Net debt/EBITDA <sup>3</sup>	3.7	3.5	3.4	3.6	2.7
Net debt/EBITDA <sup>4</sup>	3.6	3.6	3.4	3.6	2.7
EBITDA/financial result	12.8	13.6	10.9	9.9	10.6

<sup>1</sup> Before special items

<sup>2</sup> For pro forma acquisitions, the missing pro forma EBITDA for the full 12 months is included.

For divestments, the EBITDA contribution of the last 12 months is deducted.

<sup>3</sup> At LTM average exchange rates for both net debt and EBITDA

<sup>4</sup> Net debt at year-end exchange rate; EBITDA at LTM average exchange rates

## ROIC AND ROOA BY BUSINESS SEGMENTS

in %	ROIC		ROOA	
	2022	2021	2022	2021
Fresenius Medical Care <sup>1,2</sup>	4.1	5.2	5.3	6.2
Fresenius Kabi <sup>1,2</sup>	7.8	8.8	7.9	9.4
Fresenius Helios <sup>1,2</sup>	5.4	5.2	6.0	5.9
Fresenius Vamed <sup>2</sup>	1.1	4.5	0.8	4.3
<b>Group<sup>1,2</sup></b>	<b>5.1</b>	<b>5.9</b>	<b>5.7</b>	<b>6.5</b>

<sup>1</sup> Pro forma acquisitions (includes adjustments for acquisitions in the respective reporting period with a purchase price above a certain level)

<sup>2</sup> Before special items

## Currency and interest risk contracts

The nominal value of all foreign currency hedging contracts was €4,420 million as of December 31, 2022. These contracts had a fair value of €28 million.

## OVERALL ASSESSMENT OF THE BUSINESS SITUATION

For the fiscal year 2023, Fresenius expects that there will be neither a further intensification of geopolitical tensions nor a deterioration of the current situation due to COVID-19, and that supply chain bottlenecks will increasingly ease. Fresenius also expects general cost inflation and labor shortages to have a significantly more negative impact on its business than in 2022, due to the fact that these pressures did not materialize until the second half of 2022. Accordingly, Fresenius anticipates stronger headwinds in 2023 than in the previous year. In the opinion of the Management Board, 2022 was a challenging year for the Fresenius Group overall.

## OUTLOOK

This Group Management Report contains forward-looking statements, including statements on future revenue, expenses, and investments, as well as potential changes in the healthcare sector, our competitive environment, and our financial situation. These statements were made on the basis of the expectations and assessments of the Management Board regarding events that could affect the Company in the future, and on the basis of our mid-term planning. Such forward-looking statements are subject, as a matter of course, to risks, uncertainties, assumptions, and other factors, so that the actual results, including the financial position and profitability of Fresenius, could therefore differ materially – positively or negatively – from those expressly or implicitly assumed or described in these statements. For further information, please see our Opportunities and Risk Report on pages 87 ff.

### GENERAL AND MID-TERM OUTLOOK

Despite the challenges posed by the macroeconomic environment the Management Board continues to assess the business outlook of the Fresenius Group as positive at the time of preparing the Group Management Report. We continue to see steadily growing demand for our products, services and therapies worldwide.

Some trends, such as the digitalization of healthcare, have even accelerated by the COVID-19 pandemic, and we believe that we are very well positioned as a Group to benefit from this in the coming years. We are continuously striving to optimize our costs, to adjust our capacities, and to improve our product mix, as well as to expand our products and services business. This includes plans for cost-efficient production and a further-optimized procurement process. In addition, we can use digital technologies to accelerate central administrative processes and make them more efficient. For more information, see Cost efficiency program on page 83.

Fresenius recognizes very good opportunities to meet the growing demand for healthcare resulting from the aging population with its increasing need for comprehensive care and from technological progress worldwide. Fresenius expects that access to healthcare in developing and emerging countries will continue to improve and that efficient healthcare systems with appropriate reimbursement structures will develop over time. We will continuously review and optimize our activities and growth options in the global regions and look for opportunities to introduce further products from our portfolio in attractive markets that enable profitable growth.

The medium-term business outlook for Fresenius' **Operating Companies** is determined by the following factors:

- **Fresenius Kabi** is focusing on three growth areas: broadening the biopharmaceuticals business, expanding the clinical nutrition business, and expanding the MedTech business. In the field of biopharmaceuticals, Fresenius Kabi specializes in the development of products for the treatment of autoimmune diseases and for use in oncology and has a pipeline of molecules in various stages of development. The acquisition of a majority stake in mAbxience in 2022, which will enable a fully integrated vertical biopharma business, strengthens Fresenius Kabi's presence in the high-growth biopharmaceuticals market. We expect these measures to boost the company's earnings in the coming years. The clinical nutrition portfolio has grown successfully in recent years and will be further expanded, making the product offering more accessible from a geographical perspective. The MedTech portfolio was recently strengthened by the acquisition of Ivenix and its advanced infusion system. The innovative design and construction of the Ivenix infusion system is easier to use and increases infusion safety compared to conventional systems. The pump also works seamlessly with other systems. Fresenius Kabi continues to expand its MedTech product offering to keep pace with modern software and connectivity requirements. To strengthen the resilience of its high-volume IV drug business, Fresenius Kabi is developing generic drug formulations that are available at the time of market launch, i.e., immediately after the patents of the originator drugs expire.

In addition, Fresenius Kabi is developing new formulations of already off-patent IV drugs, as well as ready-to-use products that are particularly user-friendly and safe, such as prefilled syringes and ready-to-use solutions in our freeflex infusion bags. Fresenius Kabi aims to further expand its product portfolio in selected countries where the company does not yet have a comprehensive offering, depending on the respective local market conditions.

- **Fresenius Helios** operates almost-nationwide hospital networks in Germany and Spain and provides outpatient care at various facilities. Patient care is to be further improved through the exchange of knowledge and experience (best practice) between Helios Germany and Helios Spain. The increasing number of privately insured patients opens up growth opportunities for Helios Spain, with a very deliberate and targeted allocation of capital for future expansion and hospital construction. Furthermore, the close integration of Helios Spain's corporate health management facilities with its own hospitals offers additional growth opportunities.

In Latin America, Fresenius Helios is continuously evaluating opportunities to expand its regional presence while achieving and maintaining above-average profitability. Fresenius Helios' reproductive medicine business complements the range of services in a growing market with specific individual needs. In addition to innovative therapies, digitalization creates potential to further expand our market position. Helios Germany and Helios Spain are developing innovative business areas such as digital offerings. For example, health apps such as Curalie are being developed. Curalie is a platform and app for digital health programs based on scientific standards, e.g., people with chronic diseases such as diabetes mellitus or heart failure. Building on the Curalie digital health platform, Fresenius Helios aims to bring further affordable and accessible health solutions to market.

For Fresenius' **Investment Companies**, the following factors in particular offer growth opportunities:

- For **Fresenius Medical Care**, innovation, the highest quality, reliability, and the convenience of our products and therapies are key factors for growth. The company is committed to focusing its business activities on sustainable, profitable growth and is committed to continuous performance improvements. Fresenius Medical Care will further expand its Care Enablement business by introducing innovative product platforms. In addition, the company will closely review its global footprint. In Care Delivery, Fresenius Medical Care is exploring ways to improve access to care while ensuring the profitability of the business. Value-based care models enable the company to create medical value while ensuring that care remains affordable.

The goal is to build sustainable partnerships with payers around the world to support the transition from a fee-for-service to a pay-for-performance system. Based on its strategic business plan, Fresenius Medical Care intends to significantly expand its home dialysis business.

- **Fresenius Vamed** is driving the expansion of high-quality services such as the management of medical-technical products, sterile supply, operational technology, and IT development. In addition, the company is developing innovative business areas such as digital offerings. Fresenius Vamed expects both its project and services business to grow further due to the need for life-cycle and PPP projects (Public Private Partnership). In addition, the company aims to expand its position through follow-up contracts with existing customers and to develop new target markets. Furthermore, Fresenius Vamed plans to further strengthen its leading position as a post-acute care provider in Central Europe.

## HEALTHCARE SECTOR AND MARKETS

The healthcare sector is considered to be widely independent of economic cycles. The demand, especially for lifesaving and life-sustaining products and services, is expected to increase regardless of the macroeconomic challenges, mortality among dialysis patients as a result of the COVID-19 pandemic, given that they are medically needed and the population is aging. Moreover, medical advances and the large number of diseases that are still difficult to cure – or are incurable – are expected to remain growth drivers.

In the emerging countries, the availability of basic healthcare and the demand for high-quality medical treatment are increasing. As per-capita income increases, individuals increasingly have to cope with the illnesses associated with lifestyle diseases.

On the other hand, experts estimate that further financial constraints in the public sector could result in more pricing pressure and a slowdown in revenue for companies in the healthcare industry. Some countries are experiencing significant financing problems in the healthcare sector due to the strained public finance situation. Especially in the industrialized countries, increased pressure to encourage saving can be expected as healthcare costs constitute a large portion of the budget.

It will be increasingly important for companies in the healthcare sector to increase patient benefit, to improve treatment quality, and to offer preventive therapies. In addition, especially those products and therapies that are not only medically but also economically advantageous will be of increasing importance.

## THE DIALYSIS MARKET

Fresenius Medical Care expects the number of dialysis patients worldwide to grow by about 4% in 2023 depending on the further development of the global COVID-19 pandemic. The accelerating effects of excess mortality due to the COVID-19 pandemic are continuing into 2023.

Fresenius Medical Care expects a significant adverse annualization effect on treatment volumes. Some significant regional differences are likely to remain: the company anticipates below average growth rates in the United States, Japan, and Western and Central Europe. The number of patients with chronic kidney disease is already relatively high in these countries and regions and patients generally have reliable access to treatment, normally dialysis. In economically weaker regions we expect the growth rates to be considerably higher in some cases.

Hemodialysis will remain the treatment of choice, accounting for 88% to 89% of all dialysis therapies. Peritoneal dialysis will continue to be the preferred treatment for 11% to 12% of all dialysis patients.

The volume of the worldwide dialysis market last year was influenced by the ongoing COVID-19 pandemic and exchange rate effects and amounted to about €82 billion according to preliminary estimates. Going forward, we expect an increase of 1% to 3% per year. This is based on the assumption that exchange rates will remain stable in the forecasting period. The overall volume of the dialysis market could thus reach around €83 billion to €84 billion by 2023.

In addition, the reimbursement and ancillary services utilization environment significantly influences our business. In the United States, our biggest revenue market, the reimbursements of governmental institutions are lower than the reimbursements of private insurers. Therefore, a change in the portion of reimbursements by private insurers in the United States influences our business.

## THE MARKET FOR BIOPHARMACEUTICALS, CLINICAL NUTRITION, MEDTECH, GENERIC IV DRUGS, AND IV FLUIDS<sup>1</sup>

Fresenius Kabi expects that the market for **biopharmaceuticals** from the therapeutic areas of oncology and autoimmune diseases will grow in the high-single-digit to low-double-digit range in the upcoming years, though the biosimilars segment is clearly in the double-digit range. Today, more than one in three new drug approvals is a biopharmaceutical and significant growth of this global market, especially biosimilars, is expected in the next few years and decades.

In the short term, we expect the market for **clinical nutrition** to grow in the mid-single-digit range. Growth prospects are supported by increasing awareness of the need for early clinical nutrition, which is reflected in the latest guidelines.

<sup>1</sup> Market data refers to Fresenius Kabi's addressable markets (based on revenue, growth p.a.). Those are subject to annual volatility due to currency fluctuations and patent expiries of original drugs in the IV drug market, among other things. Percentage increase based on market value (price x volume). Depending on the further development of the COVID-19 pandemic in 2021, the market growth of single product segments could change.

In addition, the practice of mandatory screening for malnutrition<sup>1</sup> is on the rise. We see additional potential in the continuing high proportion of malnourished people who do not yet have access to nutrition therapies. Considerable potential continues to be projected in emerging regions like Latin America and Africa, with high-single-digit growth rates.

The **MedTech Infusion and Nutrition System (INS)** market should experience growth in the mid-single-digit range going forward, mainly driven by infusion management systems. In many countries, we continue to see a strong demand in the infusion technology segment, with more nationally resilient positions after COVID-19. In addition, the infusion pumps already placed in recent years will increase the demand for dedicated infusion sets.

In the **MedTech Transfusion Medicine and Cell Therapies (TCT)** market, we expect to see mid-single-digit growth in the near future. This growth will be driven primarily by the worldwide demand for plasma-derived intravenously administered products. In cell and gene therapy, we expect extraordinary growth as these therapies are approved for first- and second-line treatments. In the blood center business, we expect continued slight market growth, driven by increased platelet apheresis use in developing markets.

Going forward, the markets for **generic IV drugs and IV fluids** are expected to grow in the low-to-mid-single-digit range, with significant regional differences. The demand for generic IV drugs is likely to grow because of their significantly lower price in comparison to the price of originator drugs. The growth dynamic will continue to be driven by improvements in healthcare infrastructure and access to care in the emerging markets, originator drugs going off-patent, as well as by volume increase in original off-patent products that are offered at steady prices due to a unique selling proposition. A factor working in the opposite direction is the price pressure on off-patent brands and generic drugs as regulators seek to keep healthcare budgets under control, and it is expected that the competitive pressure in the market will further increase.

#### THE HOSPITAL MARKET<sup>2</sup>

We assume that the number of inpatient hospital treatments in Germany will tend to stagnate or decline in the future, in particular due to the increasing provision of services in the outpatient sector and the growing acceptance and use of digital healthcare services.

What is known as the rate of change figure is, amongst others, crucial for the increase in **reimbursement for hospital treatments** in Germany. For 2023, it was set at 3.45%. In addition, the hospital funding system provides for various increases and reductions for acute hospitals.

In order to factor medical outcomes into the remuneration, the Federal Joint Committee defines **quality indicators**.

The specific financial terms and details are being worked out in a consistent overall fashion. However, we do not expect any adverse effects from this since the Helios Group is well prepared for quality-based remuneration

thanks to its clear focus on quality and transparency of medical outcomes.

The future **expectations** for 2023 among German hospitals with respect to their economic situation are clearly negative: according to the Krankenhaus Barometer 2022 survey by the German Hospital Institute (DKI), more than half of the hospitals (56%) expect their economic situation to deteriorate. Only 17% of the hospitals expect an improvement.

To provide **financial support** for hospitals in Germany, a total of €6.0 billion is to be made available through 2024 via the liquidity reserve of the healthcare fund. To determine the amount of reimbursement, hospitals are to report the direct costs of purchasing natural gas and electricity to the hospital planning authorities in three tranches up to 2024. Energy rebates for the month of March 2022 will be used for comparison. A total of €4.5 billion is to be made available for this financial support. A further €1.5 billion is to be paid out as a lump sum based on the number of beds installed (indirect costs). This funding will serve as liquidity support for inflation-related additional costs for hospitals.

Starting in 2025, a new instrument for measuring nursing staff, referred to as the **nursing staff model PPR 2.0**, is to be gradually introduced. For this purpose, all hospitals will have to classify each patient daily into a nursing classification starting in 2024. The nursing classification then results in a calculated requirement for nursing staff for each clinic. From 2025, the Federal Ministry of Health (BMG) will be able to specify the percentage of this requirement that must be implemented in practice. If this normative requirement is not met in practice, financial sanctions may be imposed.

<sup>1</sup> Sources: New ESPEN guideline on clinical nutrition and hydration in geriatrics. Clin Nutr. 2022 41:958-989; by Volkert D, Beck AM, Cederholm T, Cruz-Jentoft A, Goisser S, Hooper L, et al.; most recently implemented e.g., in Portugal: "National Policy for effective screening implementation"; Directorate General of Health DGS

<sup>2</sup> Sources: Company research; German Hospital Institute (DKI), Krankenhaus Barometer 2022

For the year 2023, the mandatory **minimum nursing staff levels** have been extended to include the specialist departments of ENT and rheumatology. Binding lower nursing staff limits will be introduced for further specialist departments in the hospital in the future.

**Digitalization** in hospitals in Germany is to be driven forward by the Hospital Futures Act. For example, nationwide standards will be introduced to enable greater networking in the healthcare sector and further improve patient care. From January 1, 2025, a deduction of up to 2% of the bill for each full and partial inpatient case is to be deducted if a hospital does not provide all the digital services listed in the Hospital Structure Fund Ordinance.

In January 2023, the health ministers of the German states discussed a concept for comprehensive hospital structure reform. The aim is to fundamentally restructure the hospital landscape in Germany. In the process, the current proportion of remuneration based on per-case flat rates is to be limited. The plan is to limit remuneration according to per-case flat rates to 60%. In the future, 40% of the remuneration is to be distributed as what are referred to as maintenance costs regardless of performance. The criteria for this distribution have yet to be determined.

The reform also provides for a reorganization of hospital planning. In the future, hospitals will be divided into three care levels and will receive financial resources depending on their relevance (maintenance costs). It is also to be ensured that complicated interventions may only be performed in hospitals that have the appropriate personnel and technical equipment. The changeover to the 40% retention costs is to take place successively over a total of five years. The hospitals argue that the concept in its current form deals only with operating costs and not with adequate financing of investment costs.

According to our expectations, we anticipate that the **private hospital market in Spain** in 2023 will continue to grow by 2% to 3% in terms of revenue. The continuing increase in the number of privately insured patients should also open up opportunities for private operators in the future.

Relevant indicators, for example nationwide healthcare spending and bed density, indicate the further market development potential in the Spanish healthcare system compared with other EU countries. This also provides opportunities for the establishment of new hospitals. Investments are being made both by the public sector and by private hospital operators. Across the country, around 40 new hospitals are planned by 2024<sup>1</sup>.

In addition, the highly fragmented Spanish private hospital market offers further consolidation potential.

Increasingly, the degree of **digitalization** will be central to the future viability of a hospital. Networking and the use of digital solutions are opening up new opportunities to make processes more efficient and safer and thus to break new ground in patient care. The integration of telemedicine applications and digital health applications in the inpatient area could also significantly expand hospital offerings in the future.

We expect the trend toward **digitalization** in the healthcare sector to continue and generally gain in importance. The COVID-19 crisis has provided decisive impetus, particularly with regard to interest in and use of telemedicine. Experts assume that as people become more accustomed to the new tools, acceptance of digital healthcare applications and services will increase on a broad scale and that the future of medical care will lie in the hybrid mix of digital and personal treatment.

The global **market for fertility services** is expected to grow in a low-single-digit percentage range in 2022. Growth was impacted by Omicron in the first quarter of 2022 and the Ukraine war which led to a global economic downturn with inflation impacting households and causing postponement of decisions in building a family. For 2023, the market is expected to return to higher growth, depending on the market, following economic recovery.

#### THE MARKET FOR PROJECTS AND SERVICES FOR HOSPITALS AND OTHER HEALTHCARE FACILITIES

**Fresenius Vamed** expects both the project and service business to continue to grow due to the need for life-cycle and PPP projects. Furthermore, the company intends to expand its position through follow-up contracts with existing customers and to enter new target markets. In addition, Fresenius Vamed plans to further strengthen its leading position as a post-acute care provider in Central Europe.

For fiscal year 2023, depending on geopolitical developments, Fresenius Vamed expects growing demand worldwide for projects and services for hospitals and other healthcare facilities.

In the Central European markets with **established healthcare systems**, we expect solid growth and a continued rise in demand. This is due to demographic developments and an increasing need for investment and modernization in public healthcare facilities that has also become apparent as a result of the COVID-19 pandemic. Demand is particularly strong for services, i.e., the maintenance and repair of medical and hospital technology, facility management, technical or overall operational management, and the optimization of infrastructural processes – especially within the framework of public-private partnership models. Additional growth opportunities arise from the fact that public institutions are increasingly outsourcing non-medical

<sup>1</sup> Foreign Trade Center Madrid, The Spanish Economy - Austrian Chamber of Commerce 2022

services to private service providers due to increasing efficiency pressure. In addition, an expansion of the range of post-acute services in Europe is expected.

In the **emerging markets**, we anticipate an overall dynamic demand development. Growth in markets such as Africa, Latin America, and southeast Asia will initially be driven by the demand for efficient, needs-oriented medical care. In China and the Middle East, growth will be driven by the development of infrastructure and the creation of new care services, as well as research and training facilities.

Further opportunities arise from the progress of **digitalization**. It is important to systematically exploit the opportunities it offers, for example in the establishment and operation of "virtual hospitals". These can make a decisive contribution to making state-of-the-art technology and medical expertise available at adequate cost. This goes hand in hand with networking between healthcare systems at different levels of development in order to facilitate access to high-quality healthcare services for broad sections of the population.

## GROUP REVENUE AND EARNINGS

For the fiscal year 2023, Fresenius expects that there will be neither a further intensification of geopolitical tensions nor a deterioration of the current situation due to COVID-19, and that supply chain bottlenecks will increasingly ease. Fresenius also expects general cost inflation and labor shortages to have a significantly more negative impact on its business than in 2022, due to the fact that these pressures did not materialize until the second half of 2022. Accordingly, Fresenius anticipates stronger headwinds in 2023 than in the previous year. Fresenius will continue to closely monitor the potential impact of increased volatility and reduced visibility on its business and balance sheet.

Furthermore, the following assumptions for Fresenius Medical Care's FY/23 guidance are also fully applicable to the Fresenius Group's FY/23 guidance:

- ▶ In 2022, operating income was supported by €277 million (at current currency) of U.S. Provider Relief funding (PRF). There is no further receipt of PRF assumed for 2023. To provide a comparable basis for the 2023 earnings outlook, the basis is adjusted accordingly.
- ▶ Revenue and operating income guidance are both on a constant currency basis and excluding special items
- ▶ Special items will be provided as separate KPI ("Revenue excluding special items", "Operating income excluding special items") to capture effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. These items are excluded to ensure comparability of the figures presented with the Company's financial targets which have been defined excluding special items.

All of these assumptions are subject to considerable uncertainty.

## GROUP FINANCIAL TARGETS 2023

	Targets 2023	Fiscal year 2022
Revenue growth <sup>1</sup> (organic)	Low-to-mid-single-digit growth	€40,840 m
EBIT growth <sup>1,2</sup> (in constant currency)	Broadly flat to high-single-digit decline	€3,727 m
EBIT growth <sup>1</sup> (in constant currency) excluding FMC (Fresenius Medical Care)	Broadly flat to mid-single-digit decline	€2,187 m
Dividend per share	At least stable	Proposal €0.92 per share

<sup>1</sup> Before special items

<sup>2</sup> In 2022, operating income was supported by €277 million (at current currency) of U.S. Provider Relief funding (PRF). There is no further receipt of PRF assumed for 2023. To provide a comparable basis for the 2023 earnings outlook, the basis is adjusted accordingly.

## REVENUE AND EARNINGS BY BUSINESS SEGMENT

In 2023, we expect revenue and earnings development in our business segments as shown in the table below:

### FINANCIAL TARGETS BY BUSINESS SEGMENT 2023

	Targets 2023	Fiscal year 2022
<b>Operating Companies<sup>1</sup></b>		
<b>Fresenius Kabi</b>		
Revenue growth (organic)	Low-to-mid-single-digit percentage growth Around 1 percentage point below the structural margin band of 14% – 17%	€7,850 m
EBIT margin	13.8%	
<b>Fresenius Helios</b>		
Revenue growth (organic)	Mid-single-digit percentage growth Within the structural margin band of 9% – 11%	€11,716 m
EBIT margin	10.1%	
<b>Investment Companies<sup>1</sup></b>		
<b>Fresenius Medical Care<sup>2</sup></b>		
Revenue growth (in constant currency)	Low-to-mid-single-digit percentage growth	€19,398 m
EBIT growth (in constant currency)	Flat-to-high-single-digit percentage decline	€1,540 m
<b>Fresenius Vamed</b>		
Revenue growth (organic)	Low-to-mid-single-digit percentage growth Clearly below the structural margin band of 4–6%	€2,359 m
EBIT margin	0.8%	

<sup>1</sup> Before special items

<sup>2</sup> In 2022, operating income was supported by €277 million (at current currency) of U.S. Provider Relief funding (PRF). There is no further receipt of PRF assumed for 2023. To provide a comparable basis for the 2023 earnings outlook, the basis is adjusted accordingly.

## EXPENSES

For fiscal year 2023, we do not expect selling, general, and administrative expenses (before special items) as a percentage of consolidated net revenue to slightly decrease compared to 2022 (2022: 14.6%).

## TAX RATE

For fiscal year 2023, we do expect a tax rate in a range between 24% and 25% (2022: 23.7%).

## COST AND EFFICIENCY PROGRAM

Structural productivity improvements are expected to offset market headwinds and to create financial flexibility for future growth investments in the coming years. The new target is to achieve annual structural cost savings of around €1 billion at EBIT level from the fiscal year 2025 onwards. To achieve the targeted cost savings, one-time costs of around €700 to €750 million are expected at EBIT level, of which around 2/3 will be incurred in the year.

In order to reach this goal, Fresenius is running targeted programs across all business segments and the Corporate Center with the oversight and steering of the Group. Key elements include measures to optimize the network, sales and administrative costs, procurement, as well as divesting from non-core assets.

Thanks to our cost and efficiency program we have already realized €152 million in savings after taxes and non-controlling interests in fiscal year 2022, offset by €260 million in one-time costs. In line with previous practice, these expenses are classified as special items.

Fresenius Medical Care will accelerate and extend its FME25 transformation program to further optimize processes along the new operating model. Fresenius Medical Care increases the savings target for the program from €500 million to €650 million by 2025 and now expects to invest up to €650 million in the same period.

By the end of 2022, Fresenius Medical Care delivered €131 million (on EBIT level) of sustainable savings under the FME25 program, exceeding the original target of €40 million to €70 million for the same period.

In further support of its turnaround efforts the Company will drive additional operational efficiency and cost reduction measures. In Care Delivery, this will include productivity and operating leverage improvements in the core dialysis services business. In Care Enablement, Fresenius Medical Care will focus on pricing initiatives, productivity measures and review of its global manufacturing footprint.

## LIQUIDITY AND CAPITAL MANAGEMENT

For fiscal year 2023, we expect a cash conversion rate around 1.0.

In addition, undrawn credit lines under syndicated or bilateral credit facilities from banks provide us with sufficient financial headroom.

Financing activities in 2023 are largely geared to refinancing existing financial liabilities maturing in 2023 and 2024.

We expect higher interest rates in fiscal year 2023, resulting in higher interest expense of €700 million to €750 million, depending on financing activities.

Without further acquisitions and depending on divestment activities, Fresenius expects the net debt/EBITDA<sup>1</sup> ratio at the end of 2023 to be slightly above the level of year-end 2022 (December 31, 2022: 3.65x) and thus above the self-imposed target corridor of 3.0x to 3.5x.

There are no significant changes in the financing strategy planned for 2023.

## **INVESTMENTS**

In 2023, we expect to invest about 5% of revenue in property, plant and equipment. About 41% of the capital expenditure planned will be invested at Fresenius Medical Care, about 26% at Fresenius Kabi, and around 27% at Fresenius Helios.

At Fresenius Medical Care, investments will mainly be made in expanding production capacities, optimizing production costs, and setting up new dialysis clinics.

Fresenius Kabi will mainly invest in the expansion and maintenance of its production sites and in the introduction of new production technologies.

Fresenius Helios will primarily invest in the construction and modernization of existing and newly acquired clinics and medical centers.

Fresenius Vamed is primarily investing in modernizing and equipping existing post-acute care facilities.

With a share of around 60%, Europe is the regional focus of investment in the planning period. Around 30% of the investments are planned for North America and around 10% for Asia-Pacific, Latin America, and Africa. About 30% of total funds will be invested in Germany.

For 2022, we assume return on invested capital (ROIC) to decline around one percentage point below the level of 2022 (2022: 5.1%).

## **CAPITAL STRUCTURE**

For fiscal year 2023, we do not expect the equity ratio to change significantly compared to fiscal year 2022 (2022: 42%). Furthermore, we expect that financial liabilities in relation to total assets will remain roughly the same as in fiscal year 2022 (2022: 36%).

## **DIVIDEND**

With the new Fresenius Financial Framework Fresenius aims to generate attractive and predictable dividend yields. In line with its progressive dividend policy, the Company aims to increase the dividend in line with earnings per share growth (before special items, in constant currency) but at least maintain the dividend at the prior-year's level. For fiscal year 2022, we will propose to the Annual General Meeting a dividend at the prior-year level of €0.92 per share (2021: €0.92). The payout to the shareholders of Fresenius SE & Co. KGaA would amount to €518 million or 30% of consolidated net income. Based on this proposal and the year-end share price, the dividend yield is 3.5%.

## **NON-FINANCIAL TARGETS**

From fiscal year 2023, the qualitative measurement of fiscal years 2021 and 2022 will be replaced by quantitative ESG KPIs in the short-term variable Management Board remuneration (Short-term Incentive - STI). The KPIs cover the key sustainability topics of medical quality/patient satisfaction and employees.

The topic of employees is measured with the key figure of the Employee Engagement Index (EEI) for the Fresenius Group. Fresenius is aiming for an EEI of 4.33 for the fiscal year 2023 (corresponds to 100% target achievement).

The Medical Quality/Patient Satisfaction topic is composed of four equally weighted key figures that are defined at the business segment level. The four indicators are based on the respective relevance for the business model.

Fresenius Medical Care aims for a patient Net Promoter Score (NPS) of at least 70 (100% target achievement).

Fresenius Kabi aims for an Audit & Inspection Score of at most 2.3 (100% target achievement).

Helios Germany aims to achieve an Inpatient Quality Indicator (G-IQI) score of at least 88% (100% target achievement), and Helios Spain aims to achieve a score of at least 55% (100% target achievement).

Fresenius Vamed aims to achieve a patient satisfaction score of at least 1.65 (100% target achievement) in fiscal year 2023.

<sup>1</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions; before special items

## OPPORTUNITIES AND RISK REPORT

We will continue to take advantage of the wide-ranging opportunities for sustainable growth and expansion that the healthcare market offers to the Fresenius Group.

At the same time, the Fresenius Group is exposed to a number of risks when undertaking these activities due to the complexity and the dynamics of its business. These risks are inevitable consequences of entrepreneurial activity, because **opportunities can only be exploited when there is a willingness to take risks.**

As a provider of products and services for the, to a large extent, severely and chronically ill, we are relatively independent of economic cycles. The diversification into four business segments, which operate in different segments of the healthcare market, and the global footprint further minimize the Group's risk profile. Our many years of experience, as well as our regularly leading market position, serve as a solid basis for achieving a realistic assessment of opportunities and risks.

## OPPORTUNITIES MANAGEMENT

**Managing opportunities** is an ongoing, integral part of corporate activity. To be successful over the long term, we consolidate and improve on what we have already achieved and create new opportunities. The Fresenius Group and its business segments are organized and managed in a way that enables us to identify and analyze trends, requirements, and opportunities in our often fragmented markets, and to focus our actions accordingly. We maintain regular contact and dialog with research groups and scientific institutions to explore new prospects, and keep a close watch on markets and competitors in order to identify opportunities. Within the Group, opportunities and synergies can be exploited through continuous communication involving the exchange of information and know-how between the

business segments. As part of our strategic and operational budgeting process, we identify and analyze short-, medium-, and long-term opportunities and risks. Opportunities can also be assessed systematically in our risk management process. We discuss opportunities in the **Outlook** section starting on page 77.

## SIGNIFICANT CHARACTERISTICS OF THE FRESENIUS RISK MANAGEMENT SYSTEM AND ENTIRE INTERNAL CONTROL SYSTEM

Risk management is a continuous process. The aim of risk management is to identify potential risks as early as possible in order to assess their impact on business and, if necessary, to take appropriate countermeasures. The ability to identify, assess, and manage risks that put the achievement of our business goals at risk is an important element of sound corporate governance. The Fresenius risk management and internal control system is therefore closely linked to its corporate strategy. It explicitly takes into account all types of risk, including non-financial risks associated with our business activities or our business relationships, products, and services. In the reporting period, for example, we analyzed potential non-financial risks in the areas of climate change and water shortages. In both areas we identified no risks threatening to our business model.

We consider short-, medium-, and long-term risks. For example, we consider a period of 10 years and beyond when analyzing product development, investment and acquisition decisions.

Due to the constantly changing external and internal requirements and environment, our risk management and internal control system is being continuously developed. In the past fiscal year, for example, the risk management and internal control systems were linked even more closely.

The completeness and validity of the risk information within our risk management approach was also strengthened by analyzing our risk-bearing capacity and our aggregated risk position.

The Management Board is responsible for the quality and effectiveness of our risk management and internal control system. It is regularly monitored by the Supervisory Board's Audit Committee as well as audited by the Internal Audit department. The findings from these audits are used to continuously advance our risk management and internal control system.

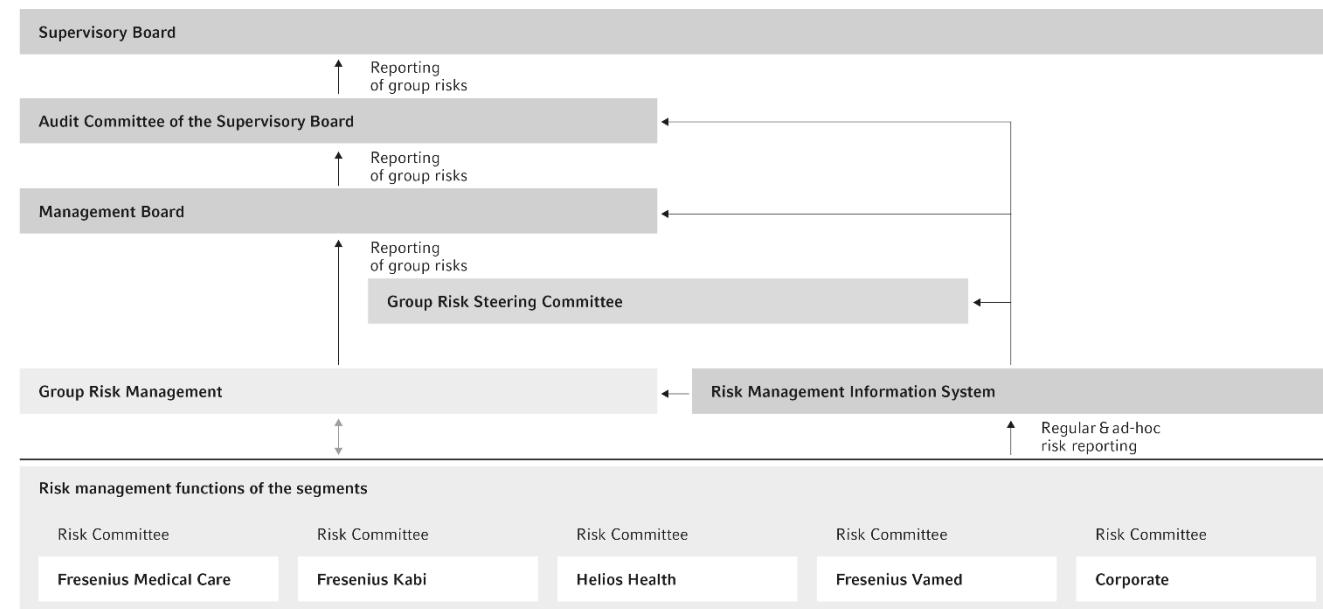
The structure of the Fresenius risk management and internal control system is based on the internationally recognized framework for corporate risk management, the "Enterprise Risk Management – Integrated Framework" from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the "Three Lines of Defense" model of the Institute of Internal Auditors (IIA). The "Three Lines of Defense" model distinguishes between three essential roles within the risk management and internal control system as well as within the general governance system: While the "First Line of Defense" acts as a direct, active participant in the risk management and internal control process, the "Second Line of Defense" at entity, segment, and Group level and the "Third Line of Defense" in the form of the Internal Audit function each represent an independent monitoring and quality assurance function in the Fresenius Group's governance system. The "Second Line of Defense" also sets guidelines and minimum requirements for the Group. On the basis of these guidelines, Group-wide standards are established and documented for the risk management and internal control system.

In addition, the core principles of the risk culture and of the risk strategy are defined and integrated into the business processes.

The organization and responsibilities of the risk management process and process control are defined as follows:

- ▶ The business segments and their operational business units are responsible for identifying, assessing, and managing risks.
  - ▶ The managers of each organizational unit are required to report any relevant changes in the risk profile to the Management Board without delay.
  - ▶ A dedicated Risk Management function at Group level defines standards valid for the entire Group and supports and monitors risk management and internal control system structures and processes. Specialized sub-departments have been set up within this Group function.
  - ▶ The Group function is supplemented by risk management functions at segment or entity level. The tasks and responsibilities between the different organizational levels are clearly defined and documented.
  - ▶ A Risk Steering Committee chaired by the Member of the Management Board for Human Resources (Labor Relations Director), Risk Management, and Legal, is an advisory body that discusses internal and external developments regarding the risk management and internal control system. In addition, the Risk Steering Committee advises on significant risks and prepares decision proposals for the Fresenius Management Board. The Management Board of the Fresenius Group has the overall responsibility for effective risk management and regularly discusses the current risk situation.
- Within the Fresenius Group Management Board, the Member of the Management Board for Human

#### ORGANIZATION OF THE RISK MANAGEMENT PROCESS



Resources (Labor Relations Director), Risk Management, and Legal, is responsible for the risk management and internal control system, as well as their organization.

- ▶ The Supervisory Board's Audit Committee monitors the quality and effectiveness of the risk management and internal control system.

The risk situation is evaluated regularly and compared with specified requirements using standardized processes. If relevant changes to the risk profile or new risks arise between the regular reporting cycles, these are recorded and evaluated as part of ad hoc reporting process. Should negative

trends arise, we can then take countermeasures at an early stage.

In addition to risk reporting, regular financial reporting to management is an important tool for managing and controlling risks. Detailed monthly and quarterly reports are used to identify and analyze deviations of actual versus planned business development.

In addition, the risk management and internal control system includes organizational processes and safeguards, as well as internal controls and audits incorporated in our business processes, which help us to identify significant risks at an early stage and to counteract them.

## RISK ASSESSMENT AND CAPACITY TO BEAR RISK

Fresenius uses standardized processes to assess risks. These include both quantitative and qualitative valuation methods. The assessment of a risk takes into account its likelihood of occurrence, its potential impact on our business, financial position, and operational result, and the time horizon. Fresenius assesses the potential impact on the results of operations on the basis of the key figure EBIT-at-risk. The risks are presented taking into account already initiated and implemented countermeasures (net assessment of risks). Risks are evaluated for a period of 12 months in order to assess the impact of the risk situation on the one-year forecast for the Fresenius Group. In addition, potential risks with an impact on the long-term company goals are analyzed and estimated.

Fresenius categorizes the likelihood of occurrence of a risk as follows:

Probability	Classification
Almost certain	≥ 90%
Likely	≥ 50 to < 90%
Possible	≥ 10 to < 50%
Unlikely	< 10%

The following overview shows how the potential impact on our business, financial position, and operational result is classified:

Potential impact	Classification
Severe	Significant negative impact
Major	Considerable negative impact
Medium	Moderate negative impact
Low	Low negative impact

As part of this process, the potential impact on our business, financial position, and operational result is usually assessed on a three-point basis, namely the impact in the best-case, the realistic, and the worst-case scenario.

The risk matrix on page 89 shows the significant risks that could lead to deviations from the expected business performance within the one-year forecast period.

On the basis of the quantitative risk assessment, the overall risk position is determined at Group level by means of a Monte-Carlo Simulation. This involves taking correlations and dependencies between risks into account. The calculated overall risk position is compared to the Group's risk-bearing capacity. The risk-bearing capacity represents the maximum acceptable level of risks beyond which the continued existence of the Fresenius Group could be jeopardized. Fresenius determines its risk-bearing capacity on the basis of selected key balance sheet figures, such as the liquidity reserve, and rating-related key figures of the Group, such as the leverage ratio. The overall risk position is fully covered by the risk-bearing capacity of the Fresenius Group.

## COMPLIANCE MANAGEMENT SYSTEM AS PART OF THE RISK MANAGEMENT SYSTEM

In all 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 comprehensive 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. For additional information about our Compliance Management System we refer to page 99.

## INTERNAL CONTROL SYSTEM AS PART OF THE RISK MANAGEMENT SYSTEM

The internal control system is an important part of Fresenius' risk management. In addition to internal controls with regard to the financial reporting, it includes control objectives for further critical processes, such as quality management and patient safety, cybersecurity and data protection, and sustainability. Fresenius has documented relevant critical control objectives in a Group-wide framework, integrating the various management systems into the internal control system in a holistic manner.

The risk management and internal control system is regularly reviewed by the Management Board, the Supervisory Board's Audit Committee, and the Internal Audit department. Moreover, the external auditor reviews whether the monitoring system set up by the Management Board is suitable for the early identification of risks that would jeopardize the continued existence of the Company.

Based on this, the Management Board has no indication that our risk management and internal control system in their respective wholes, have not been adequate or effective as of December 31, 2022.<sup>1</sup>

Nevertheless there are inherent limitations on the effectiveness of any risk management and internal control system. For example, no system - even if deemed to be adequate and effective - can guarantee that all risks that will actually occur will be identified and managed in advance or that any process violations will be ruled out under all circumstances.

### **Internal Financial Reporting Controls**

Fresenius employs numerous measures and internal controls to ensure that accounting processes are reliable and that financial reporting is correct, including the preparation of annual financial statements, consolidated financial statements, and management reports in compliance with applicable regulations and principles. Our **four-tier reporting process** especially promotes intensive discussion and ensures control of the financial results. At each reporting level, i.e.,

- the local entity,
- the region,
- the business segment, and
- the Group,

financial data and key figures are reported, discussed, and compared with the prior-year figures, budget, and latest forecast on a monthly basis.

In addition, all parameters, assumptions, and estimates that are of relevance for the externally reported Group and segment results are discussed intensively with the department responsible for preparing the Group's consolidated financial statements. These matters are also reviewed and discussed quarterly by the Supervisory Board's Audit Committee.

**Control mechanisms**, such as automated and manual reconciliation processes, are further precautions put in place to ensure that financial reporting is reliable and that transactions are correctly accounted for. All consolidated entities report according to Group-wide standards, which are determined at the head office. These are regularly adjusted to allow for changes made to the **accounting regulations**. The consolidation proposals are supported by the IT system. In this context, internal Group balances, among other things, are reconciled in a comprehensive manner. To prevent abuse, we take care to maintain a strict separation of functions. **Monitoring and assessments** carried out by management also help to ensure that risks with a direct impact on financial reporting are identified and that controls are in place to minimize them. Moreover, changes in accounting principles are closely monitored and employees involved in financial reporting are instructed regularly and comprehensively. External experts and specialists are engaged if necessary. The Treasury, Tax, Controlling, and Legal departments are involved in supporting the preparation of the financial statements. Finally, the information provided is verified once more by the department responsible for preparing the consolidated financial statements.

Fresenius Medical Care is also subject to the controls of Section 404 of the **Sarbanes-Oxley Act**.

### **ASSESSMENT OF THE OVERALL RISK SITUATION**

The established risk management and internal control system is fundamental for assessing the overall risk position of the Fresenius Group. Potential risks for Fresenius include factors beyond our direct control. These also include the macroeconomic development, which we constantly monitor. They also include factors immediately within our control, such as operating risks, which we anticipate at as early a stage as possible and to which we react with appropriate countermeasures, as required.

In synopsis, there are currently no recognizable risks that appear to present a long-term and significant threat to the Fresenius Group's business, financial position, and operational result.

We have created organizational structures that provide all the conditions needed to rapidly alert us to possible risk situations and enable us to take suitable countermeasures.

<sup>1</sup> unaudited

## RISKS AFFECTING THE ONE-YEAR FORECAST PERIOD

The chart besides shows the significant risks that could lead to deviations from the expected business performance within the one-year forecast period.

Based on our quantitative analysis, risks relating to upcoming legal and regulatory requirements with regard to human rights and sustainability.

In addition, the potential effect of risks regarding global economic conditions, reimbursement rates and prices and currencies and interest rates has been increased. The potential effect of IT and cybersecurity risks and risks with regard to pandemics decreased.

### RISK AREAS

#### OVERALL ECONOMIC RISK AND RISKS RESULTING FROM GLOBAL ECONOMIC CONDITIONS

The war against Ukraine launched by Russia in February 2022 will continue to have a significant negative impact on our business, financial position, and operational result. As a provider of life-sustaining medical devices and healthcare services, we are continuing our operations in both Russia and Ukraine to the best of our ability -- despite the war and notwithstanding the extensive economic sanctions against Russia and Belarus imposed by numerous governments in response to the war. However, we cannot rule out the possibility that operations in Ukraine, Russia, or Belarus may be adversely affected by the destruction of assets, expropriation or other official measures.

In addition to these risks, the highly dynamic situation gives rise to considerable uncertainties, in particular due to a further deterioration in the global macroeconomic outlook. Although the direct and indirect effects of the Ukraine war are difficult to assess at present, the macroeconomic inflationary environment, including significantly rising energy, supplies and transportation. The discontinuation of energy supplies from Russia intensified these effects and had additional negative consequences for our business.

To limit these cost increases for Fresenius, we are continuously analyzing and exploiting potential savings, for example in energy consumption. We are also examining alternative energy sources and use them wherever possible.

In addition, the Ukraine war increased the risk of cybersecurity attacks on our systems and data. Also, our ability to access capital could be impacted by increasing volatility and disruptions in the financing markets, as well as by further increases in interest rates.

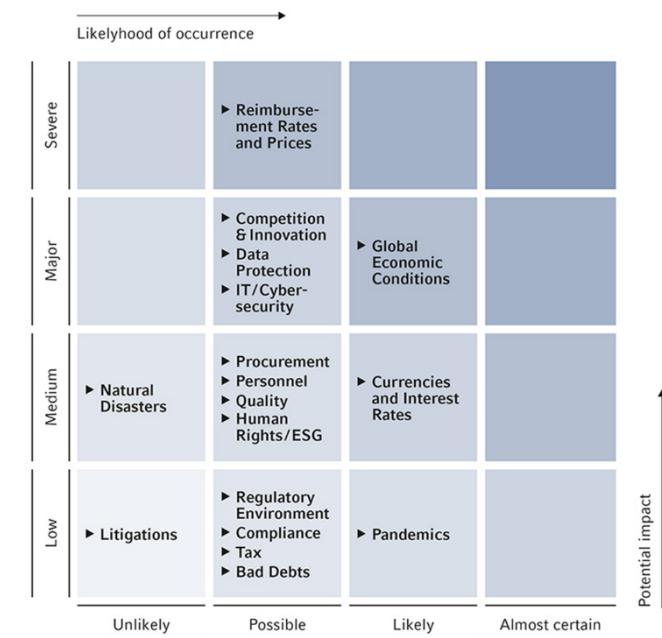
An expansion of the war beyond the borders of Ukraine would have significant consequences for the whole of Europe.

Overall, the aforementioned factors will have a negative impact on our business, financial position, and operational result.

Despite the aforementioned effects, from today's perspective the global economic development does not constitute a business continuation risk for the Fresenius Group.

Fresenius is only affected to a minor extent by general economic fluctuations. We expect demand for our life-saving and life-sustaining products and services to continue to grow.

## RISKS AFFECTING THE ONE-YEAR FORECAST PERIOD



In addition, Fresenius aims to achieve a balanced distribution of business in the major regions of the world and between established and emerging markets. The risk situation of our business segments depends in particular on the development of the markets relevant to them. We therefore also carefully monitor and assess country-specific political, legal and financial conditions, particularly in the current macroeconomic environment. This applies, for example, to our receivables portfolios in countries that are experiencing budgetary problems due to their indebtedness.

This also applies to initiatives by governments regarding possible changes to the healthcare programs currently in place.

Inflation-related cost increases could have an adverse effect on our business, particularly if prices for our products and services remain unchanged or cannot be adjusted sufficiently to reflect increased costs.

### RISKS RELATED TO THE COVID-19 PANDEMIC

The global covid 19 pandemic also continued to have a significant impact on our business in 2022. It was characterized by regional differences in the development of the COVID-19 pandemic with persistently high infection rates overall and the associated shortage of resources. The further development of the global situation remains uncertain and depends on the extent of the spread of new virus variants and associated local lockdowns. Negative effects on our business could be caused, for example, by a continuing or increasing excess mortality of our dialysis patients, restrictions on the business activities of our suppliers, customers and ourselves, including our personnel, resulting from regulatory requirements, orders and conditions at regional, national or international level. The unavailability of crucial manpower and increased costs, e.g. due to protective measures in our dialysis clinics, hospitals and production facilities, could also have a negative impact on our business.

### RISKS IN THE HEALTHCARE SECTOR

Risks related to changes in the healthcare market are of major importance to the Fresenius Group. The main risks are the financing of healthcare systems and the corresponding reimbursement systems, as well as the development of new products and therapies.

#### Financing of healthcare systems and reimbursement systems

In our largely regulated business environment, **changes in legislation**, including those relating to reimbursement, can have a drastic impact on our business success.

National insurance systems are financed very differently. For example, healthcare systems in Europe and the British Commonwealth countries are generally based on one of two funding models: the system with a mandatory employer and employee contribution, and the predominantly tax-funded system.

In the Asia-Pacific region, universal healthcare ("UHC") is at various stages of implementation, so reimbursement mechanisms can vary significantly from country to country (and even from province to province and city to city). In Latin America, healthcare systems are funded by public or private payers, or a combination of both. Due to the high share of the U.S. market in Group sales, changes in the government reimbursement system in particular, e.g. reimbursements for dialysis treatments, can have a significant impact on our business.

For example, in 2022, Fresenius Medical Care generated approximately 26% of its global revenue through reimbursements from the **Centers of Medicare and Medicaid Services (CMS)** government healthcare programs in the United States. Changes in legislation or reimbursement practices, such as those relating to the End-Stage Renal Disease (ESRD) Prospective Payment System (PVS), fee schedules for physicians and clinical laboratories, and the billing system for ambulatory surgical clinics, could affect both the scope of Medicare and Medicaid reimbursement for services and the scope of insurance coverage.

A reduction in reimbursement rates, reimbursed services or changes in standards, regulations and government funding in countries in which we operate could adversely affect our revenues and profitability and have a material adverse effect on our business, financial position, and operational result.

For further information on material legislation and compensation programs, please refer to Fresenius Medical Care's annual report.

Changes in government and private insurer reimbursement for our full range of products and services in the U.S. could have a material adverse effect on our business and results of operations.

The same applies to the hospital market in Germany. The **DRG system (Diagnosis Related Groups)** is intended to increase efficiency in hospitals and reduce expenses in the healthcare system. To a considerable extent, occupancy in the hospitals is provided by statutory health insurance funds and pension insurance institutions. The continuation of contracts with these institutions therefore influences the success of Helios Germany. We keep a close eye on legislative activities and planning and work together with the state healthcare organizations.

As part of the Nursing Personnel Strengthening Act (PpSG), nursing costs were removed from the flat rates per case (DRG) from 2020 and the costs of patient-centered care were reimbursed in full by the health insurance funds via separate care budgets. As early as 2021, each additional or increased bedside care position was fully refinanced by payers, and the care budget's inclusion criteria were changed.

As negotiations with the payers on the care budgets have largely not yet been concluded, this gives rise to a potential risk to the business, financial position, and operational results.

The allocation of nursing staff to the care budget has been adjusted to the current definitions of nursing specialist and nursing assistant or other professions in the Nursing Staff Lower Limits Ordinance (PpUGV).

For the 2022 care budget, the personnel costs of the occupational groups nursing specialist and nursing assistant (nursing assistant, physician assistant, anesthesia technician, emergency paramedic, nursing and geriatric nursing assistant) were fully included in the care budget.

Digital and technical measures that reduce or support nursing activities were included in the care budget (4% of the total care budget).

In the German market, Helios Germany is observing a general trend towards outpatient treatment, which could lead to lower case number growth for inpatient treatments. To take account of this trend, Helios Germany is expanding outpatient services in a separate division. If Helios Germany does not succeed in sustainably adapting its business model through appropriate measures, this could lead to a decline in case numbers and have a material adverse effect on our business and operating profit.

Our private hospital chain Quirónsalud in Spain operates hospitals, among other things, via **PPP (public-private partnership)** contracts. These are part of the public healthcare system in Spain. The company has thus been assigned responsibility for certain areas of healthcare for Spanish citizens with statutory health insurance. In return, Quirónsalud receives remuneration in the form of a per capita flat rate or a fee for the respective service provided. If Quirónsalud loses the concession to operate hospitals under PPP contracts or obtains poorer terms in renegotiations with public or private insurers, or if the hospitals are unable to offset

lower reimbursement rates through cost savings, this may have a material adverse effect on our business, financial position, and operational result.

Savings in the reimbursement of healthcare services may also have a negative impact on the sales prices of Fresenius Kabi's products.

Changes in legislation, reimbursement practices and healthcare programs could affect the scope of reimbursement for services, the scope of insurance coverage and the product business. This could have a material adverse effect on our business, financial position, and operational result. Overall, we aim to counteract such potential regulatory risks via benefit enhancements and cost reductions.

### **Competition and Innovation**

We face numerous competitors in both our healthcare services business and dialysis products business, some of which may possess substantial financial, marketing or research and development resources. Competition from new and existing competitors and especially new competitive developments and innovations in technology, pharmaceuticals and care delivery models could materially adversely affect the future pricing and sale of our products and services.

Growing competition, among other things induced by the recovery of some notable competitors, in particular in the U.S. market for generic IV drugs after halts to production, may continue to materially affect the pricing and sale of our products and services. In addition, the introduction of generic or patented drugs by competitors may have an impact on the revenue and operational results of our products.

Generally, the healthcare sector is characterized by pricing pressure (including from tenders), competition, and efforts to contain costs. These factors could result in lower revenue and adversely affect our business, financial position, and operational results.

In the United States, almost all Fresenius Kabi injectable pharmaceutical products are sold to customers through arrangements with group purchasing organizations (GPOs) and distributors. The GPOs also have purchasing agreements with other manufacturers, and the bidding process for products is highly competitive.

If Fresenius Kabi is not successful in maintaining its existing contracts or if new contracts are concluded on less favorable terms, this could have an adverse effect on our operational results.

Similar developments with regard to price pressure in the tender business and increasing competition and price reductions are affecting our business in all major markets in Asia. Further expansion of National Volume based Procurement (NVBP) and Provincial Volume based Procurement (PVBP) is expected with one or two rounds annually over the next three years. Based on the directive from the Chinese State Council, drug price reduction will continue to be one of the major measures to further contain healthcare costs in a market in which volumes are steadily growing. This development could have a negative impact on our business, financial position, and operational result if Fresenius Kabi is not successful in offsetting these price

reductions, for example through cost savings and efficiency gains in production.

To ensure our permanent competitiveness, we work closely together with physicians and scientists. Important technological and pharmaceutical innovations are intended to be quickly identified and further developed, if necessary also by adapting our business strategy. Moreover, we secure our competitiveness by ongoing analyzes of our market environment as well as the regulatory framework. The market activity, especially our competitors' products and newly launched dialysis-related products are thoroughly monitored. The cooperation between the various technical, medical and academic institutions within our company also ensures our competitiveness, which is finally further enhanced by our consequent conduction of programs devoted to cost saving and efficiency increase.

The **introduction of new products and services**, or the development of advanced technologies by competitors, could render one or more of our products and services less competitive or even obsolete, and thus have a significant negative impact on future sales, the prices of products, and our range of services. This includes the introduction of generic or patented drugs by competitors, which may have an impact on sales and operational results. Cooperation with medical doctors and scientists allows us to identify and support relevant technological innovations. This means we are always able to keep abreast of current developments in alternative treatment methods so that we are able to evaluate and, if necessary, adjust our corporate strategy.

## INFORMATION TECHNOLOGY AND CYBERSECURITY RISKS

Digital information is a cornerstone and enabler for our global business as one of the leading healthcare groups. Ongoing digitization and digital transformation offer great opportunities for healthcare - with innovative technological and therapeutic approaches that improve patients' treatment paths. Fresenius is continuously digitizing its processes, opening up new markets with digital product solutions, and taking into account that digitization is associated with cyber risks that can affect confidentiality, integrity, or availability.

We continuously strive to strengthen our resilience to cyberattacks and reduce our cyber risks to avert harm to our patients, customers and the company. To this end, we conduct regular risk analyses along our value chains, assess the cyber threat landscape and its implications for our infrastructures, critical systems and data in order to derive adequate risk mitigation measures.

The overarching cyber risks that affect the Fresenius Group holistically include the theft and disclosure of personal and patient data, as well as trade secrets, attacks and associated failures of our IT infrastructures and applications, e.g. through malware, or the targeted manipulation of data. In addition, cyber risks exist in connection with the business activities of our respective business units: In the product business, these relate to the disruption of production and logistics processes and the theft of intellectual property. In our healthcare facilities, cyber risks relate to patients, their patient data and the medical products or devices used. The unavailability of IT systems in critical situations or the compromise of medical devices could negatively affect patient safety and treatment effectiveness.

The loss of sensitive data or non-compliance with data protection laws, regulations and standards could damage our competitive position, our reputation and the company as a whole. Furthermore, Fresenius or one of its Group companies could be subject to substantial fines in the event of a data protection breach. To comply with all legal requirements, we have implemented comprehensive data protection management systems that provide for the appropriate technical and organizational measures and controls to protect personal data.

Our stakeholders have great confidence in the cyber security of our products and services. To minimize cyber risks, we have implemented security architectures and concepts that include preventive, detective and reactive measures. We can detect cyber threats at an early stage through monitoring mechanisms in our networks as well as on our end devices, such as desktops, servers, and mobile devices, among others. The security of applications that process sensitive patient or personal data is regularly checked by so-called penetration tests and red-teaming exercises that simulate targeted attacks. Critical systems, such as central communication systems or clinical information systems, are subject to special protection concepts that can, for example, offset the failure of a system. Further information on our cyber security strategy, organization and measures can be found in our separate non-financial Group report on pages 141.

## Data protection

Fresenius' business activities are also subject to data protection regulatory requirements. This includes compliance with the General Data Protection Regulation (GDPR) as well as compliance with other country-specific data protection regulations. Breaches of these regulations or of the GDPR can result in substantial fines, damage to reputation, and loss of trust. The core element of data protection is the secure and lawful processing of personal data in accordance with these regulatory requirements. In addition to patient data, this also includes the personal data of employees as well as that of contractual partners and other persons.

Risk areas include compliance with data protection principles, information obligations, data subjects' rights, risk analysis regulations, and the documentation of data processing activities, as well as ensuring secure data processing, including the establishment of an appropriate level of data protection in (inter)national data transfers.

To comply with legal requirements, Fresenius has implemented comprehensive data protection management systems, which provide the appropriate technical and organizational measures and controls for the protection of personal data. Fresenius SE & Co. KGaA and all business segments maintain data protection organizations in accordance with their organizational and business structures. This includes independent data protection officers reporting to the respective company's management. The dependence on data protection and IT security/cybersecurity resulting from increasing internationalization is also taken into account by the data protection organizations by ensuring collaboration with the respective departments is as close as possible.

The business segments have implemented processes and standards based on their organizational and business structures that also provide internal guidelines for processing personal data in a secure and appropriate manner.

In addition, the individual data protection management systems also include appropriate control measures in order to adequately check compliance with regulatory and internal requirements.

Further information about our data protection organizations and data protection management systems can be found in the Group Non-financial Report on page 188 ff.

## FINANCIAL RISKS

### Currency and interest rate risks

Our global orientation gives rise to a variety of **foreign currency risks**. In addition, the financing of our business activities may give rise to **interest rate risks** which may also affect the value of our assets, in particular goodwill.

In order to limit these risks, we use, among other things, derivative financial instruments. We restrict ourselves to marketable instruments traded over the counter and use them exclusively to hedge underlying transactions, not for trading or speculative purposes. Transactions are conducted within limits approved by the Board of Management, which are set depending on the counterparty's rating. For further information on the management of foreign currency risk and interest rate risk, please refer to the Notes to the Consolidated Financial Statements on page 374 ff.

Our **foreign currency management** is based on a policy approved by the Board of Management. It defines the objectives, organization and sequence of the risk management processes. In particular, it defines who is responsible for identifying foreign currency risks, entering into hedging transactions and regular risk management reporting. The responsibilities correspond to the decision-making structures in the Group's other business processes. Decisions on the use of derivative financial instruments in **interest rate management** are generally made in close consultation with the Board of Management.

With a few exceptions due to foreign exchange regulations, transactions with derivative financial instruments are carried out under the control of the Group Treasury of the Fresenius Group. They are subject to strict internal supervision. This ensures that the Management Board is always fully informed about all material risks and about existing hedging transactions.

In general, Fresenius is highly hedged against **foreign currency and interest rate risks**: Of the Group's financial liabilities as of December 31, 2022, approximately 86% were protected against an increase in interest rates by fixed-rate financing or interest rate hedges. Thus, around 14% were subject to interest rate risk. A sensitivity analysis shows: If the reference interest rates relevant for Fresenius increase by 0.5 percentage points, this will affect the Group's net income by about 0.5%.

As a global group, Fresenius is subject to foreign currency translation effects. In view of the strong U.S. business, the relationship between the U.S. dollar and the Euro plays a special role. Foreign currency exchange risks are not hedged. A sensitivity analysis shows that a change in the US dollar to the Euro of 1 cent would have an annual effect of around €140 million on Group sales, around €15 million on EBIT and around €4 million on the consolidated result.

As a globally operating company, we have production capacities in all major foreign currency regions. In the service businesses, our sales and cost base match to a high degree. **Transaction risks** in foreign currencies are quantified and managed using a cash flow-at-risk model.

This analysis is based on the foreign currency cash flows that are reasonably likely to occur in the next twelve months, less any hedging that has been performed. As of December 31, 2022, the Fresenius Group's cash flow at risk was €52 million, i.e., with a probability of 95%, a potential loss from foreign currency cash flows in the next twelve months will not exceed €52 million.

Further information on financial risks can be found in the Notes to the consolidated financial statements on pages 375 ff.

### Recoverability of assets

Financial risks that could arise from acquisitions and investments in property, plant and equipment, and in intangible assets are assessed through careful and in-depth reviews assisted by external consulting firms. The intangible assets, including goodwill, product rights, trade names, and management contracts, contribute a considerable part to the total assets of the Fresenius Group.

Currency devaluations, adverse changes in general interest rates and deteriorating economic conditions, including inflationary price developments in various markets combined with deteriorating country credit ratings, increase the risk of goodwill impairment, which may lead to a partial or complete write-down of the goodwill or brand name of the affected cash-generating unit or negatively impact our investments and external partnerships.

Goodwill and other intangible assets with an indefinite useful life carried in the Group's consolidated balance sheet are tested for impairment each year. Further information can be found in the Notes 314 ff.

### Debt and liquidity

As of December 31, 2022, the Fresenius Group's financial liabilities including leases under IFRS 16 were €27,763 million. The debt could, among other things, limit the Company's ability to pay dividends, arrange refinancing of financial liabilities, or implement the corporate strategy. If Fresenius' credit rating or the conditions on the relevant financial markets deteriorate significantly, financing risks could arise for Fresenius. We reduce these risks through early refinancing as well as a high proportion of mid- and long-term funding with a balanced maturity profile.

Some of our financing agreements that were concluded before the year 2017 contain covenants requiring us to comply with certain financial ratios. These covenants are currently suspended due to the investment grade rating of the Fresenius Group. A deterioration of the rating may therefore also lead to the currently suspended covenants in some financing agreements becoming active again. Non-compliance with these covenants could then result in a default and acceleration of the debt under the respective agreements. We counteract this risk by taking the performance indicators relevant for our investment grade rating into account in our Group planning and continuously monitoring their development. This enables us to take counter-measures at an early stage.

Additional information about conditions and maturities can be found on page 379 of the Notes and on page 67 of the Group Management Report.

## Taxes and duties

As a global corporation, Fresenius is subject to numerous tax laws and regulations. Risks arising therefrom are identified and evaluated on an ongoing basis. The Fresenius Group's companies are subject to regular tax audits. Any changes in tax regulations or adjustments resulting from tax audits and additional duties, import levies, and trade barriers could lead to higher taxes and duties.

Similarly, tax and trade law reforms, in particular the OECD initiatives for the reallocation of taxation rights and the introduction of a global minimum tax, as well as a potential U.S. tax reform, may increase our tax and duty burden.

## Operating risks

Our operational business around the world is exposed to a number of **risks** and extensive **government regulation**, which include, among others:

- ▶ The quality, safety, and efficacy of medical and pharmaceutical products, supplies, and therapies;
- ▶ The operation and licensing of hospitals, other healthcare facilities, manufacturing facilities, and laboratories;
- ▶ The planning, construction, equipping, and management of pharmaceutical and medical-technological production facilities;
- ▶ The planning, construction, equipping and management of healthcare facilities;
- ▶ Permits from public authorities and monitoring of clinical and non-clinical research and development activities;
- ▶ Product approvals and regulatory approvals for new products and product modifications;
- ▶ Audits and reviews by enforcement authorities of compliance with applicable pharmaceutical legislation;
- ▶ Compliance with due diligence obligations, warranty obligations, and product liability regulations;
- ▶ The accurate reporting of and billing for reimbursements by government and private insurers;

- ▶ Discounting reimbursable pharmaceutical and medical device products and reporting drug prices to government agencies;
- ▶ The labeling and designation of pharmaceutical products and their marketing;
- ▶ Attracting qualified personnel;
- ▶ Compensation of medical personnel and financial arrangements with physicians and establishments that arrange patient referrals;
- ▶ Access to collection, publication, use, and security of health-related information and other protected data;
- ▶ Limitation of our ability to make acquisitions or certain investments and the conditions for transactions of this nature.

If Fresenius fails to comply with laws or regulations, this may give rise to a number of consequences, including monetary penalties, increased compliance costs, exclusion from governmental reimbursement programs, or a complete or partial curtailment of our authorization to conduct business, any of which could have a material adverse effect on our business reputation, business, financial position, and operational result. Significant risks of operations for the Fresenius Group are described in the following sections.

## Production, products, and services

Compliance with **product specifications and manufacturing regulations** is ensured by our quality management systems, which are structured in accordance with the internationally recognized **quality standards ISO 9001 and ISO 13485** and take into account relevant international and national regulations. We implement them by means of internal standards such as quality and work procedure manuals. Regular internal and external audits are carried out at the Group's production sites, distribution companies, and dialysis clinics to check compliance. This covers all requirements and regulations, from management and administration to production and clinical services, right through to patient satisfaction. Our production facilities comply with the Good Manufacturing Practice (GMP) requirements of the markets they supply. Our facilities are audited by local public health authorities such as the U.S. Food and Drug Administration (FDA) or the European Medicines Agency (EMA) and other authorities. If an authority identifies any deficiencies, Fresenius will immediately take comprehensive and appropriate rectifying measures.

Non-compliance with the requirements of these authorities in our production facilities or at our suppliers could lead to regulatory actions, such as warning letters, product recalls, production interruptions, monetary sanctions, or delays in new product approvals. Any of these regulatory actions could adversely affect our business reputation and our ability to generate revenue and result in significant expenses.

Global safety officers react promptly as soon as Fresenius becomes aware of a quality-related issue. They initiate and coordinate necessary actions on a global level, such as product recalls. With its early warning system, Fresenius evaluates any quality-related information from various risk areas to identify risks at an early stage and take corrective and preventive actions. For this purpose, Fresenius Kabi uses databases in which complaints and side effects are logged, internal and external audits, and key performance indicators used for internal control purposes and the optimization of quality processes. In this way, safety profiles of the products can be created and evaluated worldwide.

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 thoroughly. Corrective action may be taken to avoid the circumstances that led to the recall occurring again in the future.

In addition, changes made to requirements and regulations by regulatory authorities, such as those affecting our production processes, can lead to lower production volumes during any transitional period or jeopardize production.

Production could also be adversely affected by events such as natural disasters, infrastructure disruptions, regulatory rulings, supply disruptions, such as of raw materials, or technical failures. To minimize these risks, stocks are built up, for example to bridge any gaps in the event of short-term problems.

Potential risks arising from the start-up of new production sites or the introduction of new technologies are countered through careful planning, regular analysis, and continual progress reviews.

Providing medical services in our hospitals, rehabilitation clinics, and dialysis clinics is generally subject to inherent risks. For example, disruptions to processes, also due to causes such as natural disasters or technical failures, involve risks for patients and the clinic. In addition, there are operational risks, for example regarding hygiene. We counteract these risks with strict operating procedures, continual personnel training, and patient-oriented work procedures. At Fresenius Helios, for example, a structured hygiene management system is in place to ensure that infections within the hospital are avoided and their spread prevented as quickly as possible. Furthermore, we are constantly striving to improve the standard of patient treatment through our quality management systems.

Performance risks associated with Fresenius Vamed's project business are countered through professional project management and control and with a proven system tailored to each business activity for identifying, evaluating, and minimizing these risks. This system consists of organizational measures, such as standards for pricing in risks when preparing quotations. Risks are assessed even before accepting orders and are subsequently updated during regular project controlling. To avert the risk of default, the system also includes financial measures, such as checking creditworthiness and, as a rule, safeguarding through prepayments, letters of credit, and secured credits.

Further information about our quality management processes can be found in the separate Group Non-financial Report from page 110 ff.

## Procurement

In the procurement sector, potential risks arise mainly from price increases or the lack of availability of raw materials and goods, as we saw in the wake of the COVID-19 pandemic. We counter these risks by appropriately selecting and working together with our suppliers, through long-term framework agreements in certain purchasing segments, and by bundling volumes within the Group.

We counter the risk of poor-quality purchased raw materials, semi-finished products, and components mainly by requiring our suppliers to meet strict quality standards. This includes a structured qualification process, which comprises audits, document and advance sample inspections, as well as regular quality controls of deliveries. We only purchase high-quality products with proven safety and suitability from qualified suppliers that conform to our specifications and standards. Evaluating our risks and our management measures, we also take into account new regulatory requirements and legal conditions, such as the Act on Corporate Due Diligence Obligations in Supply Chains, which will be effective in Germany in 2023.

Further information about our supply chains and our approach to the protection of human rights can be found in the separate Group Non-financial Report from page 193 ff.

## Payment defaults

To limit the risk of **delayed payments or defaults**, we generally assess the creditworthiness of new customers. In addition, we continuously perform follow-up assessments and credit limit reviews. We monitor outstanding accounts of existing customers and assess the default risk of receivables. This applies in particular to countries with budgetary problems and countries exposed to political risks. We continued to work on our receivables portfolio in 2022 through measures such as factoring. We counteract performance risks associated with Fresenius Vamed's project business with professional project control, competent project management, and a sophisticated system for identifying, assessing, and minimizing these risks, adapted to the respective business activity. On the one hand, this includes organizational measures: For example, standards for risk calculation apply as early as the preparation of a quotation. Risks are assessed even before an order is accepted and then continuously updated as part of project controlling. To prevent possible default risks, the system also includes financial measures such as credit checks and, as a rule, collateral in the form of advance payments, letters of credit and secured loans.

## Personnel

Fresenius addresses **potential shortages of qualified personnel** through appropriate employer branding measures, as well as recruitment, upskilling, and retention of qualified staff.

In order to increase the awareness and attractiveness of the Fresenius Group, our employer branding relies on a mix of marketing to universities, in-house events (such as the Fresenius Career Day "Meet the Board" involving our top management), and digital employer branding (such as by expanding our career website and our presence on social media channels).

To ensure a sustainable supply of qualified staff, we offer, for example, targeted programs for young academic talent with subsequent retention programs, as well as comprehensive apprenticeships for students who just graduated high school.

With more than 6,300 apprentices and dual students, Fresenius is one of the biggest training companies in Germany. Fresenius offers 44 apprenticeships and 33 study programs throughout Germany. The number of our apprenticeships and study program offerings was further expanded nationwide in 2022.

We provide information about our apprenticeship and study program offerings on our career website, as well as at our respective training locations through various marketing activities and vocational orientation offers (such as the career guidance app Aivy, vocational information days, and the Night of Apprenticeship).

Furthermore, we offer young academic talent the opportunity to gain initial practical experience and to establish contacts within our company in the context of internships and working student positions before or during their studies or in the context of their final papers.

Depending on the customer and market structure, our business segments place very different demands on concepts and measures for personnel development. We strengthen employee loyalty to our company by offering our employees attractive development opportunities and fringe benefits and variable compensation and working-time models. In addition, we promote international and interdisciplinary cooperation.

By using target-group-specific measures, Fresenius addresses the overall shortage of specialized hospital personnel. We thereby aim to recruit qualified and dedicated personnel, thus ensuring our high standard of treatment quality.

Greater employee absenteeism and longer recruiting cycles as an effect from the COVID-19 pandemic further contribute to the experienced shortages in personnel.

Since January 1, 2019, the German hospital market has also been subject to the Ordinance on the Minimum Requirements for Nursing Personnel in Hospitals (PpUGV). This ordinance stipulates minimum staffing levels for nursing personnel in certain areas of the hospital. Further statutory regulations on minimum personnel levels in additional hospital departments with beds may further intensify competition for qualified nursing staff. Helios Germany is therefore working intensively on additional measures to make it particularly attractive as an employer for nursing staff. These include the compatibility of family and career (e.g., through childcare facilities at hospital sites or the option of part-time work), attractive further and advanced training opportunities, occupational health management, and career opportunities.

The Spanish hospital market is also experiencing a shortage of qualified nursing staff. As a result of the COVID-19 pandemic and the associated additional need for nursing staff, public hospitals have hired more nurses at more attractive terms than before. Quirónsalud is undertaking various measures such as online campaigns and other employer branding measures to attract new employees. In addition, long-term security in the workplace and attractive working conditions, for example, should help to retain existing employees.

Further information about our measures for recruiting, developing, and retaining qualified personnel can be found in our separate Group Non-financial Report from page 153 ff.

#### RISKS ASSOCIATED WITH RESEARCH AND DEVELOPMENT AND PRODUCT APPROVAL

The **development of new products and therapies** always carries the risk that the ultimate goal might not be achieved, or it might take longer than planned. This is particularly true for our biosimilar products from Fresenius Kabi. The development of biosimilar products entails additional risks, such as significant development costs and the still-developing regulatory and approval processes. Regulatory approval of new products requires comprehensive, cost-intensive preclinical and clinical studies.

Furthermore, there is a risk that regulatory authorities either do not grant, or delay, product approval, or withdraw an existing approval.

In addition, adverse effects of our products that may be discovered after regulatory approval or registration may lead to a partial or complete withdrawal from the market, due either to legal or regulatory actions or our voluntary decision to stop marketing a product.

For example, following feedback from the European Medicines Agency (EMA), risk mitigation measures for HES products from Fresenius Kabi (controlled dispensing of hydroxyethyl starch (HES) medicines to accredited hospitals, training and letters to healthcare professionals and warnings on packaging) were initiated in 2019. Based on the results of a study investigating the routine use of HES in accredited clinics, the EMA had advocated a suspension of the marketing authorization of HES-containing solutions. However, the EU countries were allowed to decide for themselves whether to implement the suspension of marketing authorization immediately or to make use of an 18-month transitional solution.

Follow-up studies as well as similar measures could also be taken by authorities in non-EU member states. Currently, two regulatory studies are being conducted to evaluate the long-term safety and efficacy of our HES products in surgical and severely injured (trauma) patients. The respective study reports will be submitted to the EMA and assessed by the end of February 2023.

The Fresenius Group spreads its risk widely by conducting development activities in various product segments.

We also counteract risks from research and development projects by regularly analyzing and assessing development trends and examining the progress of research projects. Furthermore, we strictly comply with the legal regulations for clinical and chemical-pharmaceutical research and development.

With IV drugs, it is also crucial that new products are continually brought to the market in a timely manner. Therefore, we monitor the development of new products on the basis of detailed project plans and focus on achieving specific milestones. In this way, we can take countermeasures if defined targets are called into question.

Both Fresenius Medical Care and Fresenius Kabi are exposed to typical patent-related risks. These include insufficient protection by patents of the technologies and products we develop, which could enable competitors to copy our products without having to bear comparable development costs.

### RISKS IN RELATION TO INCREASING REGULATORY REQUIREMENTS FOR SUSTAINABILITY AND FOR COMPLIANCE WITH HUMAN RIGHTS

The increasing sustainability requirements of governments, investors and customers, as well as in the context of financing transactions, could lead to additional costs. The growing requirements and due diligence obligations in the regulatory environment, as well as the voluntary commitment to our own sustainability and climate protection targets, could lead to additional liability risks. Furthermore, business involvement in areas that are the focus of social debate on sustainability can be perceived negatively and trigger negative media attention. This could lead to reputational damage and impact the achievement of our business objectives. Since 2017, we have been conducting a comprehensive analysis to identify material issues for Fresenius with

regard to any environmental and social risks as well as related human rights and reputational risks.

### RISKS FROM ACQUISITIONS

The acquisition and integration of companies carries risks that can adversely affect the business, financial position, and operational result of Fresenius. Acquisition processes often include closing conditions, including but not limited to antitrust clearance, fulfillment of assurances and warranties, and adherence to laws and regulations. Non-compliance with such closing conditions by either party to an acquisition could lead to litigation between the parties or with others and thus claims against Fresenius.

Following an acquisition, the acquired company's structure must be integrated while clarifying legal questions and contractual obligations. Marketing, patient services, and logistics must also be unified. During the integration phase, there is the risk that key managers will leave the company and that both the course of ongoing business processes and relationships with customers and employees will be harmed. In addition, change-of-control clauses may be claimed. The integration process may prove more difficult or require more time and resources than expected. Risks can arise from the operations of the newly acquired company that Fresenius regarded as insignificant or was unaware of. An acquisition may also prove to be less beneficial than initially expected. **Future acquisitions** may be a strain on the finances and management of our business. Moreover, as a consequence of an acquisition, Fresenius may become directly or indirectly liable towards third parties, or claims against third parties may turn out to be non-assertable.

We counter risks from acquisitions by means of structured, detailed due diligence prior to deciding to go ahead with the acquisition and by means of detailed integration plans, as well as with a dedicated integration and project management process afterward so that countermeasures can be initiated in good time if there are deviations from the expected development.

### COMPLIANCE AND LEGAL RISKS

#### Compliance Risks

Fresenius is subject to comprehensive government regulation and control in nearly all countries. In addition, Fresenius must comply with general rules of law, which differ from country to country. There could be far-reaching legal repercussions or reputation damage should Fresenius fail to comply with these laws or regulations.

We must comply in particular with rules and regulations that monitor the safety and effectiveness of our medical products and services. Corruption is a core risk area across all business segments. Antitrust law, data protection, money laundering, sanctions, and the upholding of human rights are further significant risk areas. It is therefore of particular importance to us that our **compliance programs and guidelines** are strictly adhered to. Through compliance, we aim to meet our own expectations and those of our partners, and to orient our business activities to generally accepted standards and local laws and regulations.

At Fresenius, risk-oriented **compliance management systems** are implemented in each business segment. These systems take into account the markets in which the respective business segment operates and are tailored to the specific requirements of the business segment. Furthermore, we at Fresenius assess compliance risks using a standardized methodology.

Our compliance programs set binding rules of conduct for our employees. We believe that we have taken adequate measures to ensure that national and international rules are observed and complied with. Nevertheless, even when a comprehensive compliance program is in place, individual cases of misconduct by individual employees or contractual partners cannot be ruled out, which could cause damage to the Company.

Further information about our compliance management systems can be found in the Group Non-financial Report on page 180 ff.

### Legal risks

Risks arising in connection with **litigation** or official proceedings are continuously identified, assessed, and – above a relevant set materiality threshold, where applicable – reported within the Group. Companies in the healthcare industry are regularly exposed to claims or actions for breach of their duties of due care, product liability, breach of warranty obligations, patent infringements, treatment errors, and other claims. This can result in high claims for damages and substantial costs for legal defense, regardless of whether a claim is actually justified. This applies in particular to disputes and proceedings in the United States, where legal defense costs and claims for damages can be exceptionally high. If legal matters or official proceedings are decided against Fresenius, it may also no longer be possible to insure risks of this kind in the future, or it may no longer be possible to insure such risks under appropriate conditions.

The Fresenius Group is involved in several legal matters and official proceedings arising from the ordinary course of its business. However, although the outcome cannot always be reliably predicted, we do not currently expect any significant adverse effect on our business, financial position, and operational result arising from the legal matters and proceedings currently pending.

Such legal matters and administrative proceedings that may have a significant negative impact on the business, financial position, and operational result of Fresenius are set out on pages 355 ff in the Notes.

### OTHER RISKS

Our international orientation also gives rise to the following risks, which could have an adverse effect on our business and thus on our business, financial position, and operational result:

- ▶ political, social, or economic instability, especially in developing and emerging countries;
- ▶ civil unrest, war, or the outbreak of diseases, such as pandemics, e.g. the coronavirus pandemic;
- ▶ environmental risks;
- ▶ natural disasters, terrorist attacks, and other unforeseen events;
- ▶ different and less stable regulations protecting intellectual property;
- ▶ delays in the transport and delivery of our products.

More detailed information about environmental management at Fresenius and about assistance in the event of natural disasters and other crises can be found in the Group Non-financial Report from page 200 ff.

### Insurance

In its risk management, Fresenius uses the option to transfer certain risks to external insurers. Fresenius Versicherungsvermittlungs-GmbH is the Fresenius Group's insurance department, which is organized as a captive insurance broker, and ensures appropriate insurance cover for large parts of the Group. Other sub-groups ensure adequate insurance coverage through their own departments. The aim is to protect the Company's employees and assets against possible hazards within the risk management process by procuring insurance coverage that is appropriate to the risks. To this end, we purchase adequate coverage, taking into account the cost-benefit ratio. For example, Fresenius has all-risk insurance against property damage and loss of earnings due to, for example, fire, storms, water, earthquakes, and other natural hazards, product liability insurance, insurance for volunteers and patients in clinical trials, hospital liability insurance, environmental liability insurance and environmental damage insurance, and directors' and officers' insurance.

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## SEPARATE GROUP NON-FINANCIAL REPORT.

We are committed to being a socially and environmentally responsible corporate player in the global healthcare market. We have the ambition to shape future healthcare and build a sound base for sustainable growth.

### STRATEGY AND MANAGEMENT

As a healthcare 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. The importance of modern and functional healthcare for society again became particularly clear in 2022. Our employees worldwide have continued to work tirelessly and under sometimes

difficult pandemic conditions – in clinics, dialysis centers, factories, and logistics. In acute care, we have reduced the number of intensive care beds and ventilation stations to the pre-pandemic level. The dialysis centers also continued 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 contributing to 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 healthcare quality and efficiency. 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 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 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 Compliance and integrity chapter on pages 180 ff.

- ▶ 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 further develop their skills.
- ▶ We think and act long-term in our business decisions. 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 United Nations' 17 **Sustainable Development Goals** (SDGs). 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). We also align our sus-

tainable 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 healthcare Group and one of the leaders in its respective markets. The Fresenius Group comprises four independently operating business segments managed by Fresenius SE & Co. KGaA: **Fresenius Medical Care** is the world's leading provider of products and services for individuals with renal diseases based on publicly reported revenue and the number of patients. **Fresenius Kabi** provides lifesaving medicines, medical devices, and services for the critically and chronically ill. **Fresenius Helios** is Europe's largest private hospital chain, with clinics in Germany, Spain, and Latin America. **Fresenius Vamed** specializes in healthcare facilities projects and service business. The Corporate segment comprises the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Digital Technology GmbH, which provides services in the field of information technology. The Group Management Report contains on pages 26 ff. 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.

## OUR VALUE CHAIN

Fresenius has an international distribution network and operates more than 90 production facilities. The largest of these are located in the United States, China, Japan, Germany, and Sweden. In the Fresenius Group, all purchasing processes are controlled by central coordination points in the business segments. Competence teams bundle the needs, conclude framework contracts, and continuously monitor current market and price trends. They also coordinate global procurement for individual production sites or clinics and initiate quality and safety controls for raw materials and procurement goods. Supply reliability and quality of care play an important role in an environment characterized by ongoing cost-saving efforts by healthcare providers and by price pressure in the markets. We therefore constantly optimize our purchasing processes, standardize procurement materials, identify new sources of supply, and negotiate the best possible price deals. Maintaining high flexibility while meeting our strict quality and safety standards is crucial. A broad portfolio of suppliers reduces potential procurement or raw material shortages in both the product and service business. Additional information is included in the Procurement section of the Group Management Report on page 48.

## 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. Sustainability risks are covered by the existing risk catalogs and risk reporting of the

Fresenius Group. In the fiscal year 2022, sustainability risks were recorded and assessed in a harmonized approach with the financial, legal, and compliance risks across the Group in the risk management system. At least quarterly, potential sustainability risks are evaluated at Group level by the corporate functions Risk Management & Internal Control System, Business Integrity, and Investor Relations & Sustainability of Fresenius SE & Co. KGaA, and supplemented if necessary.

In 2022, Fresenius Medical Care mandated an independent external tax auditor to review the Tax Compliance Management System (Tax CMS) in Germany based on an auditing standard (IDW PS 980) and OECD standards. The audit report confirmed that the company appropriately mitigates tax-related risks.

In the reporting period, we reviewed potential sustainability risks in the areas of climate change and water scarcity based on the analysis from the 2021 reporting year. We did not identify any material risks to our business model in the past fiscal year in either area. Additional information can be found in the Environment chapter starting on page 200. Our human rights risk assessment is explained on page 195. Overall, in the reporting period, 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 contains further information on opportunities and risks as well as a detailed presentation of risk management on pages 85 ff.

Due to the international nature of the Group and the broad spectrum of security-related tasks, the Group function **Corporate Business Continuity** is continuously being developed and assigned additional activities. Today, the function is responsible for corporate security, fire protection, corporate crisis management and travel security worldwide. In addition, those responsible deal with issues relating to maintaining or restarting business operations in or after crisis situations and also provide support in an operational context where necessary. Further information on business continuity is provided in the relevant chapters regarding the business segments.

## OUR SUSTAINABILITY GOALS AND PROGRAMS

We pursue specific sustainability approaches at the level of the four business segments and Fresenius SE & Co. KGaA. The business segments build their own sustainability programs within the framework provided by the Group Sustainability Management and regularly review how they can further develop and optimize them.

In May 2021, the Fresenius Annual General Meeting approved a new compensation system for the members of the Management Board of Fresenius Management SE. In the context of short-term variable compensation, ESG (Environmental, Social, and Governance) targets have an influence on compensation in this system, with a weighting of 15%.

The focus of the ESG targets is on the key sustainability topics identified by Fresenius in the materiality analysis: quality/patient well-being, innovation and digital transformation, employees and diversity, environment, and compliance and integrity. With the identification of key performance indicators (KPIs) and the definition of comprehensive management concepts, the company will create a basis to make the sustainability performance of the business segments measurable. The identified KPIs are intended to facilitate target setting and measurement in the long term and a selection of these also to be incorporated into the variable compensation of the company's executives. From 2023, quantitative ESG KPIs will be included in the short-term incentive (STI) of the Management Board, covering the key sustainability topics of medical quality/patient satisfaction, and employees. For the long-term incentive (LTI), the integration of a reduction target for CO<sub>2</sub>e emissions is planned.

In the reporting year, the members of the Executive Board achieved the ESG targets. A detailed presentation can be found in the Compensation Report starting on page 243 of the Annual Report 2022. The [ESG methodology](#) for determining target achievement is available on the website of Fresenius SE & Co. KGaA.

For Fresenius Medical Care, the success of global sustainability efforts depends on cooperation between all regions and global functions, and the exchange of best practices. The business segment strives to leverage scale

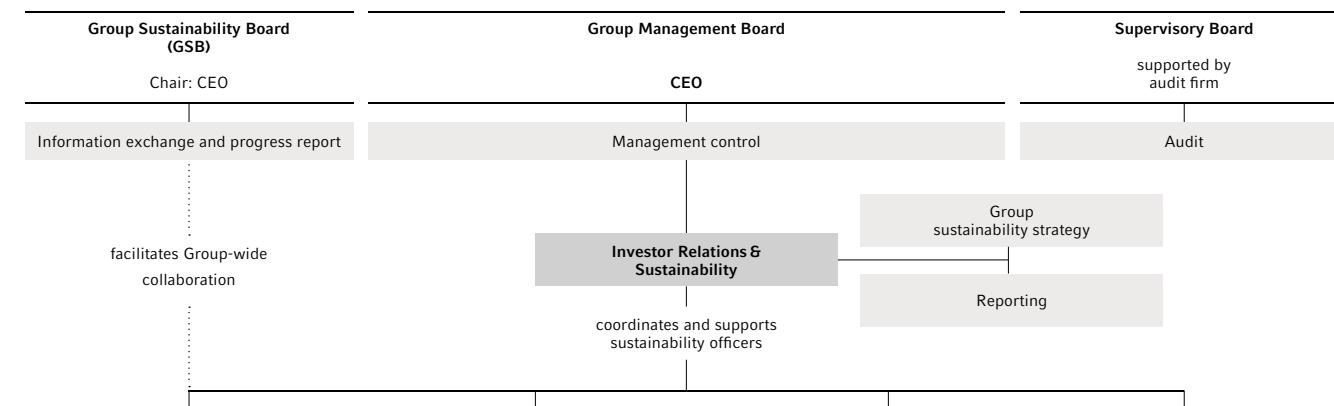
► **Strategy and management** | Well-being of the patient | Digital transformation and innovation | Cybersecurity | Employees | Occupational health and safety  
Diversity and equal opportunities | Compliance and integrity | Environment | Further key figures | Report profile | Limited assurance report of the independent auditor

and expertise and takes regional needs into account in its activities. In 2022, Fresenius Medical Care established 10 new global policies and other standards, for example in the areas of diversity, employee engagement, and data protection. It also defined new global performance indicators for various areas of the sustainability program, including a quality index for patient treatments. The success of the Global Sustainability Program was measured using a control and calculation model that evaluates more than 50 aspects. Throughout the duration of the program, progress was linked with Fresenius Medical Care's Management Board compensation via a sustainability target.

Based on the results of the Global Sustainability Program, in 2022, the business segment developed a new set of global targets for the coming years. The Supervisory Board also decided on new sustainability goals for Management Board compensation in 2023. They are linked to progress of Fresenius Medical Care's sustainability targets in the areas of patient satisfaction, employee satisfaction, and sustainable products and services.

In February 2022, the Management Board of Fresenius Management SE implemented a climate target, complementing the existing sustainability goals and programs for the Fresenius Group. The Fresenius Group aims to achieve climate neutrality by 2040 and to reduce 50% of absolute scope 1 and scope 2 emissions by 2030 compared to 2020. We will continuously assess scope 3 emission impacts for inclusion in our targets. Further information on our environmental management and emissions within our business segments and the Group are provided in the chapter Environment on pages 200 ff.

## FRESENIUS GROUP SUSTAINABILITY ORGANIZATION



## OUR SUSTAINABILITY ORGANIZATION

Sustainability at Fresenius is the responsibility of the Chief Executive Officer (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. The Audit Committee

has a special role in reviewing the Group Non-financial Report. The Supervisory Board as a whole is responsible for monitoring the Company's sustainability performance. Changes within the Boards are presented in the Corporate Governance Declaration on pages 227 ff. as well as in the overview of our Boards on pages 406 ff. in the Group Annual Report 2022.

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. Business Integrity (formerly Corporate Compliance) is responsible for our Code of Conduct and manages issues relating to human rights, supply

chain, and compliance. Data protection and Cybersecurity are independent areas of responsibility. The departments and functions at 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. Sustainability is also an integral part of the Management Board there. The highest governing body for sustainability activities at Fresenius Medical Care is the Sustainability Decision Board. 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.

Committees at business segment level are explained in the respective governance sections in this report.

#### THE GROUP SUSTAINABILITY BOARD

The Group Sustainability Board (GSB) 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 is chaired by the CEO. The Board discusses the future sustainability strategy of the Fresenius Group. The

#### MATERIALITY REVIEW

##### **Materiality analysis to identify key issues for long-term value creation:**

List of potentially material topics derived, e.g., from regulatory provisions, risk management and control systems, ESG ratings and capital market communication, market and media analysis

##### Impact of Fresenius Group

- Impact of the company on the material topic
- Potential severity and likelihood of impacts

Continuous communication and evaluation of the influence of material topics on stakeholder groups

##### Impact on Fresenius Group

- Relevance of material topic on business operations assessed, including economic, social and governance criteria

##### **Material topics:**

Annual review of the material clusters and the topics covered which are the basis for the Fresenius Group Non-financial Reporting

overall goal of the GSB is to identify the most important sustainability issues for the Group and to strengthen intra-Group cooperation.

In 2022, four GSB meetings were held, thereof three under the leadership of the CEO. That year, the GSB focused on the implementation of the EU taxonomy, the exchange of best practices, and the implementation of the ESG targets of the Management Board of Fresenius Management SE. Further, the forthcoming regulatory provisions under the EU-CSRD (Corporate Sustainability Reporting Directive) were discussed, as was a review of the material topics for the Fresenius Group.

#### OUR MATERIALITY ANALYSIS

Since 2017, we have been identifying the material topics for the Fresenius Group in a comprehensive materiality analysis. This is carried out every two to three years, depending on possible changes in the corporate structure and the operating business performance. In addition, we review the material topics annually to ensure that they are up to date. Material 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 business activities on the non-financial aspects.

► **Strategy and management** | Well-being of the patient | Digital transformation and innovation | Cybersecurity | Employees | Occupational health and safety  
Diversity and equal opportunities | Compliance and integrity | Environment | Further key figures | Report profile | Limited assurance report of the independent auditor

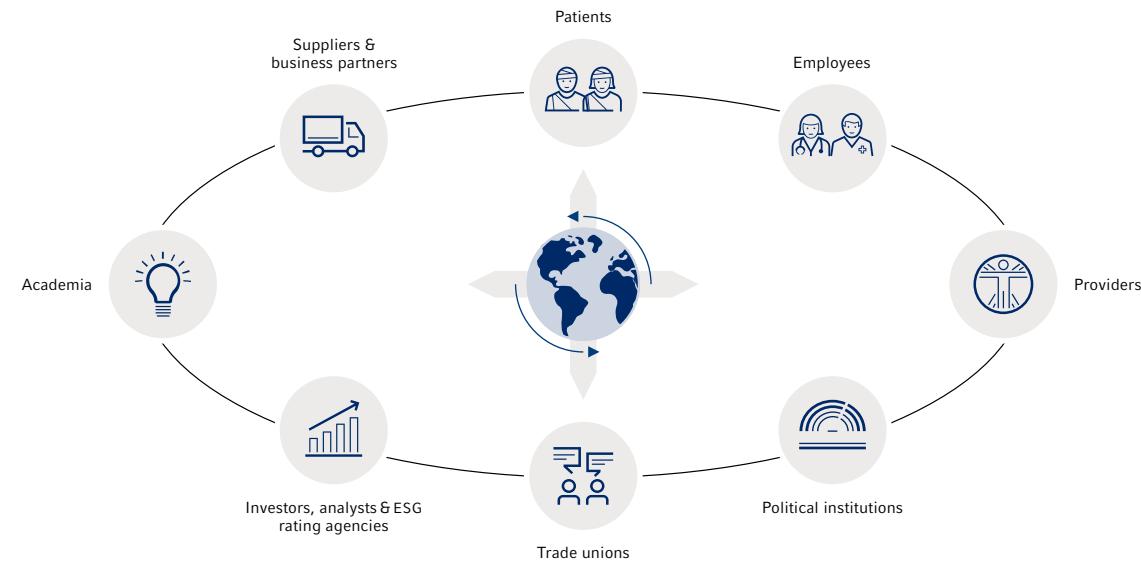
We conducted our last comprehensive materiality analysis in the 2020 reporting year. The multi-stage analysis process in accordance with the German Commercial Code (HGB) and Global Reporting Initiative (GRI) is described in the [Fresenius Sustainability Report 2020](#). In 2021, we checked the actuality of the analysis by means of an environment analysis, followed by a review in the GSB in 2022. This was followed by an assessment regarding potential changes in materiality with those responsible in the business segments and a gap analysis base on recognized ESG ratings and reporting standards, e. g. GRI. Based on the results, the reporting structure was adjusted and aligned with the responsible.

## MATERIALITY ANALYSIS RESULTS

The review of the materiality analysis in the reporting year did not indicate any changes in the 6 material non-financial topic clusters and 15 individual topics compared to the previous year.

However, the content of individual topics and topic clusters was further deepened in the reporting year, such as the topic Cybersecurity, which is presented in a chapter of its own since 2022. The structure of the chapters in this report reflects 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 the requirements of GRI and the HGB.

## STAKEHOLDERS & PARTNERSHIPS



## 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. Our main stakeholders are visualized in the graph on this page. Our exchange with political institutions and external organizations are focused on the fields of healthcare and patient care.

## EU TAXONOMY

For the fiscal year 2021, we reported for the first time on the EU Taxonomy eligibility of our economic activities for the environmental objectives of climate change mitigation and adaptation. For the fiscal year 2022, we have supplemented the mandatory reporting on the application and results of the conformity criteria (Alignment). This is conducted in accordance with the mandatory disclosures required by Regulation (EU) 2020/852 of June 18, 2020 on establishing a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation) and the delegated acts adopted for this purpose.

► [Strategy and management](#) | [Well-being of the patient](#) | [Digital transformation and innovation](#) | [Cybersecurity](#) | [Employees](#) | [Occupational health and safety](#)  
[Diversity and equal opportunities](#) | [Compliance and integrity](#) | [Environment](#) | [Further key figures](#) | [Report profile](#) | [Limited assurance report of the independent auditor](#)

In the reporting year 2022, we again compared the descriptions of economic activities from Annex I (Substantial contribution to climate mitigation) and Annex II (Substantial contribution to climate change adaptation) with our products and services, investment expenditures and expenses. This process confirmed that, as in the previous year, we can focus on analysing the requirements relating to the environmental objective climate change mitigation (Annex I). For this purpose, further information on the Revenue, Capex and Opex KPIs has been discussed, collected and consolidated at business segment level and their divisions in a multi-stage process. The determination of the EU Taxonomy KPIs was based on our financial reporting system to ensure a complete and unambiguous reconciliation to the corresponding items in the annual financial statements and to avoid double counting.

The analysis confirmed our previous findings. As a global healthcare Group with products and services for dialysis, hospital and outpatient care, our core business activities are not covered by the environmental objectives to be applied to date. This is reflected in the still low EU Taxonomy-eligible share of our revenues. However, our investments in existing and new building infrastructure represent the EU Taxonomy-eligible Capex share. And also for our operating expenses (Opex), after further and more in-depth assessment, our previous findings were confirmed that no significant EU taxonomy-eligible shares could be identified.

In addition, in the reporting year we assessed our EU Taxonomy-eligible economic activities for compliance with the conformity criteria, consisting of technical screening criteria for a significant contribution to the environmental objectives and the avoidance of significant harm, as well as the minimum safeguards. For this purpose, current construction projects of the business segments were analyzed with the relevant technical experts to determine the applicability of the EU Taxonomy requirements. The analysis showed that the substantial contribution cannot yet be implemented or substantiated at the current time in the activities applicable to us, namely new construction of buildings (7.1), renovation of buildings (7.2) and acquisition of buildings (7.7). In the future, we will continue to review and, where possible, implement the application of the EU Taxonomy conformity criteria in our construction projects.

#### EU TAXONOMY KPI'S 2022

KPI	Taxonomy-aligned	Taxonomy-eligible but not aligned	Taxonomy non-eligible
Revenue	0.0%	1.0%	99.0%
Capex	0.0%	36.7%	63.3%
Construction of new buildings		5.7%	
Renovation of existing buildings		7.6%	
Acquisition and ownership of buildings		23.4%	
Opex	0.0%	0.0%	100.0%

Please refer to the chapter Further key figures on pages 219 ff. for the detailed tables in accordance with the EU Taxonomy Regulation.

#### Revenue

Total revenue in fiscal year 2022 forms the denominator of the revenue KPI's and can be taken from the consolidated Group's income statement on page 287 prepared in accordance with IAS 1. The EU Taxonomy-eligible revenue in 2022 (1.0%) relates to external revenue generated by Fresenius Vamed in the project business with healthcare facilities (according to IFRS 15). Of the total amount €424 million, the majority of €403 million are related to the economic activity construction of new buildings (7.1) and the remaining part to renovation of buildings (7.2). These EU Taxonomy-eligible economic activities do not currently meet the substantial contribution criteria and are therefore not EU Taxonomy-aligned. For the reporting year 2022, no further economic activities are applicable, that make a material contribution of at least 1% to the total revenue in fiscal year 2022.

## Capex

The amounts used to calculate the Capex KPI (denominator) are based on the capital expenditures reported in the consolidated financial statements resulting from additions in the fiscal year to property, plant and equipment (IAS 16) and other intangible assets (IAS 38) excluding goodwill. In addition, the EU Taxonomy KPI takes into account right-of-use assets (IFRS 16). That also includes the additions from business combinations. This information can be found in the notes to the consolidated financial statements on pages 332, 334 and 363.

For the identification of the EU Taxonomy-eligible share (numerator), the Capex projects of the business segments were examined in more detail on the basis of this definition. This was done by allocating the value-based components to the relevant economic activities from Annex I, essentially the construction of new buildings (7.1), the renovation of buildings (7.2) and, for leasing projects, the acquisition of buildings (7.7). After analyzing the Capex definitions of the EU Taxonomy Regulation, we determined only the Capex associated with the purchase of products and services from a Taxonomy-eligible economic activity as applicable.

The EU Taxonomy-eligible Capex share 2022 (36.7%) relates to investments of all business segments in new construction and renovation of buildings, such as clinics or production facilities. In 2021, the share was 49%. The decrease in the reporting year is mainly due to two acquisitions of Fresenius Kabi, which disproportionately increase the Capex KPI (denominator). Of the total amount €1,290 million in 2022, €202 million are related to the economic activity construction of new buildings (7.1) and €265 million to renovation of buildings (7.2), consisting entirely of additions to buildings and additions to assets under construction, and €823 million to right-of-use assets (IFRS 16) and acquisition of buildings (7.7), of which €63 million resulted from business combinations. These EU Taxonomy-eligible economic activities do not currently meet the substantial contribution criteria and are therefore not EU Taxonomy-aligned. For the reporting year 2022, no further economic activities are applicable, that make a material contribution of at least 1% to the Capex KPI (denominator).

## Opex

The amounts used to calculate the Opex KPI (denominator) are based on the direct costs of research and development reported in the consolidated financial statements (Notes, page 325) and the costs of short-term leases (Notes, page 363). In addition, the cost of maintenance and repair including repair materials, were queried from the local Enterprise-Resource-Planning (ERP) systems for all business segments. For the identification of EU taxonomy-eligible shares (numerators), the above line items were matched with the descriptions of economic activities from Annex I. After analyzing the Opex definitions of the EU Taxonomy Regulation, we determined only the portion of operating expenses related to the purchase of products and services from a taxonomy-eligible economic activity to be applicable. As part of the analysis, we have not identified any material EU Taxonomy-eligible components that are directly attributable to relevant economic activities as defined by the EU Taxonomy. The main expenditures for the maintenance of our building infrastructure are capitalized and are thus reflected in the EU Taxonomy-eligible Capex share.

## WELL-BEING OF THE PATIENT

Rising life expectancy and the growing global population make access to high-quality medical care increasingly important. Fresenius is committed to providing access to healthcare and medicine to as many people as possible worldwide.

The Fresenius Group's revenue encompasses the market segments **healthcare products** and **healthcare and services**. Healthcare and services, i.e. the care of patients in our own healthcare facilities, accounts for the majority of revenue with approximately 71%. Further information on our markets can be found on pages 49 ff. of the Annual Report 2022.

## PATIENT AND PRODUCT SAFETY

### OUR APPROACH

At Fresenius, our aspiration is to provide patients with the best possible care. Therefore, we offer them medical treatments and products that meet our strict requirements for quality and safety. It is essential for the safety and well-being of our patients that we appropriately label our products, describe our services in a transparent manner, and provide all relevant information to patients or their relatives in our healthcare facilities. For healthcare professionals, relevant information on pharmaceutical products or medical equipment is provided through dedicated communication channels, for example websites, and trained experts from our business segments.

## GROUP REVENUE SPLIT 2022



## REVENUE BY MARKET SEGMENT 2022

### Share of Group revenue, in %

Thereof healthcare and services

Thereof healthcare products

	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Share of Group revenue, in %	47%	19%	29%	5%
Thereof healthcare and services	79%	0%	100%	100%
Thereof healthcare products	21%	100%	0%	0%

## Organization and responsibilities

Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for operational management. The responsibility for quality management and quality assurance is regulated by the respective Management Board committees or managements, e.g. via a business allocation plan. The business allocation plan of the Fresenius Group Management Board does not provide for a separate department for this purpose. As part of **risk reporting**, the Fresenius Group Management Board is informed quarterly about the effectiveness of the quality management systems, i.e. about risks or incidents that could have a significant impact on the operating business, the reputation or the value chain of the Group and its business segments. The Audit Committee of the Supervisory Board is informed of these developments on a quarterly basis, the Supervisory Board on an annual basis. For further information, please refer to page 86 in the Risk Report and page 180f. in the Group Non-Financial Report, section Compliance.

In the business segments, employees must ensure that the applicable quality and safety regulations are always applied 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.

In the area of quality management, we monitor, manage, and improve processes with performance indicators. Our quality management systems meet and are based on various standards or are adapted to them, because the requirements differ for healthcare facilities and for the development, production and distribution of pharmaceuticals or even medical-technical products.

We use different applications, such as externally provided IT systems or self-developed applications, to support our quality management systems. All locations are subject to regular, e.g. annual, **external and internal audits**. Additionally, we carry out **peer reviews** in our hospitals, if the internal quality targets of a hospital are not met. This is done whenever the evaluation of the quality indicators reveals deviations from the internal targets. The results of these audits or peer reviews for each business segment are presented in the evaluation sections of this chapter.

**Training courses** for our employees, which are an essential part of guaranteeing the safety of our patients and products, are an important component of our quality management systems.

Further information on employee training can be found in the Employee development section on pages 155 ff.

### Policies and regulations

The business segments comply with the applicable laws within the framework of quality management. Internationally applicable frameworks are particularly important for **product quality** at our production sites and distribution centers and subsequently also for **product safety**. In our clinics and healthcare facilities, we apply internationally recognized standards from the hospital sector, local-regulatory requirements and laws for the outpatient and inpatient care of patients, e.g. the Fifth Book of the Social Code (SGB V) in Germany, which regulates basic requirements for quality assurance. We measure the **quality of patient care** as well as the **patient satisfaction** with various indicators.

Depending on the business area and market, we are subject to further specific regulatory requirements and standards. This includes legislation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH),

the Restriction of Hazardous Substances (RoHS), and the Medical Device Regulation (MDR), among other standards. In addition, we have to adhere to regulations that specify products used in patient treatments, e.g. product safety provisions with regard to hazardous materials in single-use products in hospitals.

In addition, the business segments apply their own comprehensive guidelines, which serve as internal orientation, and which contain concrete instructions for specific processes.

The specific approaches and various measures implemented to meet the high requirements for patient and product safety are described on pages 113 ff.

### Certifications and commitment

Our commitment to patients' health and well-being in the business segments is reviewed and certified by external partners or regulatory bodies. We are continuously expanding the number of sites certified to ISO 9001 standard, applicable international acknowledged care or hospital standards, or quality standards provided for centers of expertise for certain areas of treatment. Not all locations have the same scope of certifications<sup>1</sup>. However, at the very least they adhere to internal quality standards, which consider the applicable regulatory provisions.

<sup>1</sup>Coverage at business segment level depends on applicable standards or regulation..

In addition to the standards of the International Organization for Standardization (ISO), we use the following quality principles or standards, among others:

- ▶ the methodology of the [Initiative for Quality Medicine](#) (IQM), the model of the [European Foundation for Quality Management](#) (EFQM), the standards of the [Joint Commission International](#) (JCI), and the Spanish Association for Standardisation UNE, for **healthcare facilities**, and
- ▶ Good Manufacturing Practice (GMP), [current Good Manufacturing Practice](#) (cGMP), Good Distribution Practice (GDP), Guideline on Good Pharmacovigilance Practices (GVP), 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 in our **production business** of Fresenius Medical Care and Fresenius Kabi.

In 2022, four further locations were added to ISO 9001 (2021: six). In addition, Helios Spain received the Joint Commission International Enterprise gold seal. With this award, the company has become the first private hospital group in the world to have this accreditation, as well as the first healthcare operator in Europe.

The Fresenius Group quality management approach is controlled by internal specialists or dedicated functions within the business segments. Relevant data is reviewed regularly, in some cases daily. If deviations occur, our specialists initiate root cause analyses or peer reviews; they evaluate deviations and, if necessary, determine corrective or preventive actions. Regular internal audits and self-in-

spections – at least annually, often at higher frequencies – support data verification and management approaches, for certified and non-certified entities. Thus, we ensure that patient health activities comply with internal guidelines and regulatory provisions. The overarching ambition is to improve the efficiency and coverage of our quality management systems and, ultimately, the credibility of the procedures and systems in place.

In 2022, 77% of the production sites of **Fresenius Medical Care** managed by the Manufacturing and Supply Chain division were certified to ISO 9001 or 13485. The business segment regularly carries out internal audits following a risk-based approach.

**Fresenius Kabi's** quality management system is organized in accordance with the ISO 9001 standard and is binding for all organizations of the business segment. Compliance with the standard is reviewed by TÜV SÜD in annual audits at a global level and covers 120 Fresenius Kabi organizations through a matrix certification; one further organization holds a local ISO 9001 certificate. In addition, numerous manufacturing plants have supplementary certifications, such as ISO 13485 for medical devices, food safety management system according to ISO 22000 or GMP in general for pharmaceuticals.

**Helios Germany** applies the German Inpatient Quality Indicator (G-IQI) management system in all German clinics. Newly acquired entities are integrated into this management system from the start of the acquisition. Further certifications encompass the acknowledgment as centers of

medical expertise, e.g., for oncology, diabetes, endoprosthetics, or others.

**Helios Spain** also gears its quality management toward the requirements of recognized international quality standards. All hospitals and centers are certified according to ISO Standard 9001 and continued to be certified according to the Spanish Association for Standardization, UNE, or other relevant standards in the hospital sector, e.g., JCI or EFQM standards. Fundación Jiménez Díaz was the first hospital in the world to receive the EFQM Global award. It has obtained more than 750 points, which also gives it the EFQM 7 Stars seal, the highest score for this standard.

**Fresenius Vamed** aligns its internal processes to established quality standards such as ISO 9001, the sector-specific standard EN15224 for quality management in healthcare, and ISO 13485, as well as the EFQM standards. In addition, Fresenius Vamed has certified several healthcare facilities according to international standards such as JCI, ISO, or the German QMS-REHA (Qualitätsmanagementsystem der Deutschen Rentenversicherung Bund für Reha-Kliniken). All inpatient rehabilitation facilities in Germany must be certified in accordance with a procedure recognized by the Federal Association for Rehabilitation (Bundesarbeitsgemeinschaft für Rehabilitation e. V. – BAR), such as QMS-REHA. All certifications form the basis for the continuous improvement of the processes at Fresenius Vamed.

In total, 100% of the entities of Fresenius Vamed are covered by an external quality standard, based on the aforementioned various applicable certifications and regulatory provisions.

## FRESENIUS MEDICAL CARE

### Organization and responsibilities

The Global Medical Office drives the medical strategy and coordinates activities that contribute to the advancement of medical science and patient care. The Global Medical Office is led by the Global Chief Medical Officer who is a member of the Management Board of Fresenius Medical Care. Key findings produced by the Global Medical Office are reviewed by multiple stakeholders across the company. These findings are published on a regular basis and shared with the medical community.

### Internal rules of conduct and guidelines

Fresenius Medical Care's commitment to continuously improve the quality of care is included in their Code of Ethics and Business Conduct. The **Global Patient Care Policy** outlines the principles, responsibilities, and processes in connection with medical strategy and quality management, patient experience surveys and patient grievance mechanisms. Responsibility for integrating the policy into the business operations lies with senior medical leadership and the interdisciplinary patient care teams across the globe.

When it comes to the safety and quality of products and services, the business segment is guided by its **Global Quality Policy**. This policy also covers the obligation to comply with relevant regulations and maintain environmentally sound and efficient operations. It is the basis for regional quality manuals and further policies covering responsibilities, training, risk assessments, and audits. Product safety and quality are overseen by the newly established Care Enablement segment, which was implemented on January 1, 2023. The Management Board is regularly informed about the global quality and safety performance.

Over the past few years, Fresenius Medical Care has merged the quality management systems in Europe, Middle East, and Africa, as well as in Latin America, and Asia-Pacific.

Fresenius Medical Care continually measures and assesses the quality of the care provided in its dialysis clinics based on internationally recognized quality standards. These include those of the global nonprofit Kidney Disease: Improving Global Outcomes (KDIGO) initiative, the U.S. National Kidney Foundation's Disease Outcomes Quality Initiative (KDOQI), and the European Renal Best Practice guidelines. The business segment also considers industry-specific clinical benchmarks and its own quality targets.

### Patient information

Fresenius Medical Care treats patients across the full spectrum of chronic kidney disease. The company aims to empower them to make informed decisions about the **treatment options** that best fit their unique circumstances.

Home dialysis provides patients with the opportunity for greater independence and control over their time and health outcomes. It also allows Fresenius Medical Care to expand its healthcare capacity, increasing the number of patients that can receive dialysis treatment. In addition, by facilitating access to treatment for patients living in more remote regions, the company aims to widen its geographical reach and reduce patient travel.

### Patient satisfaction

The business segment uses the information collected by patient experience surveys to evaluate the services provided by its dialysis clinics and implement global improvement plans. Over time, the company has strengthened its efforts to improve patient education, individualized patient care, and service excellence. For example, Fresenius Medical Care has used feedback from the surveys to develop educational materials that help clinic staff better inform their patients more comprehensively about health-related topics.

## Surveillance and reporting systems

Post-market surveillance, or the act of monitoring the products that have been released to the market, is an integral part of quality management. It is essential that products and services are effective and reliable, and that they pose as little a risk as possible to patients. Standards for planning, conducting, and monitoring clinical studies help enhance the product quality and safety of products. Should any issue arise concerning the safety of our products, Fresenius Medical Care takes corrective action. This could include publishing further information and data on the product after market introduction, or recalling the product. Fresenius Medical Care strives to comply with legal and regulatory requirements in monitoring the adverse effects of drugs – also called pharmacovigilance – and medical devices. The business segment collects and reviews information relating to adverse events and product complaints.

In addition to experience surveys, Fresenius Medical Care offers further feedback channels. Patients and their representatives can report grievances, make suggestions, or raise concerns anonymously if they wish. Feedback channels include hotlines and email addresses, complaint and suggestion boxes, and a feedback form on the company website. The company's policies allow patients to file reports without fear of reprisal. Fresenius Medical Care also provides training at the local level to support staff in following patient grievance guidelines.

## Our ambitions

As part of the global patient experience program, Fresenius Medical Care aims to conduct patient experience surveys at least every two years. Fresenius Medical Care aims to achieve an NPS score of at least 70 each year.

## Progress and measures in 2022

In the reporting year, Fresenius Medical Care implemented a new global measurement to track quality of care: the **quality index**. This index reflects the combined results of three equally weighted quality indicators:

- ▶ Dialysis effectiveness, which measures how sufficiently the body is cleansed of waste substances,
- ▶ vascular access, which measures the share of patients who do not receive dialysis via a dialysis catheter but rather via safer vascular access alternatives that reduce risk of infection and improve outcomes,
- ▶ anemia management, which measures hemoglobin levels and specific medications given during dialysis to achieve optimum clinical outcomes, such as overall health and well-being.

The company plans to use the indicator to continuously measure and improve quality of care on a global level. By the end of 2024, the business segment aims to develop and pilot a new global training program to further educate the medical community on quality improvement.

## Evaluation

Fresenius Medical Care evaluates medical indicators on an ongoing basis to measure the quality of care provided in its dialysis clinics. The **global hospitalization rate** measures the length of time a patient spends in hospital. This is an important indicator, given that hospitalization has a significant impact on a patient's clinical outcomes and quality of life. In 2022, the global hospitalization rate was 10.6 days per patient (2021: 10.7).

Fresenius Medical Care measures patient experience in its dialysis clinics using the **NPS**. The NPS reflects patients' overall satisfaction with the services and to what extent they feel well cared for and supported. In 2022, the business segment attained an NPS score of 71, the same value as in 2021. The NPS threshold target of at least 70 reflects the company's aim to continuously obtain excellent scores, and improve patient experience despite challenges such as staffing shortages and the ongoing impacts of the COVID-19 pandemic. As part of the NPS calculations, the share of patients is measured that would recommend Fresenius Medical Care. In the reporting year, 78% of the patients answered in the survey that they would highly recommend the services.

In addition to the NPS, Fresenius Medical Care also tracks **survey coverage** and **response rates**. In 2022, a global coverage rate of 92% was achieved in line with the target of 75% or above. The business segment attained a response rate of 69%.

In 2022, the company received 23,011 **reports** (2021: 24,449). Fresenius Medical Care is committed to resolving issues in a timely manner. In 2022, the **quality index score** was 81%.

Fresenius Medical Care has defined KPIs to monitor its quality objectives and prevent adverse events. The **audit score** indicates the ratio of major and critical findings to the number of external audits. In 2022, more than 50 certification audits were performed at production sites. The audit score was 0.3 (2021: 0.1). Fresenius Medical Care has set the target of an average global audit score not exceeding 1.0 to maintain the effectiveness of its quality management systems and certifications. All audit findings are documented and escalated depending on their criticality, and used to determine and implement appropriate corrective and preventive measures.

## FRESENIUS KABI

### Organization and responsibilities

The central function Quality Management reports directly to the Chief Operating Officer (COO) of Fresenius Kabi. This function defines overarching standards and requirements for the business segment's quality management. Further quality assurance functions are defined throughout the business segment to ensure adherence and compliance with the business-segment-wide standards and requirements. The COO is thus directly responsible for quality management at Fresenius Kabi.

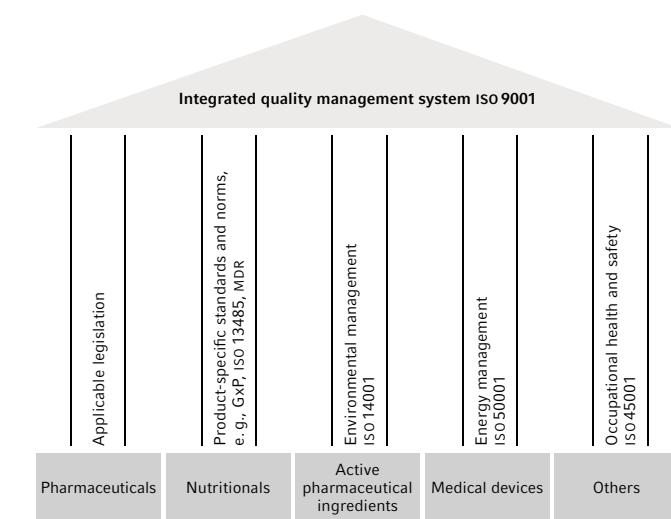
An important goal of the quality management at Fresenius Kabi is to monitor the applicability, efficacy, and safety of products and services, as well as the success of therapies, and their continuous improvement. To ensure this, the company has established an integrated quality management system, a monitoring and reporting system, and product risk management.

### Policies and regulations

Fresenius Kabi has global standard operating procedures as well as a quality management manual that includes, among other things, the company's quality policy, which also applies to all sites. The business segment uses a global electronic quality management system, KabiTrack, based on the TrackWise® software, for event and change control of quality management processes. The system supports the local implementation of centrally defined processes as well as global oversight.

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. The suppliers related to product manufacturing are subject to a qualification process based on the relevance of the delivered material or service. Also, the supplier's qualification and their recertification are regularly audited. Inspections by regulatory authorities and audits by independent organizations and customers are performed along the entire value chain at Fresenius Kabi. Fresenius Kabi promptly takes steps to deal with any weaknesses or deficiencies discovered during inspections.

## INTEGRATED QUALITY MANAGEMENT FRESENIUS KABI



### Monitoring and reporting systems

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 products and assesses their successful

implementation based on specific indicators. With the help of its vigilance activities, Fresenius Kabi ensures that the safety of its products for patients is always guaranteed: in this way, the company can identify any changes in the benefit-risk ratio of its products at an early stage and react in a timely manner. Fresenius Kabi's Corporate Safety Officers are responsible for the global vigilance system. These functions ensure that the company can respond quickly to safety-relevant events. Fresenius Kabi promptly informs its customers and the public about matters or measures concerning product and patient safety; this may be done directly or through appropriate public relations, if applicable.

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 the respective information to experts for review.

### Product risk management

Global safety officers react promptly and appropriately to potential quality-related issues. They initiate and coordinate necessary actions, such as product recalls worldwide. With its **early-warning system**, Fresenius Kabi evaluates any quality-related information from various risk areas to identify risks early 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 continuously.

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, preventive measures are taken to prevent the cause of the recall in the future.

### Labeling and product information

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

The products of Fresenius Kabi are also subject to certain labeling requirements. The labeling of the products is checked as part of the regular **vigilance** activities – e. g., compliance with laws relating to side effects of medicinal products – 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. The dedicated function at Fresenius Kabi uses an electronic management system for product labeling or any printed packaging material to manage the information necessary for labeling and to ensure correctness. The requirements of the European Falsified Medicines Directive or the U.S. Drug Supply Chain Security Act (DSCSA) lead the way in this context. Fresenius Kabi takes into account their specifications and has introduced appropriate processes for serialization, testing, and traceability for the relevant products. Further information on transparency in healthcare can be found in the Compliance section on page 185.

### Our ambitions

At Fresenius Kabi, the application of the highest possible quality and safety standards, the efficacy of products and services, and the adherence to regulatory assessment and compliance requirements are essential conditions to support the business segment's goal: to ensure its long-term success. The resulting requirements and the measures taken are evaluated on the basis of key figures, e. g., the timely submission of regulatory risk reports and the results of external and internal audits.

## Progress and measures in 2022

In the reporting year, the management approach and governance structure of Fresenius Kabi remained as reported in 2021. Measures focused on adapting management processes to the new corporate structure introduced as part of Vision 2026. Product developments or their improvements are explained in the Research and development section on pages 40 ff. of the Group Management Report.

### Evaluation

Fresenius Kabi collects and assesses reports about individual **side effects** and reports them to health authorities worldwide in accordance with regulatory requirements. The business segment targets 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 2022, the worldwide compliance rate was 99.3% (2021: 99.6%). In Europe, in 2022 98.2% (2021: 99.6%) of all adverse reactions were reported to the 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 2022, the compliance rate was 100% (2021: 98.9%). In Europe, 100% of all periodic safety

reports were submitted in due time to the EMA in 2022 (2021: 98.8%).

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 for 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 2022, the compliance rate was 100% (2021: 100%).

In addition to the timely evaluation and reporting of single side effects to authorities, cumulative evaluations on side effects are carried out to guarantee the safety of the products (signal detection). These include important events, e. g., reports about side effects with a fatal outcome, to evaluate if new information is available about a known side effect profile or a new side effect of a product leading to a changed risk profile. No such information about side effects of the business segment's products became known in the reporting year.

In the reporting year, the risk-benefit profile for all pharmaceutical products remained unchanged.

Fresenius Kabi performed 45 **internal audits** in 2022. The **external audits and inspections** in the reporting year comprised a total of 87 inspections (2021: 94) thereof 17 regarding GMP by the U.S. FDA, the Australian Therapeutic

Goods Administration (TGA), Health Canada, European regulatory authorities, and 12 regarding the Quality Management System audits from TÜV SÜD (notified body for ISO 9001).

### AUDITS AND INSPECTIONS

	2022	2021	2020	2019
Audit and inspection score <sup>1</sup>	2.3	1.9	1.3	1.5
Internal audits	45	58	42	60
External audits and inspections	87	94	59	64

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, or certification status withdrawal are weighted with a defined multiplier compared to major observations or non-conformities. The audit and inspection score was 2.3 in 2022 (2021: 1.9)<sup>1</sup>. Observations have been and will be addressed by corrective and preventive actions (CAPAs) and effectiveness checks have been and will be defined. The observations neither impacted the GMP certification nor the ISO 9001 certificate.

<sup>1</sup> For the calculation of the audit and inspection score, Fresenius Kabi takes into account all audits and inspections performed in the reporting year, for which information on findings were received by end of January of the following year.

In 2022, no events with a material adverse impact were recorded that conflict with our aforementioned quality management goals.

## FRESENIUS HELIOS

### Organization and responsibilities

The business segment Fresenius Helios is managed by the holding company Helios Health. Due to the different national regulatory frameworks and standards as well as differences in the business models, the responsibility for patient and product safety lies with the management of the individual divisions. The structure of the management approaches of the divisions is regulated within the respective managements, for example via a business allocation plan. Further information on the divisions can be found on page 26 f. in the Group Management Report.

The Quality Management steering committee of **Helios Germany**, newly established in 2022, is composed of the Chief Medical Officer (CEO, who is also the Chief Medical Officer – CMO), the Medical Consultants, and the Patient Safety Officer, as well as the central function Medical Service and the specialist Nursing group management. The task of the steering committee is to coordinate the central steering processes of medical quality management and patient safety measures on a quarterly basis. Also on a quarterly basis, the medical management committees of the hospitals evaluate all reportable key figures together with

the medical consultants. Reporting meetings are subsequently held with the steering committee on those facilities which report deviations such as suspicious quality indicators or reported cases relating to patient safety, in order to determine measures that still need to be implemented during the course of the year. These range from peer reviews at the hospital level, for example, to location-wide quality management measures at the corporate level, if necessary.

The leading physicians in their respective fields come together to form the total of 30 Helios specialist groups. They ensure that the knowledge of their medical specialty is anchored in all hospitals and represent this internally and externally. They also advise and decide on the introduction of standard processes, the selection of medical products, sensible innovations, and on campaigns. Furthermore, they discuss results from clinical trials and derive possible changes in treatment approaches from them.

The CMO at **Helios Spain** is responsible for quality management, as well as patient safety and satisfaction. The function is supported by the Corporate Operations department, whose focus is on improvements in the provision of therapies and health services and the design and marketing of new digital products in the ambulatory setting. The Corporate Risk unit has also been created in order to improve risk management within the company. The implementation and control of measures is carried out by the Corporate Patient Safety Committee. It is responsible for implementing the central patient safety strategy, which is supported by the annual targets in the areas of quality, and patient safety and satisfaction. The assessment of whether and

how the objectives have been achieved is part of the annual performance evaluation of the responsible managers of Helios Spain.

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

The CMO of Helios Health also coordinates synergy projects between the divisions in this area as well as in the fields of medical quality and research.

In 2022, the Corporate Patient Safety Committee at Helios Spain continued to develop and implement clinical best practices. The committee consists of members from various hospitals, including clinics in Latin America. The committee has remained active throughout the pandemic, not only advising the hospitals on COVID-19 management, but also developing new strategic patient safety protocols and updating them. The existing Patient Safety Strategy developed by this committee was updated again in 2022. It is based on principles such as those of the World Health Organization (WHO) and the JCI.

The Medical Director of the **Fertility Services** division (Eugin Group) coordinates the Group Medical Board (GMB) of the division. It is composed of representatives from all countries or country groups, and promotes, among other things, Group-wide projects in the area of quality. For example, key performance indicators (KPI) reports relating to clinical and laboratory results and patient satisfaction were introduced in the reporting year and are now produced quarterly

across the Group. The GMB is also promoting the development of Group guidelines through dedicated working groups, mainly focused on laboratory safety. Accordingly, it will set targets for the achievement of specific KPIs related to clinical and laboratory outcomes.

### Policies and regulations

No central guidelines for patient or product safety have been implemented at Helios Health level. Due to country-specific regulatory requirements, it is the responsibility of the management of the divisions to issue internal guidelines to ensure compliance with all laws and external frameworks.

Guidelines within the divisions refer to the respective nationally applicable requirements, e.g., the Group Regulation on Hygiene of Helios Kliniken in Germany, or result from the quality management systems, e.g., ISO 9001 in Spain.

**Helios Germany** has built on the numerous measures introduced in the past, to increase patient safety. Two checklists are mandatory for all surgeries in the Helios' clinics. The PRÄ checklist assesses the risks associated with the surgery before it takes place. The PERI checklist helps to avoid treatment errors immediately before, during, and immediately after the surgical procedure.

Since 2020, these measures have been supplemented by increased hygiene requirements due to the COVID-19 pandemic. For this purpose, the existing hygiene concepts have been adapted to the changed regulatory provisions during the year.

In its Management Policy, **Helios Spain** provides the hospitals with principles for quality assurance.

In order to ensure that all physicians working at a Helios Spain hospital perform clinical acts for which they have demonstrated competence, a model is used to validate these competencies and select the professional to perform the corresponding acts and procedures. This model has been included in a corporate policy that also defines the monitoring of physicians' complication rates through the minimum basic dataset.

### Initiative Qualitätsmedizin (IQM)

Helios Germany had been developing a quality management system since 1998 with the aim of creating transparency regarding the results of treatment quality in the clinics and making them comparable. In 2008, Helios Kliniken joined forces with 14 other hospital operators to form the Initiative Qualitätsmedizin (IQM – Initiative for Quality Medicine). IQM is now the largest voluntary quality initiative in the German healthcare system.

Public, private, university, and non-profit faith-based hospital operators use the IQM as an inter-organizational platform with the aim of exchanging ideas and learning from each other. About 500 hospitals in Germany and Switzerland are now part of the IQM and use its quality management system. More information can be found on the initiative's [website](#).

### Treatment quality

The quality management system at Helios Germany is based on administrative data (routine data) from patient treatments: the hospitals document each treatment step for later billing with the health insurance companies. This routine data shows whether the healing process took longer than expected, and whether complications or even a death occurred. It also indicates whether a treatment took a normal course or if mistakes were made. Mistakes are then reviewed in specific audit procedures (peer reviews). Defined indicators are used to measure and monitor the quality of medical outcomes, which are published by all participating hospitals. This data illustrates how the hospitals perform compared to the national average, to other Helios hospitals or to IQM member hospitals. In addition, patients can see, among other things, how often certain treatments are performed. This gives them important information on the doctors' experience and routine and helps inform their own decisions about their treatment. Furthermore, each clinic and each department receive a monthly report on the results of medical treatment quality. Thanks to the quality and risk management, key quality parameters can continuously be monitored and, if necessary, countermeasures can be taken at an early stage.

In Spain, Fresenius Helios introduced the methodology in all hospitals at the end of 2017. Since then, 45 indicators are systematically monitored on a monthly basis, in comparison to standardized national Spanish ratios. The treatment results are also compared with the goals of the IQM network. Each hospital publishes its results monthly, in a central IT system. This allows individual hospitals to check whether they deviate from the standards set.

#### Peer reviews

Helios Germany analyzes the cases – including treatments and medical routines – in hospitals that fail to meet individual quality targets, in order to identify and implement improvements. Particularly important are the specific audit procedures in the medical and nursing sectors, and the peer reviews – expert discussions of cases. In Germany, trained physicians from the hospitals of Helios Germany and from the IQM network in particular cooperate in the peer review, and question statistical abnormalities. Their insights are translated into concrete recommendations for action in the hospital with the aim of increasing patient safety.

#### Patient safety and reporting systems

Helios Germany uses reporting and learning systems for critical events and near-misses of patients in all hospitals (Critical Incident Reporting System – CIRS). This is anonymous, can be used in all areas of a hospital site, and primarily serves the preventive protection of both patients and employees. Based on the information collected via the

reporting system, potential errors in processes and workflows can be identified. Measures for improvement can be derived accordingly. In addition, one clinic at a time is subject to a safety inspection every quarter. In this way, risks relevant for the overall division are identified and can be avoided.

In the spirit of this transparent **error management**, Fresenius Helios processes and settles its liability cases itself as far as possible instead of handing them over to a regulator. This allows the division to analyze them intensively and learn from them.

Since 2021, Helios Germany has also developed a tool for automatically querying preventive measures. In the event of a confirmed treatment error, the company initiates a central review of the meaningfulness of the respective preventive measures.

#### Hygiene management in hospitals

Hygiene management at Fresenius Helios focuses on close monitoring of infections and pathogens, regular hygiene training for hospital staff, for example on correct hand disinfection, monitoring antibiotic consumption, and training physicians as **antibiotic stewardship (ABS) specialists**. The implementation of and compliance with hospital hygiene measures in the clinics is accompanied and monitored by our specially trained staff – e. g., hygiene specialist nurses, hospital hygienists, and hygiene officers. The Helios Group hygiene regulation is binding for all employees in all clinics of Helios Germany. It is based on the evidence-based recommendations of the Robert Koch Institute (RKI) and prescribes, among other things, hand disinfection – especially

before and after contact with patients – for physicians, nurses, medical staff, and other personnel, in accordance with the guidelines of the WHO.

The clinics monitor their **hygiene status** continuously and transparently: every six months, Helios Germany publishes figures for each clinic on the occurrence of the three most important multi-resistant and infection-relevant pathogens. The reporting for 2022 is delayed to the first half of 2023 due to the impacts caused by COVID-19.

In Spain, Fresenius Helios conducts training courses on hygiene management on a regular basis. The clinical group participates in the EPINE program – a monitoring system for nosocomial infections that occur during or after hospital treatment. The program is coordinated by the Spanish society of preventive medicine, public health, and hygiene, and supported by the Spanish Ministry of Health and the European Center for Disease Prevention and Control. Local data is collected from the infection services of the participating facilities with the aim of improving the quality of care in the hospitals.

In 2020, Helios Spain started encouraging all hospitals to appoint a medical officer to manage infection control and prevention measures. In 2022, 61% of the hospitals had an epidemiologist to manage infection prevention and control within the hospital. Other hospitals had at least one professional specialized in infection control from other specialties (internal medicine, intensive care) who manages this area.

## Training

Helios Germany has three simulation and emergency facilities in Erfurt, Krefeld, and Hildesheim. Among other things, surgical procedures or crisis scenarios in the operating room are trained here. In addition, such training courses take place in the clinics directly. In the fields of emergency medicine, anesthesia, intensive care medicine, and obstetrics, decisions on the content and number of participants in the mandatory training courses are based on resolutions of the respective specialist groups.

Helios Spain continuously provides training on patient safety, on its quality management systems, and on topics that are essential in hospital routine. In 2022, 18 different patient safety sessions were conducted in the hospital network of Helios Spain, 2,862 people were trained and 9,129 hours of training were received. The exchange of knowledge among the hospital network has been promoted through inter-hospital clinical sessions. It now covers several medical fields such as gynecology and obstetrics, pediatrics, and internal medicine. In addition, clinical sessions have been held on several patient safety topics: best patient safety practices in the surgical block, preventing adverse events in the insertion and management of venous access, patient falls prevention, medical record and informed consent completion requirements, transforming the patient safety culture of the hospital through the JCI accreditation process, and evidence-based safety improvement practices.

## Patient information

Fresenius Helios 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 documents and privacy statements. The therapeutic objective is discussed with patients during admission and discharge discussions with the treating physicians.

Fresenius Helios communicates via an online magazine, social media, its website, and in its communication campaigns for the interested public. In addition, information events on specific medical topics are held in all hospitals (known as patient academies). Further details on transparency in healthcare can be found in the Compliance section on page 185.

## Patient satisfaction measurement and grievance processes

The business segment uses the Helios Service Monitor to measure the satisfaction of inpatients in its German hospital locations once a week. Employees on site conduct short interviews on care and service. The goal behind this is to respond to patients' feedback within 24 hours and to clarify their concerns, if possible, in direct contact. The data is then processed anonymously in the Helios Service Monitor. The results can currently be viewed individually by each clinic in a daily, weekly, or monthly cycle. The management of the hospital and other authorized persons receive the

monthly survey results to obtain a general picture of satisfaction and to be able to identify areas of criticism. 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](http://www.helios-gesundheit.de), see the menu item Qualität bei Helios (German language only).

In Spain, Fresenius Helios uses the NPS to get specific feedback from patients who have been treated as inpatients, outpatients, or in emergencies. 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 had increased over recent years until the start of the pandemic. Once the impact of the pandemic had softened, the NPS results improved again and achieved previous levels. The information Helios Spain collected on the specific touchpoints in the patients' journey has been extremely valuable in initiating improvement actions.

## Our ambitions

Helios sets company goals to measure the quality of treatment in its hospitals, using the E-IQI methodology in Spain and the G-IQI methodology in Germany. Each hospital treatment (case) is evaluated by making use of comparative measurements, with the benchmark being the German national average as calculated by the Federal Statistical Office or comparable national benchmarks in Spain. The target is in each case to be better than the national average for the respective indication. Further quality targets in our hospitals in Spain relate to patient satisfaction and are measured via the NPS, among other methods.

## Progress and measures in 2022

In the reporting year, the management approach and the governance structure of Fresenius Helios remained mainly as reported in 2021.

Since February 2022, two Medical Consultants have replaced the regional medical directors in Germany in a newly created function. They report directly to the CEO of Helios Germany and advise the management board and the regional management boards on all medical issues. They also support the hospital managements, for example in matters relating to staffing requirements. In addition, the Medical Consultants are part of the Quality Management Steering Committee, which was established in 2022 as well. More information on this can be found in the Organization and responsibilities section on page 118.

In the reporting year 2022, Helios Spain started to develop the new patient strategy quality and patient safety for the term 2022 to 2025. The strategy forms the basis for

measures for improvement and targets for this material topic.

The IQI methodology was extended to some clinics in Latin America in the reporting year, such as Clínica Ricardo Palma in Perú. Clínica Imbanaco in Colombia will follow in 2023. In addition to the implementation of the necessary medical and patient data base, the medical documentation will be improved to gather the data relevant to calculate the IQI development.

The Fertility Services division implemented a standardized patient satisfaction survey across the group in the fourth quarter of 2022. The first results are expected in the first quarter of 2023 and will be transferred into respective measures at site-level.

## Evaluation

Fresenius Helios assesses the health and safety impacts of all significant treatment or service categories for improvement potential. If necessary, measures are derived. The revision of treatment guidelines usually takes place in the Helios specialist groups.

## HELIOS QUALITY INDICATORS

### Germany

	2022	2021	2020	2019	2018
G-IQI-targets, total	2,223	2,228	2,095	2,224	2,265
Thereof achieved <sup>1</sup>	1,933	1,935	1,851	1,950	1,987
Targets achieved, in %	87.0	86.8	88.4	87.7	87.7
Peer reviews	9	7	8	60	55

<sup>1</sup> Targets achieved adjusted for COVID-19 related patients' deaths since 2020.

For Fresenius Helios, the quality of medical outcomes is key. For Germany specific targets key quality indicators were defined; the results are expected to be better than the German average. In 2022, the clinics recorded 1,083,063 cases (2021: 1,046,517), an increase of about 3% compared to the previous year. Considering the individual GIQI-results of the clinics, 87.0% of the targets were achieved (2021: 86.8%). Around 50% of the clinics achieved a rate of more than 90%, while 17% of the clinics achieved a rate of 100%. The target rate based on the individual targets will be considered for the short-term incentive of the Management Board compensation of Fresenius Management SE, as explained in the Compensation Report on pages 243 ff. in the Annual Report 2022. The section also includes information on relevant treatment quality KPI at the division Helios Spain.

The competence gained through the research into COVID-19 and the improved diagnostics related to the infection also led to an improvement in the overall treatment in our Spanish hospitals. Earlier diagnosis, better knowledge of its

management and the impact of vaccination, have resulted in less virulence of the illness, less use of intensive care beds and a lower mortality rate. In 2022, a total of 737 events were reported in CIRS in Germany (2021: 576), which were evaluated at the respective clinic level.

At Helios Spain, the clinics report patient safety incidents including near misses. In 2022, a total of 11,299 incidents were reported (2021: 8,508). We actively encourage the reporting of incidents, including hazardous (or “unsafe”) conditions and near misses, as a way of promoting patient safety.

#### NET PROMOTER SCORE (NPS) SPAIN

	2022	2021	2020	2019
Global NPS	56.3	49.9	54.1	54.6
Total reports	652,269	534,930	361,800	426,061

In 2021, Helios Spain had identified high demand for outpatient consultation that heavily penalized NPS results, as the demand from patients was higher than the capacity for consultations and number of doctors in our clinics. During 2022, the results have increased after taking actions to decrease the waiting time for appointments. This resulted in an improved patient evaluation, positively affecting the NPS.

In 2022, Helios Germany conducted a total of nine reviews (2021: seven), due to the impact of the COVID-19 pandemic and the resulting restrictions on hospital operations. In addition, four safety inspections were conducted by the Patient Safety Officer.

Helios Spain performed four peer reviews by the end of 2022 (2021: four). Internally, ISO 9001 audits were conducted at all Helios clinics in Spain.

#### FRESENIUS VAMED

In post-acute care, care and project management, all processes are regularly checked for their suitability and adapted, if necessary.

In accordance with the BAR guidelines, Fresenius Vamed implements all relevant measures to increase patient safety at its post-acute care facilities – including patient surveys, complaint management, and regular internal audits of all segments. The company receives feedback on the quality of the structure, process, and outcomes from the insurers, e.g., as part of the quality assurance of the German pension insurance or the statutory health insurance providers. In all Fresenius Vamed healthcare facilities, patients receive relevant information material and patient training to ensure long-term treatment success. Reporting systems for complaints are also available in some healthcare facilities. In Fresenius Vamed's project business, the lead companies establish guidelines for all subsidiaries, which are reviewed in annual audits.

21 fully inpatient facilities provide care for people in need of care in care grades 1 to 5. The range of care and support includes basic care and medical treatment care, social care, day-structuring measures, and additional care for people with a considerable need for general supervision and care (dementia patients), as well as specialized care for people with severe neurological illnesses, with psychiatric or geriatric psychiatric illnesses, and for people with addictive disorders. In addition to full inpatient long-term care, all nursing facilities also offer short-term and respite care.

#### Organization and responsibilities

Within the Management Board of Fresenius Vamed, the Management Board division responsible for the service business is responsible for patient and product safety.

In order to raise awareness of quality requirements among employees, Fresenius Vamed employs staff for quality and risk management. These employees report directly to management. Quality assurance officers carry out training courses, thus integrating all employees in the quality management systems of their facilities. The quality assurance officers can thus ensure that 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 communicated to and documented for 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, Switzerland, and the United Arab Emirates. 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 its Code of Conduct, the Clinical Code of Conduct, and the Code of Conduct for Business Partners.

Fresenius Vamed's internal guidelines are based on regulatory requirements established throughout Europe, e.g., for rehabilitation. In care, Fresenius Vamed follows the renowned methodological concept of salutogenesis. 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.

### 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 rehabilitative measures for the individual. Protecting

patients from infectious diseases during their stay is a top priority. Newly established healthcare 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.

Fresenius Vamed's hygiene standards in Germany are based on the recommendations of the RKI's Commission for Hospital Hygiene and Infection Prevention (KRINKO). These recommendations take into account all legal requirements for hygiene.

In the German facilities, the central Head of Hygiene coordinates the hygiene specialists and establishes overarching standards, together with the CMO. One of the most important hygiene measures is hand disinfection. Fresenius Vamed follows the guidelines of the WHO in this regard. Hygiene specialists, doctors, and nurses with special hygiene responsibilities implement hospital hygiene measures. In Austria, the Federal Hospitals Act forms the basis for the management of hygiene plans, hygiene inspections, the use of hygiene specialists, and doctors with special hygiene responsibilities. In the course of the COVID-19 pandemic, hygiene inspections in the facilities were intensified. Hand hygiene and the correct wearing of protective equipment were continuously addressed.

### Personalized and individually tailored rehabilitation goals

Fresenius Vamed uses modern, resource-oriented approaches, such as the ICF concept (International Classification of Functioning, Disability and Health) since 2015 or the computer-based evaluation system CHES (Computer-Based Health Evaluation System) since 2020. 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 [Qualitaetskliniken.de](https://Qualitaetskliniken.de). This allows patients to find out about key quality parameters of the various clinics before they are admitted.

### Measurement of patient satisfaction and grievance processes

Fresenius Vamed measures patient satisfaction in its healthcare facilities in a continuous and structured process. The evaluation is conducted on a weekly and a monthly basis. The company collects data, evaluates it internally, and implements appropriate measures, if necessary. Patient surveys are conducted while the patient is in the clinic, as well as after their rehabilitation; in some clinics both approaches are established. In this way, they receive comprehensive feedback with regard to patient satisfaction.

Fresenius Vamed uses reporting systems for critical events and near-misses in its healthcare facilities, e. g., the electronic CIRS. Critical incidents can be reported anonymously there. The reports are processed by a dedicated committee. In addition, Fresenius Vamed uses systems for suggestions for improvement, material vigilance (material safety), and pharmacovigilance (drug safety). Thanks to these systems, a timely and appropriate response to potential sources of danger or complaints can be made, aligned with the internal quality standards.

#### Audits and recertification

To ensure adherence to quality standards, Fresenius Vamed also performs regular internal audits as well as external recertifications. This is done in the certified healthcare 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 – e. g., all quality management processes. Besides ISO certifications, audits are conducted by the external regulatory bodies, listed in the chapter Well-being of the patient, Certifications and commitment section on page 111f.

#### Patient information

Fresenius Vamed provides information to its patients in different ways – for example, in the patient information folder or in the treatment contract, and 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 (Council Directive 93/42/EEC), the business segment is subject to both a labeling obligation and an information obligation in accordance with (Council Directive 93/42/EEC) and Medical Device Directive (MDD) and/or ISO 13485. The accreditation authority uses external audits, for example, to check whether appropriate provisions exist and whether regulatory or normative requirements are complied with.

#### Our ambitions

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 in 2022

In the reporting year, the management approach and the governance structure of Fresenius Vamed remained as reported in 2021. Measures focused on compliance with hygiene and safety protocols adapted to the pandemic situation. Progress focused on further developments in the area of patient information and patient satisfaction measurement of all facilities by means of standardized content, as well as the expansion of outcome measurement to include additional medical indications. Adjustments were also made to meet regulatory requirements, e. g., with regard to group size for therapies or room occupancy.

#### Evaluation

In accordance with the process specifications from quality management, Fresenius Vamed regularly reviews the potential and existing health and safety impacts of all significant product, treatment, and service categories for improvement potential. If necessary, corrective and preventive measures including a possible process FMEA (Failure Mode and Effects Analysis) are initiated.

## ACCESS TO HEALTHCARE 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 their development, we consider different social and regulatory requirements and adapt them to different healthcare systems. This enables us to meet the growing global demand for innovative and high-quality therapies. Numerous national and international research projects and studies are carried out in our business segments. In this way, we investigate and develop new treatment standards, improve current standards, for example by studying side effects by biological sex or age group as well as pharmaceuticals, and facilitate best practice exchange of our healthcare professionals. Further, in our hospitals in Spain and Germany, various approval studies for pharmaceuticals are conducted. We report in detail on our clinical study management in the Digital transformation and innovation chapter on pages 131 ff.

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. Information on our healthcare markets can be found in the Healthcare industry section of the Group Management Report 2022, see pages 49 ff.

Our range of products and services includes a comprehensive network of hospitals, modern dialysis procedures and post-acute care – such as rehabilitation – and high-quality drugs and 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 the medical care we provide our patients.

### OUR APPROACH

Fresenius' long-term goal is to further develop the company's position as one of the leading international providers of healthcare 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 healthcare 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. We consider health equity in our efforts to increase access to care worldwide and to support the development of sustainable healthcare systems. This means striving to make treatment and health education available

to those in need, irrespective of age, income distribution, race or ethnicity, or education. This ambition is also reflected in our commitment to society.

In addition, we are also supported by medical initiatives and projects. For instance, the Fresenius Medical Care Foundation collaborates with several leading organizations to raise awareness and provide support to people living with kidney disease. We also cooperate with international organizations such as Médecins Sans Frontières (Doctors without Borders). A collaboration with Friedensdorf International makes it possible for Helios Germany to treat children from crisis regions free of charge in its clinics.

### Fresenius Medical Care

Fresenius Medical Care recognizes the importance of improving access to healthcare and is working to provide affordable treatment to a growing number of patients worldwide. Fresenius Medical Care considers, for example, barriers to access such as cost and ease of travel to the dialysis clinics, and lack of education on kidney disease and treatment options. The business segment aims to increase the number of patients on home dialysis as well as those who receive kidney transplants. Additionally, Fresenius Medical Care has improved the digital offering to make it easier for patients to access their clinical information and the business segment's services. Fresenius Medical Care also has global crisis preparedness processes in place so that patients have continued access to treatment during disaster and emergency situations.

## Health equity

Fresenius Medical Care prioritizes health equity in its efforts to increase access to care worldwide and to support the development of sustainable healthcare systems. The company believes that every patient, regardless of their ethnic origin or race, nationality, age, ability, gender identity, sexual orientation, religion, or socioeconomic status, be given equal opportunities and support to maintain and improve their health. This also means striving to make treatment and kidney health education available to those in need. As part of its efforts to promote health equity, Fresenius Medical Care currently analyzes care opportunities and health outcomes in the countries in which it operates. For instance, in the U.S. the company has developed digital dashboards to identify inequities that arise in the home dialysis and kidney transplant settings. These include, for example inequities relating to age, race, language, and gender. In 2023, the company intends to set health equity targets and track their progress.

In 2022, Fresenius Medical Care developed a **Global Health Equity Statement** that outlines the commitment to expand knowledge and services in ways that advance

equity in care. The company has also created a **Health Equity Committee** in the U.S. This committee is dedicated to sharing best practices and accelerating our progress in addressing healthcare inequities. Fresenius Medical Care plans to expand these activities outside of the U.S. in 2023 as it develops a global health equity roadmap.

## Fresenius Kabi

Fresenius Kabi is committed to improving patients' quality of life. The business segment's product portfolio targets critically and chronically ill people.

With its comprehensive range of generics and biosimilars products, Fresenius Kabi provides access to modern, high-quality, and affordable therapies for patients. Generics and biosimilars are cost-effective alternatives to originator drugs. They help to lower the price of treatments and thus reduce the burden on healthcare systems. Further information is provided in the Group Management Report 2022 on pages 42 ff.

## Fresenius Helios

Fresenius Helios' acute care hospitals, outpatient clinics and other healthcare facilities offer the full range of medical services. Our international hospital network enables Fresenius Helios to transfer knowledge between healthcare systems in Germany, Spain and Latin America with regard to affordable healthcare of high-quality, and with very high standards of service and patient experience. This international network also enables an intensive knowledge exchange on the treatment of COVID-19 patients in order to improve treatment outcomes.

## Fresenius Vamed

Fresenius Vamed is active worldwide in the service of patient health. This includes acute care, prevention, rehabilitation and nursing as well as improved access to healthcare services. The value chain of Fresenius Vamed encompasses the full life cycle of a healthcare facility. This high level of internal service integration and expertise enables us to offer access to healthcare globally at all levels of care.

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

## PROGRESS AND MEASURES IN 2022

### Product and service portfolio

There were no significant changes in the Fresenius Group's product and service portfolio in the reporting year. Under the influence of the ongoing COVID-19 pandemic, the primary objective was to ensure patient care and access to our products, services and healthcare facilities.

In 2022, **Fresenius Medical Care** provided home therapy to around 58,000 peritoneal and hemodialysis patients worldwide, or 14% of the segment's total patient base.

Globally, the number of its home dialysis patients increased by about 7.5% in 2022, compared with 2021. In 2022, 15% of treatments in the U.S. were performed in a home setting. The company has set itself the aspirational target of increasing this value to 25% by 2025.

In the United States alone, Fresenius Medical Care informed about 57,000 people living with chronic kidney disease or end-stage kidney disease about home dialysis options in 2022. The business segment did this with the support of more than 190 internal kidney care experts.

**Fresenius Kabi** continued its efforts to secure the supply of healthcare facilities with drugs and medical devices for treatment and intensive care of patients in the reporting year. As in the previous year, the local pandemic situations were closely observed and measures, training, or information material adapted to the respective developments.

The business segment is constantly expanding its product range to provide high-quality and affordable healthcare to more patients. It is expanding product availability in established markets as well as in new and emerging markets and launched new products in 2022.

In 2022, Fresenius Kabi and the U.S. based company Cerus Corporation extended their agreement on the manufacture of medical devices that inactivate pathogens in blood components. The collaboration will help expand access to pathogen-reduced blood components for patients. Cerus and Fresenius Kabi have collaborated in this area for many years.

Further, the business segment has established a partnership with Bio-Manguinhos/Fiocruz and Bionovis to provide access to the adalimumab biosimilar in Brazil. This partnership will expand treatment options in the Brazilian public health system for several autoimmune diseases.

In 2022, Fresenius Kabi also introduced KabiConnect, part of the KabiCare patient support program in the United States. KabiConnect offers eligible patients financial support covering more than 30 different generic oncology medicines. The program can lower out-of-pocket costs for eligible patients.

**Fresenius Helios** focused on the improvement of therapeutic measures based on clinical studies outcomes and the increasing use of telemedical services. More information can be found in the Digital transformation and innovation chapter on pages 131 ff. of this report. The approach to integrated and value-based healthcare was supported by the presentation of the digital healthcare concept [CUBE](#) in 2022.

In 2022, **Fresenius Vamed** expanded access to offers and services, especially in the rehabilitation division. Outpatient offerings are easy to access and enable in-service utilization of medically necessary rehabilitation services, complementary to the inpatient care of patients. In 2022, 15% of the therapeutic services were provided on an outpatient basis, while 85% were provided on an inpatient basis.

With SMAPP – Smart Health Posts and App – Fresenius Vamed brings healthcare to regions where it is only available to a limited extent. This overall concept also offers high-quality medicine to people who previously had no access to it. SMAPP makes this possible with an intelligent hybrid healthcare offering that digitally links physical points of contact and global medical expertise. Telemedical services and IT-supported diagnosis based on data analysis are combined by a virtual network, software solutions and artificial intelligence. This technology makes it possible to offer patients in remote areas access to enhanced primary and secondary healthcare services. SMAPP's physical infrastructure – the Smart Health Posts – consists of prefabricated modular units. They provide space for consultations, examinations, treatments, and laboratory and other clinical services. With information, communication and registration functions, the SMAPP app ensures that patients have direct access to the healthcare system. In the reporting year, a prototype of the overall SMAPP concept was installed in Vienna. It serves on

the one hand as a showcase for interested parties and on the other as a training unit. The business segment carried out evaluations for possible market launches in 2022. For example, initial preparatory steps were implemented with the relevant ministries of Ghana.

### Patient support in crisis and emergency situations

As a healthcare 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** considers it its responsibility to provide access to healthcare even under difficult circumstances, for example in the case of a health crisis or natural disaster. The business segment has dialysis clinics in many regions of the world with diverse geographic, social, and economic conditions. These clinics serve a vulnerable population of patients who need dialysis treatment multiple times a week. To allow the business segment to continue treating its patients in extreme conditions, it has developed an emergency response system comprising disaster response teams at local level. Before the onset of Hurricane Ian in fall 2022, local disaster response team members from facilities in Florida were dispatched to provide patients with emergency kits and instructions on how to touch base with their care teams. Of the roughly 100 facilities that were

closed on the day before the storm hit, all but one were fully operational within three days and all affected patients were accounted for.

The business segment regularly tests the emergency response procedures to assess service safety. Furthermore, it continues to donate dialysis machines, and medical supplies to organizations that require support.

**Fresenius Kabi** has a crisis team for emergency situations which is summoned immediately after an event that could lead to a crisis occurs. The crisis team comprises members of the Management Board, key staff units, and other relevant functions of the business segment. It coordinates the activities and monitors the measures initiated specifically for this purpose. Crisis situations are considered to be unforeseen events that may have an impact on the company or the public, such as COVID-19. Another crisis team was set up to coordinate measures and humanitarian aid in response to the war in Ukraine.

In the hospital sector, there are legal requirements for how care is to be organized in the event of an emergency for the hospitals and healthcare facilities of **Fresenius Helios**. They have dedicated emergency plans to respond immediately to incidents that might be critical for patients.

These encompass, among other aspects, evacuation plans, emergency systems in case of interruption of power or water supply, and plans to respond to impacts on local infrastructure, e. g., due to flooding. Emergency power generators ensure that operations or vital therapies, such as artificial respiration, can continue even in the event of a power failure.

At **Fresenius Vamed**, a structured crisis management system takes immediate effect in critical situations. It comprises the Management Board, key staff units, and the management teams of the lead companies. The crisis team meets as soon as an incident becomes known and initiates all necessary measures. Like Fresenius Helios, Fresenius Vamed's facilities have emergency and outage concepts as well as crisis communication plans in place, which have been drawn up together with the local emergency units. Beyond that, Fresenius Vamed ensures all necessary prerequisites to ensure the safety of systems and infrastructure, not only for its own facilities but also for those hospitals, for which the company provides facility management services.

### Healthcare delivery during the COVID-19 pandemic

The COVID-19 pandemic again posed continued extraordinary challenges to the global healthcare system in 2022. For Fresenius as a healthcare Group and as a company with many employees along with a great deal of patient contact, pandemic protection and prevention is essential. Emergency

management plays a key role in this: it enables us to maintain the care of all patients in the healthcare facilities and ensure the supply of medicines. Based on the legal requirements and regulatory recommendations for the COVID-19 pandemic, our business segments implemented various measures in response:

During the pandemic, **Fresenius Medical Care** was able to continue producing and delivering life-saving products, even when the operations and supply chains were hampered by global restrictions. Throughout the course of the pandemic, the business segment has also continuously looked at ways to improve its care. The ongoing COVID-19 research focuses on vaccination and treatment effectiveness and response.

The need for some of **Fresenius Kabi's** drugs and medical devices, which were in high demand during the COVID-19 pandemic, normalized in 2022. Fresenius Kabi's crisis team, which was set up at the beginning of the pandemic, continued to monitor the situation and to coordinate the efficient manufacturing and supply of essential drugs needed for the management of critically ill COVID-19 patients in the reporting year.

Measures taken at our **Fresenius Helios'** healthcare facilities and hospitals in 2022 were carried out in close, continuous consultation with each other. The business segment's respective crisis teams work closely with the task

forces of the clinics as well as the central and local hospital hygiene departments. Since June 2021, the number of COVID-19 patients in our German clinics has been published on the [website](#) of the division (German language). Further information is provided regarding the intensive care capacity and treatment of the patients.

The use of social media to educate and inform about COVID-19 has been successful in Germany and Spain. For the German sites, Fresenius Helios published messages on the pandemic, testing procedures and vaccinations, which were widely shared. Helios Spain uses its social media channel to provide written information or videos on the most urgent questions, such as hygiene, vaccines, or the impact on family life, as well as information regarding the impact on hospital appointments and the availability of COVID-19 tests in our centers.

For all managed and owned healthcare facilities, **Fresenius Vamed** created catalogs of measures in which the pandemic experiences in Austria, Germany, the Czech Republic, the United Kingdom, and Switzerland were collected. These catalogs are updated regularly. As a result, the healthcare facilities were able to remain open, subject to the respective regulatory requirements. The experience gained will continue to be incorporated into risk management in the future and will help Fresenius Vamed to continuously improve its processes and actions. Furthermore, a 24/7 information hotline as well as comprehensive and continuously updated information on the Fresenius Vamed intranet Corona Infocenter are available to the staff of the business segment. Please refer to the Notes on page 328 for further informa-

tion on assistance programs provided by various governments in the form of reimbursement payments and funding in connection with the COVID-19 pandemic.

## PROMOTION OF HEALTH AWARENESS

The Fresenius Group conducts training activities for numerous stakeholders to accompany its existing portfolio of healthcare services and healthcare products.

**Patients** are informed as part of their treatment or therapy on how they can positively contribute to its success, for example, by changing their diet, balancing exercise, or supporting mental well-being.

**Healthcare professionals** are supported by training courses offered and information materials provided.

Fresenius Kabi offers, for example, KabiCare®, a comprehensive patient support program aimed at patients and healthcare professionals alike. It was specially developed to support people living with a chronic inflammatory disease who are being treated with a biosimilar product from Fresenius Kabi. The program includes tailored information for patients about autoimmune diseases and the biosimilar medicine. In addition, training material, coaching tools, nutrition information, and practical tips provide healthcare professionals with sufficient impetus to support their patients in living with their chronic diseases.

For **employees**, Fresenius SE & Co. KGaA and its business segments offer various occupational health management programs. Further details can be found starting on page 166 of this report.

## EVALUATION

In the reporting year 2022, it was the underlying ambition for the Fresenius Group and the business segments to enable access to our products and care as well as support particularly vulnerable patient groups. We are of the opinion, that this was supported by the measures described in this chapter.

The impact of the COVID-19 pandemic has continued to be felt in all areas of the Fresenius Group in 2022 and affected our operating performance, as detailed in the Group Management Report on page 56. With the measures taken since 2020 and the experience of recent years, we believe we are now well positioned to ensure the protection of patients and our employees at our sites. Our goal remains that we want to live up to our responsibility as part of the healthcare system.

## DIGITAL TRANSFORMATION AND INNOVATION

Digitalization plays an increasingly important role for Fresenius – whether in healthcare facilities, in direct contact with patients, 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 healthcare sector and help unlock trapped value. 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

Our markets are changing rapidly. This is particularly true with regard to digital trends in healthcare, which have been further accelerated by COVID-19. We are seeing increasing demand from patients, health insurance companies, and healthcare institutions for new digital services along the entire value chain. Patients want remote treatment and on-demand healthcare services. Data-driven decision-making is becoming increasingly important, for example in predictive maintenance of dialysis machines and analysis of patient data. At the same time, cybersecurity risks have made us aware of the need for standardized and resilient IT infrastructures.

In order to drive digitalization and innovation at Fresenius and at the same time take into account the specific market situations, we take different approaches in the business segments – from independent Research and Development (R & D) strategies to active innovation management, as described in the Group Management Report in the Research and development section starting on page 40. 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 criteria. In doing so, we are responding to the growing demand worldwide for high-quality yet cost-effective products and outcome-based services.

Many of our stakeholders, especially our patients and our employees, are directly affected by the changes resulting from the advance of digitalization. Our R & D 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 healthcare services. However, we do not conduct fundamental research.

Our products and therapies are designed to help promote human health. Benefits and risks must be carefully evaluated. Whether it is in clinical approval studies or in clinical research projects, the Fresenius Group wants to create opportunities to improve the quality of treatment, especially in the area of critical illnesses and chronic diseases.

All new or improved products and services are subject to 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 European Union's General Data Protection Regulation (EU-GDPR); for more information see the Data protection section starting on page 188 of this report. We also observe European directives such as the EU Medical Devices Regulation (MDR) 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 Cybersecurity chapter starting on page 141.

## ORGANIZATION AND RESPONSIBILITIES

Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for operational management. Responsibility for digital transformation and innovation and the management approaches lies with the respective Management Boards, committees or management function, e.g., via a business allocation plan. The business allocation plan of the Fresenius Group Management Board does not provide for a separate department for this purpose.

The **global IT Board** brings together executives from Fresenius Medical Care, Fresenius Kabi, Fresenius Helios, and Fresenius Digital Technology. Together, they align IT and digital requirements with corporate goals and develop strategies for the future.

The global IT transformation is steered by the Group division Fresenius Digital Technology and the Chief Information Officer of the Fresenius Group.

As part of risk reporting, the Fresenius Group Management Board is informed quarterly about the effectiveness of the respective management systems, i.e. about risks or incidents that could have a significant impact on the operating business, the reputation or the value chain of the Group and its business segments. The Audit Committee of the Supervisory Board is also informed of these developments on a quarterly basis, the Supervisory Board on an annual basis. For further information, please refer to page 86 in the Risk Report. We further report on Cybersecurity governance on page 141f. and on Data protection governance on page 189 of this report.

## GROUP-WIDE IT TRANSFORMATION

In 2021, Fresenius began implementing a new, Group-wide IT program to strengthen cooperation in the IT area and increase value creation in the Group. All organizations of the Fresenius Group have participated in the development of the program and are accompanying the transformation process in the global IT Board.

We want to further develop our IT in such a way that it supports existing business models and enables the development of new ones. Our vision is to digitally transform Fresenius for improved patient care and a successful future for our Group.

## DIGITALIZATION AND INNOVATION IN THE BUSINESS SEGMENTS

### FRESENIUS MEDICAL CARE

Fresenius Medical Care has defined its commitment to continuous innovation in the Code of Ethics and Business Conduct. The Care Enablement segment, which was implemented on January 1, 2023, oversees the development of products. The Global Medical Office is responsible for the clinical digitalization strategies and the use of digital clinical data for research and operations.

Innovation and digitalization are important strategic elements that contribute to the success of Fresenius Medical Care. It aims to develop innovative, safe, and user-friendly digital products and systems that meet high quality standards. The goal is to further improve the quality and efficiency of treatments. To this end, Fresenius Medical Care is continuously developing digital products and services designed to improve access to and advance healthcare. This has become more critical during the COVID-19 pandemic.

### Progress and measures in 2022

#### ► Telemedicine healthcare

In 2022, Fresenius Medical Care continued to develop digital options with the aim of improving access to information for the patients under their care. Digital platforms enable virtual contact, which helped to reduce the risk of infection for patients and staff during the pandemic, for example. Keeping patients and care

teams connected and giving them access to recent treatment data is vital for the business segment to be able to continuously monitor and improve medical outcomes, user experience, and the effectiveness of care. Currently, the company provides two patient engagement platforms that are accessible via digital apps. The PatientHub app is used predominantly in the U.S. and the MyCompanion app is available in 23 countries in Europe, Africa, Asia-Pacific, and Latin America. Combined, these apps had more than 25,000 active users in December 2022. In the U.S. alone, Fresenius Medical Care recorded almost 250,000 remote telehealth visits between patients, care teams, and physicians by the end of 2022.

#### ► Digital product innovations

To access the latest innovative technologies, Fresenius Medical Care invests in research and development and collaborate with external partners, including academic institutions. The business segment also invests in startups that develop products, technologies, and therapies in the healthcare sector. In 2021, Fresenius Medical Care initiated a process to further integrate specific environmental criteria in research and development activities. In 2022, the business segment launched a global event aimed at fostering innovation in its product business.

#### FRESENIUS KABI

For 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 compliance with regulatory requirements. Fresenius Kabi develops devices and applications in various medical fields to support its customers' ongoing digitalization. Devices not only have to be optimized in their core functions but increasingly need to be embedded into the IT systems of hospitals, clinics, and plasma centers. Fresenius Kabi wants to benefit from this trend and will focus on the constant development of its portfolio, while acknowledging the increasing role of software in medical technology and its application area.

Responsibility for digitalization is anchored in organizations of the management board areas. The aim is to drive the digital transformation of the business, with the Digital Transformation Board (DTB) focusing on new business models, closed-loop sales and marketing for enhanced customer experience, new digital services, and digital enhancements to products such as digital product labeling and the opportunities they enable. For the concrete implementation of these topics, digital projects have been launched for which DTB has governance and the progress of which is reported to the Management Board of Fresenius Kabi regularly.

Digital solutions are continuously being developed along the entire value chain to make internal work processes more efficient and simplify them. The steering

responsibility for this internal digitization of business processes lies with the Fresenius Kabi IT Executive Board, which is led by the responsible member of the Management Board and the head of the global IT department.

In order to better realize the opportunities of digital transformation and also enable the implementation of new digital business models, Fresenius Kabi has driven forward the realignment of its IT organization as part of the Group-wide IT program. The aim is to further strengthen the implementation of the digital transformation and increase the value contribution of digital applications for the company and for customers. Here, the business segment is increasingly relying on intelligent automation and artificial intelligence (AI) to improve business processes in administrative functions. In production and quality management, Fresenius Kabi is using digital platforms to implement process control systems, monitor equipment efficiency, and manage data and support workflows in laboratories. This also enables the business segment to access data to analyze and automate decision-making processes.

#### Product innovation

In product development, Fresenius Kabi's expertise includes all related components, such as the raw material for drugs, 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. More information on R&D can be found in the Group Management Report in the Research and development section on pages 40 ff.

The business segment has standard operating procedures for the development and design of products and for the cybersecurity of its devices; for more information see the Cybersecurity chapter starting on page 141. The responsibility for innovation and development is anchored in the organizations of the management board areas of the Chief Operating Officer (COO) and MedTech. Fresenius Kabi constantly addresses the advancement of scientific findings. Employees work together in cross-organizational and cross-functional teams to develop innovative solutions for medical needs.

## Digital applications

Fresenius Kabi develops digital applications for healthcare professionals and patients to support the quality of treatment and improve patient care and quality of life, as well as to open up new business areas and to ensure regulatory compliance. In addition, the business segment uses digital solutions for what are known as track-and-trace systems for the traceability of products. These applications also enable information to be shared with customers and support, for example, the monitoring of inventories in hospitals.

For example, Fresenius Kabi uses radio frequency identification (RFID) technology, known as smart labels, for some of its drugs in the United States. The smart label enables hospitals to automatically identify, locate, and manage their inventories.

With digital technical services, Fresenius Kabi improves the efficiency of processes in hospitals and care facilities. Digital technical service applications accelerate maintenance and can reduce the downtime of medical devices due to maintenance work. In this context, Fresenius Kabi aims to offer its solutions to its customers in as many countries around the world as possible.

Further, for various product segments Fresenius Kabi offers support programs or has launched websites with dedicated information material, practical instructions, and information on handling of its products in many languages. The information is intended for healthcare professionals, patients and their relatives.

In compliance with data protection regulations, Fresenius Kabi is also working to use the data generated by the apps to improve patient care. For example, the aim is to identify potential risks for patients and improve the decisions made by patients or healthcare professionals.

## Progress and measures in 2022

In the fiscal year 2022, the business segment newly introduced the DTB with the aim of driving the digital transformation of the business. It is composed of executives at the first management level below the Management Board of Fresenius Kabi (including the global Head of IT) and reports regularly to the Board.

## Digital applications

In the reporting year, Fresenius Kabi introduced a plan in the United States to add two-dimensional (2D) barcodes to its pharmaceutical portfolio of vials, syringes, IV solutions and parenteral nutrition products. The initiative will help streamline workflows at healthcare facilities by reducing the potential for error-prone manual data entry in medication management systems. Fresenius Kabi in the United States plans to gradually offer 2D barcodes on all drug product labels. The business segment offers an application for field staff in the United States to digitize and modernize the maintenance of equipment for transfusion medicine and cell therapy. This app is already in use in Italy and Poland and will also be available in Spain and Portugal from spring 2023 onwards.

## FRESENIUS HELIOS

The expansion of digitalization is key for Fresenius Helios to ensure the sustainability of its hospitals and outpatient facilities, and to continuously improve the quality of healthcare and the service provided to patients.

Since 2020, Helios Germany has used a newly developed process for managing digitalization projects in Germany via the Helios Digitalization Board (Helios DIGI Board) to manage and centrally evaluate proposals for digitalization projects. Proposals are collected in the clinics and outpatient facilities of Helios Germany and in the Fresenius Group and then rated. The Board decides on the approval of project proposals. All digitalization projects, including rejected project

ideas, are published in the Helios.Digital project database via the myHelios intranet.

Since 2019, Helios Spain has followed a defined Digital Transformation plan with six main initiatives: boost the patient portal and improve online appointments; review and improve clinical pathways (digitalized); improve data management and patient knowledge; simplify and automatize administrative processes; speed up the deployment of the unified platform for Electronic Patient Files (EPF) and Health Information System (HIS); develop new digital services (e-commerce platform and digital hospital).

Among other things, this IT and process strategy aims to further improve digital patient interaction such as video conferencing and chats, where patients can present their medical history, protocols, and automated tests for specific diagnoses. To ensure that the IT strategy is gradually implemented, the division 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). Each of the three pillars has key figures to indicate progress in digitalization and its acceptance, and collects data, for example on 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 data is evaluated on a monthly basis and enables comparison of the state of evolution of digitalization in the various hospitals in Spain.

### The Helios patient portal

Fresenius Helios started introducing a patient portal at its clinics in 2019. Patients can now access treatment documents such as diagnoses, book appointments online, or attend video consultations at 61 German clinics, around the clock and from home. The portal can be accessed via the websites of the respective clinics. In 2022, the patient portal recorded 205,000 registered users (2021: 130,000), 700,000 documents (2021: 300,000) exchanged via the portal and nearly 435,000 online appointments (2021: 85,000).

Many users already access Helios Spain's patient portal, via the web version or the app MyQuironsalud. Nearly all Spanish hospitals are connected and some Latin American hospitals have also implemented the patient portal in 2022. The hospitals benefit from a central data repository and improved data transmission and coordination between healthcare professionals. 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 three-dimensional (3D) radiological images and can contact their responsible specialists and interact via web formats. In addition, it is possible to digitally request an appointment for most of the examinations available and to read up on the risks associated with an examination.

Prior to a procedure, patients can also sign a consent form electronically via the portal. In 2022, the patient portal recorded one million new registered users, reaching a global amount of five million registered users. It also recorded around 90 million yearly accesses and managed more than 4 million online appointments.

### Electronic patient file (EPF)

An EPF with doctor's letters, findings, and complete clinical imaging is available at the majority of workstations in the clinics; this creates added value for both treatment providers and patients. In the reporting year, other medical data such as nursing documentation and medication were made available in the EPF at Fresenius Helios. In about half of the Helios clinics, integrated software solutions already issue warnings of possible interactions with other drugs, which increases patient safety.

In general, this makes many processes more efficient, which improves medical quality. The expansion of the Germany-wide telematics infrastructure, ordered by the government, into which the EPF will be integrated in the future, focuses on improving the quality of care and the efficiency of care and administrative processes. This project aims to modernize the technical infrastructure in the German healthcare system up until 2025.

E-medication is one planned aspect of the telematics infrastructure. It will enable electronic prescriptions to be transmitted digitally to parties outside the hospital – e.g., medical practices and pharmacies – and to be uniquely assigned and tracked. Patients can make their own decisions on the distribution of information.

In Spain, the EPF contains all the information needed for patients' care, including discharge papers, along with medication information and prescriptions. Thanks to this paperless process, patients can go directly to the pharmacy with their smartphone. Prior to an appointment at the hospital, they fill out a form online and then receive notifications and directions. At the clinic they are navigated directly to the treatment room via the app.

#### Progress and measures in 2022

In 2022, Helios Spain developed a new digitalization path for its hospitals consisting of four phases: new tools adoption, digital transformation, healthcare model transformation, and liquid healthcare – meaning a concept of giving the best healthcare to the patients in every situation. In each phase the division measures several Key Performance Indicators (KPIs) to define when a hospital is ready to pass to the next phase. In committees, Helios Spain discusses and reviews the status of digital KPIs as well as transformation projects and innovation cases.

#### FRESENIUS VAMED

Fresenius Vamed has established digitalization as a strategic business area with various objectives: the business segment aims to implement digitalization initiatives and projects, coordinate digitalization activities within the Vamed Group, drive digital innovations, and generate new digital solutions such as services. To this end, additional personnel have been recruited in the competence areas of innovation, products and project management. Among other things, Fresenius Vamed is developing various rehabilitation services, as well as patient services for digital assistance systems that support ambient assisted living (AAL) and rehabilitation services. In the project business, Fresenius Vamed has long used complex virtual models (building information modeling – BIM) in the planning and operation of healthcare facilities. They make it possible to simulate and optimize the entire life cycle – from planning and design to construction, operation, and maintenance – of a healthcare facility. 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 unit regularly reports to the Management Board on its progress.

#### Progress and measures in 2022

In 2022, the management approach and the governance structure of the digitalization strategic business unit of Fresenius Vamed remained as reported in 2021. Progress focused on various digitalization projects and initiatives in the areas of high-end services, overall operations management, and project management.

#### CLINICAL RESEARCH AND INNOVATIVE TREATMENT MANAGEMENT

Within the Fresenius Group, we distinguish our clinical research and clinical studies as follows:

- ▶ **Clinical trial management (CTM) for pharmaceutical approval processes:** Approval processes both for innovative pharmaceutical products and generics require support from trials. These encompass patient studies or even animal trials.
- ▶ **Clinical studies to develop innovative treatment methods:** The majority of clinical studies conducted in our business segments Fresenius Helios and Fresenius Medical Care are aimed at developing innovative treatment methods or the improvement of therapies both in ambulatory and inpatient care. While Fresenius Medical Care focuses on patients with kidney failure or related diseases, we focus on oncology and cardiovascular diseases in our acute care hospitals. But health services research is also an important area. Using real data from everyday hospital life, known as real world data (RWD), the structures and processes of hospitals are examined under everyday conditions. The analysis of pandemic effects on the various areas of patient care has played a major role in this context over the past three years.

## FRESENIUS MEDICAL CARE

Fresenius Medical Care strives to continuously improve the care that it provides to patients. This includes facilitating clinical trials, which are a crucial step in developing new treatments. The business segment is also further exploring data-based methods that allow it to advance care by means of mathematic modelling and virtual clinical trial simulations. The research and development activities follow regulatory guidance for clinical research practices. They are conducted in compliance with ethical standards. In a global [company position paper](#) made available on the company's website in 2022, Fresenius Medical Care outlined the **bioethics principles**. These include the commitment to upholding ethical standards while advancing healthcare and managing related risk, as well as advocating patient rights, and animal welfare. It is important to the company that its research partners follow guidelines that are similar to its own.

### Progress and measures in 2022

In 2022, the business segment published 169 scientific documents worldwide. The Frenova Renal Research division provides research services to third parties. Currently, Fresenius Medical Care is working on a project aimed at developing the largest renal-focused genomic registry in the world. The goal is to enroll over 100,000 patients by 2025. This registry will contain genetic data from chronic

kidney disease patients worldwide, which will help researchers improve their understanding of kidney disease and treatments.

Fresenius Medical Care also works with external organizations to facilitate scientific progress and explore new ways of improving quality of care. In 2022, the business segment was involved in 67 key partnerships with academia, research institutes, and peers. The focus areas included cardio-protection, personalized and precise medicine, public health, and the impact of COVID-19 on vulnerable patient populations.

## FRESENIUS KABI

At Fresenius Kabi, the knowledge and expertise from experts in clinical nutrition, pharmaceuticals, and medical devices are embedded in research and innovation projects with the goal of improving patients' health and quality of life. As a manufacturer of generic drugs, clinical nutrition products, and infusion and transfusion therapies, as well as biosimilars and medical devices used to administer these products, Fresenius Kabi conducts clinical studies by commissioning qualified external contract research organizations (CROs) and university scientific institutions to do so. Some products require to conduct clinical studies sponsored by

Fresenius Kabi to meet regulatory approval requirements. In addition, further studies are conducted regarding patient safety, in order to gain new medical-scientific insights or comparative clinical studies with other products available on the market. The clinical studies sponsored by Fresenius Kabi are always carried out in accordance with strict legal requirements, including, for example, the guidelines of the International Council of Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), of Good Clinical Practice (GCP), and of the relevant pharmaceutical regulatory authorities such as the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA), the Declaration of Helsinki, and the EU GDPR. The primary goal is the protection of patients and the quality of the data obtained. Fresenius Kabi sponsors studies for registration in close cooperation with various CROs, scientists, and physicians and supports investigator-initiated trials. These studies pursue the goal of generating new scientific knowledge that is significant for patient care using approved and new products.

Fresenius Kabi has a Chief Medical Officer (CMO) and a **Global Trial Committee** that reviews, evaluates, and approves clinical trials before they begin. Responsibility for clinical study management is aligned with Fresenius Kabi's product groups and is anchored in the management board areas. Compliance with the applicable regulations and guidelines prior to, during, and after clinical studies is ensured by a risk-based auditing program. Here, safety of the

study participants and validity of the study data are considered the most important criteria. No clinical trials are conducted without a positive vote by the responsible ethics committee and approval from the respective competent authority, where required.

When selecting study participants, Fresenius Kabi also takes diversity into account, e.g., with regard to the population group for which a product in question is intended. Fresenius Kabi does not conduct studies without a prior positive benefit/risk assessment. Furthermore, safety events occurring during a clinical study are constantly monitored and evaluated. Study participants are fully informed prior to the start of the study and are enrolled only with their consent. Internally, clinical studies are documented in a central database and the results are published in accordance with the applicable regulations.

Fresenius Kabi's research and development activities are focused on biosimilars, clinical nutrition, and generic drugs, which are already well-established in markets and consequently need no, less or limited animal studies. They are also only conducted if required by national and international laws or regulations. Animal studies are restricted to the scale that is absolutely necessary and are conducted according to respective animal welfare legislations only.

Fresenius Kabi cooperates with professional non-clinical CROs or academic institutions that are accredited according to the standards of the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) or a similar standard and follow the principles of the 3Rs (Reduce, Replace, Refine) regarding the use of laboratory animals. Moreover, non-clinical CROs are audited by the Quality Assurance department of Fresenius Kabi as well and re-qualified every three to five years based on the underlying risk. Like clinical trials non-clinical trials are evaluated and approved by a Fresenius Kabi internal scientific expert committee (the Global Trial Committee) which oversees, among other aspects, the ethical aspects of this area of activity.

#### FRESENIUS HELIOS

Fresenius Helios conducts clinical trials at many sites, partly in cooperation with CROs. In this way, the business segment aims to promote innovation processes in diagnostics and clinical treatment. The innovative strength in clinical study management not only influences its future success in the diagnosis and treatment of inpatients. It also opens up new ways of providing care, especially for the high proportion of chronic diseases. For example, studies are conducted to determine how effective and safe medicines are and whether medical devices are suitable for approval in accordance with internationally applicable ethical and scientific standards, such as GCP or the Declaration of Helsinki of the World Medical Association. In

addition, clinical data is collected, analyzed and published to evaluate new, already approved technologies and treatments in everyday care. Based on a clear commitment to evidence-based medicine, the division encourages its employees to engage in scientific and technological research activities. The aim is for them to develop personally and use their findings to enhance the well-being of patients.

Projects funded by public grants are also being carried out at the German Helios hospitals – supported by the Innovation Fund of the Joint Federal Committee (G-BA), the German Federal Ministry of Education and Research (BMBF), or ministries of further German federal states, among other bodies. These projects serve the benefit of Helios' patients. They focus on the development of new forms of care and process plans (treatment pathways) for medical treatments. In cooperation with manufacturers, the focus is on testing new technologies in clinical application and thus assessing their benefit. Such clinical data on the reality of care is important for evaluating technologies and determining their market price (HTA – health technology assessment). Helios Germany also provides data on severe acute respiratory infections (ICOSARI) to the Robert Koch Institute (RKI) in order to monitor the appearance of influenza virus and coronavirus in hospitals. Numerous analyses of the impact of the pandemic on different care settings have been conducted and published in both Spain and Germany.

## Clinical research projects

In Germany, the newly established Helios Health Institute (HHI) is the central point of contact for all employees of Helios clinics and its subsidiaries who want to conduct research. The HHI validates the study design to ensure that all regulatory requirements that exist in research are met. The respective **Group guideline on research** (Helios Konzernregelung Forschung) mandatorily provides that every research project must first be submitted to the HHI for review, including all necessary documents, in order to protect its patients.

The HHI reviews research projects with regard to regulatory and content-related methodological requirements, as well as a legal review of project contracts and data protection advice. This enables clinics to ensure that scientific, ethical, and legal requirements are met and that the project complies with applicable guidelines or quality standards. All researchers are required to provide evidence of their qualification, i.e. to comply with knowledge and requirements of clinical studies and trials. These requirements are listed in the Helios Group regulation on research. In self-initiated studies, full responsibility lies with the persons who conduct the study. In sponsor-initiated clinical trials and studies, the CROs involved are audited by the sponsor.

HHI maintains a continuously developing quality management system with the aim of certification according to ISO 9001 in 2023, so that it can then also operate externally as a CRO.

The **Helios Group regulation on research funding** further specifies the framework conditions within which Helios specifically promotes research projects of its own employees that are expected to have a high level of benefit for patients.

Studies were reviewed for a total of 39 (2021: 48) hospitals or integrated healthcare facilities in Germany in 2022. The respective Helios clinics or facilities in question employ what are referred to as investigators and study assistants – specially trained nurses, medical documentation assistants, but also natural scientists specialized in biology, nutritional science or biochemistry. They support the investigators, coordinate examinations and interviews of the study participants and conduct non-medical services that are required by the study protocol. In addition, the HHI supports the clinics of Helios Germany along with the employees conducting research in studies initiated by the clinics themselves (known as investigator-initiated studies, IITs).

As the central office with experts in regulatory principles and methodology and in contract management, and supported by the Central Data Protection Service, the HHI conducts the central study review. More information on data protection can be found in the respective section on page 188 ff.

## Progress and measures in 2022

Helios Germany and the holding company Helios Health decided at the end of 2021 to bundle all research-related areas and merge them into a separate subsidiary – the HHI. It comprises the areas of healthcare research, consisting of

Real World Evidence (RWE) and HTA and the CTM. With the CTM division, the HHI takes over from the Helios Center for Research and Innovation, which was responsible until the end of 2021.

In 2022, a total of 337 studies (2021: 410) were reviewed centrally for the Helios clinics in **Germany**, the majority of which had the goal of improving therapies for patients. The decrease is due to an internal procedural change. This provides for certain studies (usually doctoral theses) to be processed directly in the clinics on a standardized basis using an SOP. They have not been subject to central review since 2022. Further, the impact of the pandemic has delayed recruitment of study patients.

Based on the data analyses during the pandemic, Fresenius Helios has been able to gain and publish significant insights into the impact of COVID-19 on the care situation in both Germany and Spain. This type of use of care data demonstrates how quickly, yet accurately, the status of the care situation can be provided. Given the many challenges facing healthcare systems, this is essential.

Further, Helios Germany has conducted around 90 COVID-19-related studies in its clinics since 2020.

## FRESENIUS VAMED

At Fresenius Vamed's [Institute for Gender Medicine](#), all health issues that lead to an extension of the healthy years of life and to the improvement of quality of life are researched, with a particular focus on gender-specific aspects with regard to individualized medicine. These research activities encompass prevention, acute care, rehabilitation, and nursing.

## OUR AMBITIONS

The Fresenius Group diligently works on expanding its competencies and developing new areas of business in order to offer digital solutions to the challenges faced by the healthcare sector.

The business segments take different, segment-specific, approaches to the area of digitalization and innovation. In the care of critically ill patients, the demands on treatment success are becoming ever higher. The demand for effective therapies together with intelligent medical applications and devices will rise steadily.

## EVALUATION

Overall, the digitalization of processes was driven forward throughout the Fresenius Group in 2022.

All business segments have their own approach to digitalization and innovation and are currently developing KPIs. Digitalization and innovation is also included in the variable remuneration of the Group Management Board, as it is key to our strategy. Further information is included in the Corporate Governance Report of the Annual Report 2022, see the Compensation Report on page 243.

For **Fresenius Medical Care**, the number of product improvements is an indicator to measure performance to enhance the quality and safety of products. Improvements are defined as changes that focus on at least one of the following aspects: patient safety and quality, product performance and delivery capability, environmental performance, or customer service. This could involve process improvements in production, for example, as well as improvements already made by suppliers to the items the business segment purchases from them. In 2022, Fresenius Medical Care implemented more than 2,400 improvements to its dialysis machines, dialyzers, filters, and solution products. Further, the business segment completed four clinical trials in 2022.

**Fresenius Kabi** continuously reviews progress in the area of digitalization. The Digital Transformation organization within the Corporate Development department, which was created in 2022, works closely with Fresenius Kabi's global IT department to drive digitalization forward, especially with regard to market- and customer-oriented initiatives and partners with colleagues from the business areas and markets. In addition, the progress made in internal digitization is regularly presented to the relevant IT decision-making bodies and reported to the Management Board in accordance with its importance, budget framework and risks.

In 2022, no critical events with a significant impact on the safety of study participants or compliance with the applicable requirements and standards became known at Fresenius Kabi.

For the first time since the end of 2021, **Helios Germany** has been determining the degree of digitalization in its hospitals by means of the DigitalRadar. The survey is mandatory for all hospitals participating in the Hospital Future Act (KHZG). The law and the associated funding program are intended to support hospitals in investing in modernized capacities for emergency cases, digitalization, and IT security. The status of digitalization at hospitals was evaluated as of June 30, 2021, and the next evaluation is scheduled by law for June 30, 2023. According to the radar, Helios Germany already has an above-average level of digitalization – compared with the other 1,616 hospitals participating in the KHZG.

In 2022, **Helios Spain** continued evaluating the digitalization of its hospitals using the Digital Stars Dashboard. It includes digital KPIs, most of them measured daily. In addition, the division has launched the new four phases digital path. So far, there are 10 hospitals that have passed to the second phase.

**Fresenius Vamed** regularly reviews its management approach using standard controlling processes. In addition, the digitalization strategic business area collects data and regularly reports on the status of the respective initiatives and projects in the business segment. Fresenius Vamed uses common trend and innovation studies, e. g., the Gartner hype-cycle, to formulate and evaluate strategies for digitalization in the healthcare market. Local publications and trend analyses are also taken into account. The use of telehealth solutions and mobile apps also continued in 2022.

## CYBERSECURITY

### OUR APPROACH

At the Fresenius Group, we pursue a holistic approach to the management of cybersecurity. We bring cybersecurity and business decision-makers in the Group together to execute a joint approach aligned with our strategic objectives. The core of our approach is to determine the right level of protection that balances the value of cybersecurity with the needs of the business as well as the cost of protection. We derive our activities based on maturity assessments and cyber-risk analyses that help us prioritize the most relevant measures to buy-down risk and carefully track both the progress as well as the effectiveness of implemented measures through our CARE program (Cybersecurity Approach, Roadmap and Execution).

The steering committee of the CARE program formally enacted the CARE Governance Charter to emphasize the strategic objectives, the scope and the responsibilities of the CARE program and the CARE Steering Committee as a governance body, as well as responsible function for escalation and decision processes. The CARE program is structured across risk domains (for more information refer to page 143f.) and cybersecurity clusters to ensure a holistic consideration of our digital environment:

- ▶ **Critical Assets Protection:** measures to identify and adequately protect information assets that are considered critical to Fresenius business processes.
- ▶ **Baseline Security:** measures to provide an adequate cybersecurity baseline to protect all information assets based on minimum cybersecurity standards.
- ▶ **Cyber Defense:** measures to improve the capabilities to effectively detect and respond to cybersecurity incidents and reduce adverse impacts on our business.
- ▶ **Governance, Risk & Organization:** measures to improve the governance, the transparency of risks and the development of an adequate, efficient, and effective cybersecurity organization.

The Management Board of Fresenius Management SE initiated CARE. CARE bundles cybersecurity initiatives to strengthen our resilience in preventing and defending against cyberattacks. In 2020, the Management Board enacted a Group-wide Cybersecurity Policy that defines the objectives, structure, and operational organization for cybersecurity governance across the Fresenius Group, embedded in CARE.

The Opportunities and Risk Report contains further information on cybersecurity at Fresenius in 2022, in the Risk areas section on pages 92f.

### ORGANIZATION AND RESPONSIBILITIES

The Chief Financial Officer (CFO) of the Fresenius Group Management Board oversees cybersecurity governance and receives direct reporting from the Group Head of Cybersecurity. The position of the Group Head of Cybersecurity, who acts as Group-wide Chief Information Security Officer (CISO), has overall responsibility for the governance of cybersecurity within the Fresenius Group and leads the Group Cybersecurity Office (GCSO). He defines the Group-wide cybersecurity strategy and coordinates this strategy with the respective cybersecurity heads in order to ensure a consistent approach across all business segments. The CFO of the Fresenius Group is informed about cybersecurity-related topics on a weekly basis, or as required, by the Group Head of Cybersecurity. The Group Head of Cybersecurity reports quarterly to the Management Board of Fresenius Management SE and at least annually to the Supervisory Board.

In the four business segments, the respective Business Segment Heads of Cybersecurity (Segment CISO) are responsible for all cybersecurity matters. At Fresenius SE & Co. KGaA level, the Corporate Head of Cybersecurity is responsible for the individual corporate functions.

The GCSO enables and governs cybersecurity across the Fresenius Group. It ensures that cybersecurity is considered holistically and coordinated from a Group perspective, defines the baseline, and monitors its compliance as well as the execution of risk treatment plans. Where necessary, the business segments are advised and supported in their activities.

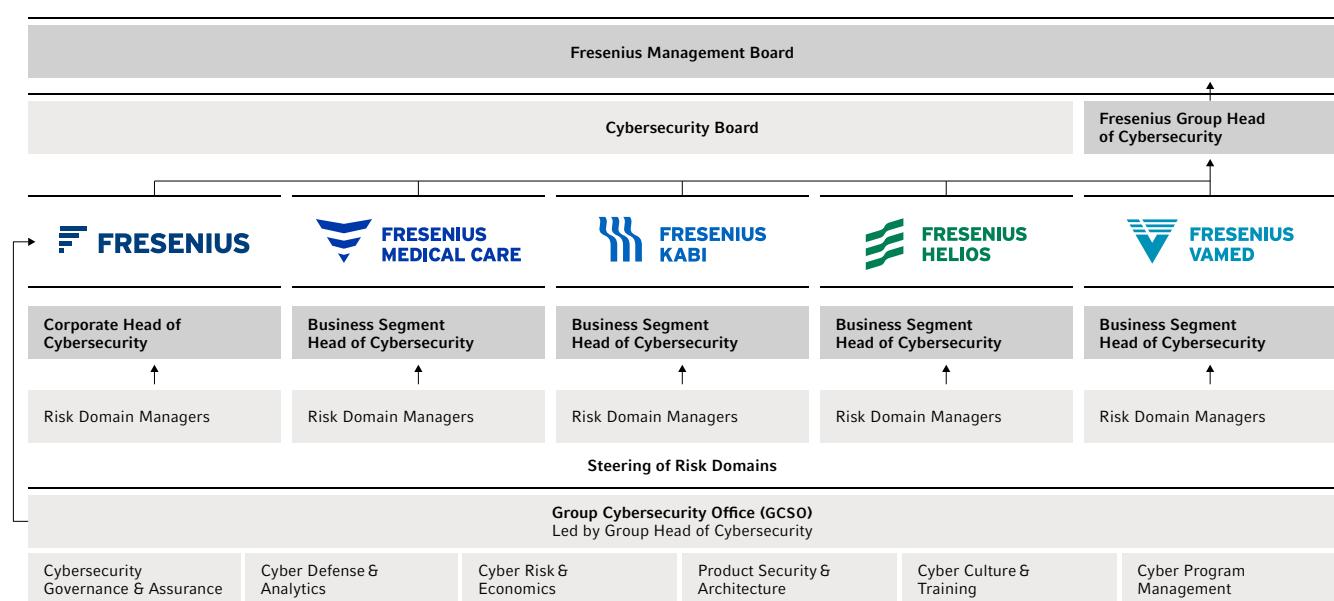
The GCSO is composed of six functions:

- Cyber Governance & Assurance,
- Cyber Defense & Analytics,
- Cyber Risk & Economics,
- Product Security & Architecture,
- Cyber Culture & Training, and
- Cyber Program Management.

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

Within the Group, overarching committees have been established to complement the existing organizational structure. The cross-divisional **Cybersecurity Board** meets on a monthly basis. 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 Group-wide cybersecurity matters between the business segments and Group functions, defines criteria for evaluating and monitoring the development of cybersecurity across the Group, and reviews the

## CYBERSECURITY ORGANIZATION



progress and results of cybersecurity measures and initiatives. The Cybersecurity Board also monitors the adoption and implementation of the Group-wide cybersecurity policies, baseline compliance and risk treatment plans.

The individuals responsible for cybersecurity usually have many years of experience in cybersecurity management, extensive knowledge, and appropriate professional certifications.

The CFOs of the business segments, and for Fresenius Vamed the member of the Management Board responsible for the service business, form the **CARE Steering Committee** which meets quarterly to organize regular reporting as well as to steer the cybersecurity initiatives across the business segments.

The Business Segment Heads of Cybersecurity inform the respective members of the CARE Steering Committee and additionally report on cybersecurity matters to their segment Management Boards at least on a bi-annual basis.

The Risk Domain Managers report to their respective Heads of Cybersecurity. In addition, the Risk & Integrity and Internal Audit departments regularly exchange information on matters relating to cybersecurity.

### 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 key objectives for protecting digital information, technologies, and systems across our risk domains.

The **Group Cybersecurity Policy** is based on the Fresenius Code of Conduct and follows internationally recognized standards and best practices, such as the [Charter of Trust](#). It defines the overarching policy and organizational structure for cybersecurity governance in the Fresenius Group. The underlying Risk Domain Policies specify the framework, processes, and roles and responsibilities for each risk domain to attain the overarching objectives of protecting the confidentiality, integrity, and availability of Fresenius' digital information in a holistic manner.

The four business segments also have specific security standards, which take into account specific regulatory requirements and local legislations. Security standards already established in the four business segments are leveraged as Group-wide standards where appropriate.

### CERTIFICATIONS AND COMMITMENT

Cybersecurity insurance policies are in place at business segment level, where available in the insurance market and deemed suitable for risk transfer. In addition, there are certifications such as ISO/IEC 27001 at Group and business segment level. In addition, to complement the governance structure for risk mitigation and to further hedge risks, the conclusion of global cybersecurity insurance will continue to be evaluated at Group level.

### RISK ANALYSIS

In accordance with the Group-wide Cybersecurity Risk Management Framework, the business segments – together with the GCSO, if required – conduct a business-driven evaluation of the strategic cybersecurity risks along Fresenius' value chains. The cyber risks of the Group are attributed to the business activities of the respective business segments. While the cyber risks in the product business are closely related to interruptions to manufacturing or logistic processes, as well as theft of intellectual property, the risks in our healthcare facilities are related to patients, their health information, and the medical devices used. We continuously analyze the evolving cyber threat landscape to consider arising threats in our bi-annual cyber risk assessments in order to derive our cybersecurity measures and effectively mitigate our risks.

Our Risk Report contains extensive information on the effects of cyber risks on risk management; see Risk areas section on pages 92f. of our Annual Report 2022.

### SECURITY CONCEPT

To manage Group-wide cybersecurity and associated risks, we have determined five risk domains. These are managed by the respective Risk Domain Managers at corporate level and in the four business segments. Facilitated by the GCSO, the Risk Domain Managers form Special Interest Groups (SIGs) that define tailored cybersecurity requirements and coordinate risk management activities based on applicable best practices. They exchange of expertise and knowledge throughout all cybersecurity areas across the Group.

To protect the Group's value generation, we have developed tailored frameworks for our five cybersecurity risk domains that define the security architectures, concepts, and requirements. The respective preventive, detective, and corrective measures are prioritized and implemented through our CARE program to effectively mitigate risk. While our main objective is to prevent cyber risks from materializing, our investments into the early detection of cyber threats are paying off. We detect cyber threats at an early stage in what is known as the cyber kill chain through various monitoring solutions and are able to respond in a timely manner to limit

the actual business impact of security incidents. Recurring analyses and defense processes are automated in order to react even more efficiently. Incidents are thoroughly investigated to derive additional measures to improve our overall security.

### Business Continuity

Business continuity management is an integral component of the recognized ISO/IEC 27001 standard, primarily to ensure the availability of digital information processing facilities. Different Fresenius environments, such as our central IT infrastructure, as well as critical infrastructures in the medical sector, are ISO/IEC 27001-certified and regularly audited by independent auditors.

As part of the CARE programs, Fresenius has launched a group-wide initiative to identify, assess and protect all critical assets (i.e., CARE Critical Asset Protection). Insights of the assessments, specifically related to adverse impacts affecting the availability of critical assets, serve as input to the respective business continuity management.

### TRAINING

At Fresenius we seek to imbed a human-centered risk model, combining this with our already implemented Cybersecurity Training & Awareness Program (CTAP). The goal is to raise awareness and support a solid and mature cyber culture at Fresenius. The responsible team within the Cybersecurity Group function is called Culture & Training. Together with the respective Risk Domain Manager at segment-level, their activities are designed to enable our employees to build and improve their personal cybersecurity awareness, thus creating a line of defense against cyber-attacks. The Culture & Training team aims to share knowledge about emerging trends immediately, introducing different cybersecurity activities at Fresenius as well as providing helpful tips on the secure use of devices, be that in the office or at home.

In addition to mandatory training on cybersecurity fundamentals, CTAP offers various courses, videos, and other learning content, via the different digital CTAP learning platforms and intranets, for example. We regularly simulate phishing attacks to strengthen the required behavior to be triggered if phishing is suspected. 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. The success of the CTAP activities is measured using predefined success criteria (e.g., the target phishing simulation click rate).

We inform our employees through various channels about current cyber risks and new types of cyber threats. The Culture & Training team further uses the knowledge derived from daily phishing attempts analyzed and evaluated in joint collaboration with the Cyber Emergency Response Team (CERT) to design new or updated training modules.

### REPORTING PATHS

If Fresenius employees suspect cyber threats, they can contact [CERT@fresenius.com](mailto:CERT@fresenius.com), [CyberAware@fresenius.com](mailto:CyberAware@fresenius.com), or any cybersecurity employee. To improve reporting efficiency, suspicious emails may be reported through the Phish Alert Button, which performs an automated analysis and involves the CERT, if required. Our CERT, together with the cyber defense segment teams, investigates possible threats and incidents in our IT, manufacturing, and healthcare facility environments, as well as suspected violations. If a malicious phishing attempt is detected, the sender is blocked and the security protocols are adapted accordingly.

### AUDITS AND MONITORING

The Internal Audit departments carry out independent audits to improve the effectiveness of our risk management, internal control, and governance processes in all areas of the company. Cybersecurity aspects are taken into account in the risk-based annual planning and audit execution. The results of the audits are analyzed by the Cybersecurity

Group function and are tracked and incorporated into the ongoing improvement of existing cybersecurity activities.

Furthermore, independent auditors conduct regular and comprehensive security assessments (e.g., penetration tests, security reviews of critical systems) and certification audits (e.g., ISO 27001, Health Data Hosting – HDS). Results from audits or other monitoring activities are evaluated if internal processes have to be adjusted. Additionally, we work with management consultancies and auditing companies to review and improve our cybersecurity processes. For security reasons, we cannot make any statements about specific review processes.

## OUR AMBITIONS

It is our ambition that our patients and customers can always rely on the cybersecurity of our products and services. Hence, the objective of cybersecurity at Fresenius is to increase the maturity level of our cybersecurity capabilities, strengthen our resilience towards cyberattacks, and continuously mitigate 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 through our cybersecurity program CARE. The members of the Cybersecurity Board annually develop targeted risk treatment plans with measures to safeguard the confi-

dentiality, integrity, and availability of our digital information – and to continuously enhance the cybersecurity of our IT, manufacturing, and healthcare facility environments, as well as our medical devices.

## PROGRESS AND MEASURES IN 2022

### CARE PROGRAM

Throughout the reporting period, the various CARE sub-programs have been established to fulfil our ambition of increasing the maturity level of our cybersecurity capabilities, strengthening our resilience against cyberattacks, and constantly addressing our cyber risks. **Selected progress** in line with the CARE program structure is as follows:

- ▶ **Cybersecurity Baseline Measure Implementation (CBMI):** implementation of enhanced cybersecurity baseline measures, such as infrastructure/network hardening and standardization, secure remote access, e-mail security, application security, identity and access management controls
- ▶ **Cyber Training & Awareness (CTAP):** development of a tailored human risk model for different personas across the Fresenius workforce, further rollout of training and awareness solutions across the Group, various culture, training and awareness initiatives (e.g., CyberAware month)

- ▶ **Cyber Defense:** continued automatization of incident response processes, extension of external attack surface monitoring, monitoring of cyber risks posed by third-parties, formalized sharing of cyber threat intelligence internally and with external companies, setup of offensive security capability, launch of Group-wide training and testing of incident response procedures
- ▶ **Governance, Risk & Organization:** in-depth cybersecurity capability maturity assessment across the Group, further enhancement and rollout of metrics system, refinement of cybersecurity baseline, strategic threat intel analysis, regulatory requirements assessment, business-specific risk treatment plans, CARE program charter. Critical Assets: identification, assessment of business-critical assets, initiation and implementation of enhanced security measures
- ▶ **Medical Devices:** implementation of coordinated vulnerability disclosure process and integration in [Fresenius website](#)
- ▶ **Manufacturing:** planning and initiation of large-scale implementation projects for enhanced cybersecurity measures, such as segregation of manufacturing and IT environments
- ▶ **Health Facilities:** integration of cybersecurity into business continuity management and implementation of enhanced cybersecurity measures, such as monitoring of the healthcare facility networks.

## IMPROVEMENT THROUGH TRAINING

In the reporting year, training and awareness sessions, e. g., on new methods of phishing, have been conducted and several articles have been shared with the focus on increasing the fundamental cybersecurity knowledge. During the most recent CyberAware Month, which is organized every October, we have seen a rise and significant improvement in the level of engagement of our employees. The phishing tests conducted from 2020 to 2022 showed that the intensive training activities positively influenced our employees' security awareness. After the level of difficulty was raised last year and the initial deterioration of the phishing rate, it has since been steadily improving thanks to further training sessions. There has also been a steady improvement in the reporting rate of phishing tests. We inform the respective employees individually and directly about the results in their personal dashboard. Further information is provided at Group level on our intranet.

## EVALUATION

We initiated and rolled out effectiveness metrics in accordance with the cybersecurity metrics system. According to this system, the objective of effectiveness metrics is to determine whether security controls are operating as intended and achieving their desired outcomes. This helps us in understanding cybersecurity risks and how well prepared or resilient we are against cyberattacks, by combining leading (e. g., average phishing simulation click rate) as well as trailing indicators (e. g., mean time required to resolve incidents). Rolled out metrics are collected across all the Group's cybersecurity environments and are regularly reported to the Cybersecurity Board and CARE Steering Committee as well as visualized in a scorecard that allows cybersecurity management to steer cybersecurity efforts at Fresenius. The scorecard is shared with relevant stakeholders such as the Management and Supervisory Boards to enhance transparency regarding the overall cyber risk exposure and inform decision-making.

Overall, our **resilience metrics** indicate that we experienced only a few severe incidents during the reporting period. From a Group perspective these did not have a material impact on our business operations.

We abstain from reporting any cybersecurity specifics externally to avoid targeted attacks on our infrastructure.

## 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.

For Fresenius Group, we deem essential the following topics:

- working conditions,
- recruitment,
- employee retention,
- employee development,
- employee participation,
- occupational health and safety, and
- diversity and equal opportunities.

Occupational health and safety affect both employees and patients in our healthcare facilities. We explain our approach to this topic from page 166 onward. Diversity and equal opportunities have been identified as material to our company, and demonstrate their relevance in our Human Rights Statement and in the Human rights section starting on page 193 of this Group Non-financial Report. We report on our approach in the Diversity and equal opportunities chapter on pages 174 ff.

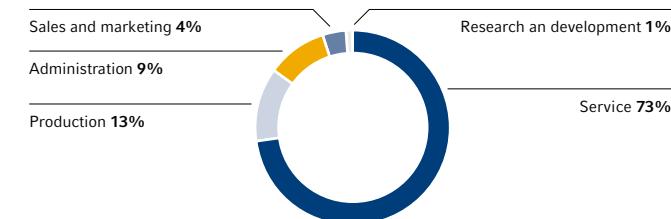
### OUR APPROACH

We want to continue attracting, retaining, and integrating talent at Fresenius. To this end, we need to consolidate and build on our position as an attractive employer in a market environment characterized by a shortage of personnel. Employee-friendly working conditions, attractive benefits, and a dialog-oriented corporate culture all help us to achieve this.

### ORGANIZATION AND RESPONSIBILITIES

The Management Board member of the Fresenius Group responsible for Human Resources (Labor Relations Director), Risk Management and Legal assumes responsibility for steering strategic Group-wide projects, e.g. the **global employee survey**. Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for the operating tasks of their business segment. The management boards of the business segments define the management approaches and regulate responsibility for human resources (HR) topics, e.g., via a business allocation plan. In the Fresenius Group HR Steering Committee, the HR managers or responsible functions of the business segments and of the Group function Corporate HR Management exchange information on a monthly basis. The Group Management Board member responsible for Human Resources (Labor Relations Director), Risk Management and Legal, participates in the meetings. As part of risk reporting, the Management Board of the Fresenius Group is informed quarterly about the effectiveness of measures in the area of HR, i.e., about risks or incidents that could have a material adverse effect on the operating business, reputation, or the value chain of the Group and its business segments. In 2022, for example, this related

### FRESENIUS MEDICAL CARE: EMPLOYEES BY FUNCTION



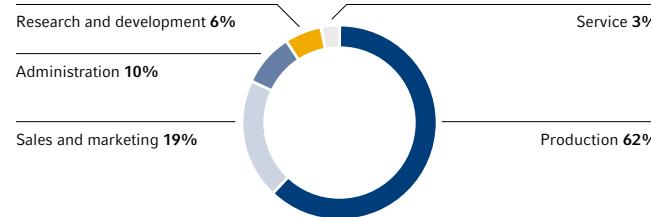
to the shortage of personnel in the healthcare sector. The Audit Committee of the Supervisory Board is informed about these developments on a quarterly base, the Supervisory Board on an annual basis. Further explanations can be found on page 86 in the Risk Report and on page 180f. in the Group Non-financial Report in the Compliance section.

We explain the interaction between the Management Board, the Supervisory Board and the employee representatives, e.g. the European Works Council, on page 157f.

### Fresenius Medical Care

The global HR function, which reports to the CEO of Fresenius Medical Care, is responsible for coordinating employment-related processes worldwide. In 2022, one of the employee-related priorities was to successfully transform the global operating model through the company's FME25 Program. This included, for example, identifying leaders to fill top positions in the new organizational structure and managing workforce migration processes. Information on the FME25 Program is included in the Group Management Report on page 33 of the Annual Report 2022.

#### FRESENIUS KABI: EMPLOYEES BY FUNCTION



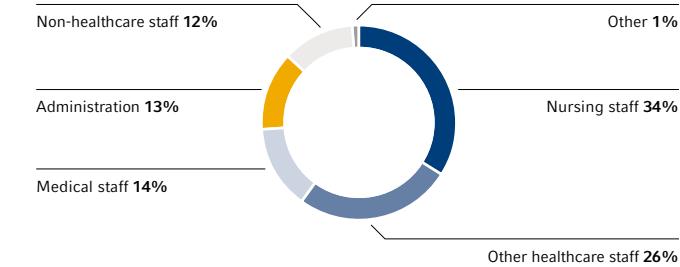
which reports directly to the head of Global HR. The CoE TLO aims to further develop talent acquisition, personnel and organizational development, and talent management, and to strengthen a company-wide learning culture and corresponding structures and offers for promoting talent at Fresenius Kabi.

#### Fresenius Helios

The divisions Helios Spain (Quirónsalud), Helios Germany (Helios Kliniken), Fertility Services and Helios Global Health with Curalie are reported at the holding level of Helios Health. Within the holding structure, there is no central function for HR. The Head of Legal and Transactions is responsible for the cross-divisional coordination of projects. The person also represents the business segment in the HR Steering Committee of the Fresenius Group. The divisional management is responsible for their operational management. The management approaches are agreed upon within the respective management bodies, e.g., via a business allocation plan. Intra-divisional exchange, including on strategic topics that include HR issues, takes place in the Helios Health Division Management Meeting. A total of six meetings were held in 2022.

At **Helios Germany**, the Central Service for Personnel Recruitment and Development is responsible for creating and implementing measures and strategies for the operating units within the clinics to attract, train and develop personnel. The Central Personnel Management and Collective Bargaining Service is responsible for structuring working conditions under collective agreements and improving the service for employees.

#### FRESENIUS HELIOS: EMPLOYEES BY FUNCTION



The central function People & Organization of **Helios Spain** is responsible for collective agreement management and negotiation, as well as ensuring that wages are in compliance with applicable regulations. From Spain's headquarters, the function participates in all collective bargaining processes through the corporate labor relations department.

Helios Spain has a dashboard to manage, evaluate, and improve the most important personnel Key Performance Indicators (KPIs). The dashboard is available to all clinics and enables them to conduct benchmark comparisons. Thus, the company provides transparency for all clinics on the most relevant KPIs and enables best-practice sharing on how to improve personnel management in our Spanish hospitals. Few clinics in the network are not yet connected to the system.

#### Fresenius Kabi

The central function Global HR steers human resources activities in the business segment together with the HR of the management board areas and other central functions. The head of Global HR reports directly to the Chief Financial Officer (CFO) of Fresenius Kabi. As part of Fresenius Kabi's Vision 2026, the organizational structure is currently being streamlined to increase competitiveness. Training and development measures for managers and employees are already underway to support this development step towards a new integrative corporate culture. For more information, please refer to page 156. For more information on Vision 2026, please refer to page 32 of the Group Management Report.

Fresenius Kabi has a global Center of Expertise for Talent, Leadership and Organizational Development (CoE TLO), including Talent Acquisition & Employer Branding and Diversity, Equity and Inclusion (DEI) in the global HR department,

Helios Spain has created a central department that brings together different talent and employee areas: Talent Acquisition and Management, Internal Communications and Employer Brand, Apprenticeship, and the Universidad Corporativa, a corporate training academy. The aim is to attract the best professionals and create an optimized workplace. With the launch of the Universidad Corporativa in 2021, an advisory board was also established, which includes a number of company and divisional directors. It is responsible for aligning and promoting the training with the strategic goals of the company.

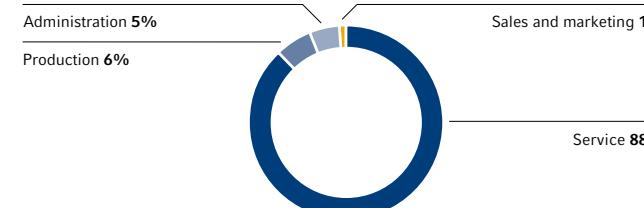
In the other divisions of the business segment, for example Fertility Services, responsibility for personnel lies with the local units. They are organized in accordance with locally applicable laws, compliance with which is checked by the local HR manager with regard to occupational health and safety and working conditions.

### Fresenius Vamed

HR at Fresenius Vamed's entities are managed by the business segment's central HR department. It reports directly to the CEO of Fresenius Vamed. The regulatory provisions in the various countries in which Fresenius Vamed is active differ; therefore, the HR department involves the local managers in a targeted manner and manages cross-company personnel measures.

The central function, together with the responsible business divisions and the Management Board, develops and implements measures to promote and train employees and new talents.

### FRESENIUS VAMED: EMPLOYEES BY FUNCTION<sup>1</sup>



<sup>1</sup> The category Service relates to nurses and other specialized personnel in healthcare.

### POLICIES AND REGULATIONS

At Group level, the Code of Conduct forms the basis for day-to-day activities. Further segment-specific guidelines are derived from it. Within the Fresenius Group, there are a large number of guidelines that determine the working environment and the scope of activities of our employees. The respective content is the responsibility of the business segments and specialist areas. **Collective bargaining agreements** set further provisions regarding wage levels and further specifications for functions, as well as tariff groups. Employees are informed by trade unions (collective bargaining partners) or employee associations (works councils) about tariff agreements, tariff negotiations and their results. This is regulated differently in the individual countries.

Furthermore, temporary workers are deployed in the segments to compensate for short-term staff shortages, especially in the care sector.

### Fresenius Medical Care

The Global Social and Labor Standards Policy outlines the business segment's position on working conditions for employees. It includes the global commitments to offer fair and transparent working conditions, to maintain a discrimination and harassment-free workplace, to respect freedom of association and the right to collective bargaining, and the prohibition of retaliation. It also covers the prohibition of child labor and modern slavery. The policy was globally rolled out in the reporting year.

In 2022, the business segment updated or newly developed a total of 10 global employee policies on relevant topics such as talent management practices, and diversity, equity, and inclusion.

In Europe, 56% of the employees are covered by a collective agreement; globally, 23% of the employees are covered by a collective agreement.

### Fresenius Kabi

Collective bargaining takes place regularly before the expiration of the respective tariff agreement. Fresenius Kabi employees are for example informed about possibilities for collective bargaining via employee letters and employee meetings. The trade unions (collective bargaining partners) or employee associations (works councils) communicate the results.

Fresenius Kabi compensates employees on both permanent and temporary employment contracts that meet or exceed local industry conditions or local minimum wages. General conditions for non-tariff employees are based on the provisions of the applicable collective agreement.

For executives regulations are agreed in the employment contract. In the United States, for example, Fresenius Kabi uses market studies of pharmaceutical industry and Global Life Sciences to develop its compensation for employees.

In Europe, 68% of the employees are covered by a collective agreement; globally, the key figure is not yet collected.

### Fresenius Helios

The Fresenius Helios hospitals apply collective agreements, including those in **Germany**, which are linked to the Helios Group collective agreement, the collective agreement for public service (TVöD), or company-specific collective agreements. In Germany, all Fresenius Helios hospitals are subject to current working time legislation, which in some cases provides for wage reopeners 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 framework with regard to working hours for the individual companies is regularly agreed by the respective company parties on-site.

In its HR policy, Fresenius Spain states that the company's success depends to a large extent on its employees. The guideline also defines the objectives of HR work; these include transparent internal communication and the development of a program for the ongoing training of employees.

In **Spain**, all workers are covered by collective agreements set by law, which set out their basic rights, such as pay and working hours. The agreements thus ensure attractive working conditions and market-oriented remuneration for workers and are negotiated with their legal representatives.

There are two different collective bargaining variants at the sites in **Latin America**: in Peru, there is only one collective agreement; it applies to all employees regardless of the union to which they belong. In Colombia, on the other hand, negotiations take place at the local level. In clinics with a collective agreement, it applies only to union members.

In Europe, 89% of the employees of Fresenius Helios are covered by a collective agreement; globally, 85% of the employees are covered by a collective agreement.

### Fresenius Vamed

Fresenius Vamed has put detailed guidelines and standards in place regarding working conditions and working hours. Compliance with these requirements is constantly monitored. In 2022, the business segment introduced a global home office and teleworking policy following the expiry of the pandemic-related regulations.

In **Austria**, the representatives of Fresenius Vamed central functions and the respective function responsible at the rehabilitation and care facilities actively participate in the respective collective bargaining negotiations for health resorts and rehabilitation facilities and private hospitals in order to ensure the best justifiable conditions for the employees of the site concerned and of the company. Where collective agreements are applicable, these are overpaid in most locations. In addition, market-specific salaries are evaluated on a regularly basis.

In Europe, 62% of the employees are covered by a collective agreement, also globally 62% of the employees are covered.

## WORKING CONDITIONS

**Global working conditions** are defined on the basis of guidelines and regulations at Group level: the Code of Conduct and the Human Rights Statement are key frameworks. Within the business segments, there are internal guidelines for employees covered by collective agreements and non-tariff employees with regard to working hours, jobs and benefits. Occupational health and safety regulations are to be applied to all persons in our healthcare facilities and operating sites, regardless of their employment relationship, but also to visitors and patients. Violations of applicable regulations can be reported via the complaint channels described on page 184f. Furthermore, there is the possibility of informing the local employee representative body, as far as they are established. How this is done is explained on page 157f.

The **remuneration** is based on requirements set by law or, where applicable, specified by the salary structures negotiated with the respective trade unions. Remuneration is usually based on local market standards and should be fair and appropriate. Any discrimination on the basis of gender or other criteria, as described in the Diversity and equal opportunities chapter on pages 174 ff., must be prevented. As an international healthcare Group, we create various incentives for employees, depending on the country and location. These include flexible working time models and the chance to participate in the company's success via variable and

performance-based compensation models. Benefits for full-time employees of the organization are also provided proportionally to part-time employees. In Germany, benefits can be based on joint agreements between employer and works councils. We describe our variable compensation models in detail on pages 383ff. of the Notes.

The collaboration with unions and works councils in various countries globally is explained on page 157f.

The feasibility of **flexible or mobile working models** depends to a large extent on both operational requirements and local conditions. In recent years, flextime models and mobile working models, among other things, have been further developed or introduced for employees in administrative areas in particular. For the Group's headquarters in Bad Homburg, for example, the FlexWork company agreement has been in place since the reporting year. Helios Germany, for example, has offered workshops on the development of new working time models at the clinic level, primarily for the medical service, but also for nursing and administration. Decisions on what to implement are to be taken at each clinic individually in order to meet local requirements. Working time models are also subject to local co-determination.

The Fresenius Group also supports employees during career changes. Intra-Group transfers, including across national borders, are made possible by the internal publication of vacancies in the business segments. This is intended to retain employees within the Group. Transition programs for people entering retirement, e. g., partial retirement, but also in the event of terminations, supplement these offers. The respective programs and measures are based on local requirements. There are individual agreements with employees or collective measures. Fresenius Vamed offers its older employees in Austria a partial retirement model, which allows for a very flexible transition to retirement.

The implementation of more flexible working models is supported by increasing **digitalization** of collaboration and work processes. In order to acquire the necessary digital skills, employees receive training tailored to their needs. For more information on the digitalization of Fresenius' products and services, please refer to the Digital transformation and innovation section on pages 131 ff.

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 the constructive exchange of ideas. We report on our global employee survey on pages 159 f. in the Progress and measures in 2022 section.

## RECRUITMENT

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 use digital personnel marketing, organize our own recruitment events, and present the company at career fairs. The majority of the recruitment processes are virtual. Depending on the pandemic situation, it was also possible to conduct applicant interviews on-site again in the reporting year. In recent years, we have significantly broadened our range of personnel marketing activities and expanded our global careers website.

## Fresenius Medical Care

The business segment is working to continuously improve its employer brand. The company aims to remain an attractive employer and recruit, engage, and retain excellent employees. To strengthen the competitive position, the company has various targets, such as reducing the voluntary turnover rate in the coming years. In 2022, the business segment issued a global **Employee Value Proposition Policy** outlining the core benefits that it wants to offer its employees as well as underlying processes, roles, and responsibilities.

## Fresenius Kabi

The departments of Fresenius Kabi are supported throughout the process by the Recruiting Center's team of experts in the search for and selection of suitable candidates. In this way, Fresenius Kabi aims to define individual requirements for vacant positions to improve the recruiting process.

The team of experts also draws on a network and in-house talent pool of candidates as well as approaching candidates actively. In the search for the best talents, it is essential to secure access to future talents for Fresenius Kabi while also focusing on the needs of existing employees.

Furthermore, Fresenius Kabi also uses temporary workers in the production and logistics areas to compensate for fluctuations in capacity utilization. Temporary workers in the administrative areas are particularly hired for short- and medium-term replacements such as in cases of pregnancy, parental leave, long-term illness, etc. Apprentices, student trainees, and interns generally work on the basis of employment contracts, specified for their internship or apprenticeship.

## Fresenius Helios

The business segment still has to deal with a specific challenge posed by Germany's Ordinance on the Minimum Requirements for Nursing Personnel in Hospitals (PpUGV),

which has increased the need for nursing personnel, of whom there is a shortage on the labor market in some areas. The search for employees focuses on the following fields of action: training of qualified personnel internally, advertising for skilled workers, and searching the international labor market. Helios Germany participates in government-led campaigns to recruit personnel on the international labor market, as well as supporting employees who have qualified as nurses abroad in their applications or in their searches for language schools in Germany. Many international nursing professionals have completed academic training at universities. This applies also to Spain, where prospective nurses complete their training at a university. These forms of vocational training are mainly aimed at complex medical activities and an often strongly cooperative collaboration in medical teams. The German vocational training system is a generalist training, which enables its participants to care for people of all ages. Specialization is possible during and after vocational training. Bringing together the strengths of the different training systems is a great advantage and offers an opportunity to advance the overall quality of medical care in the hospitals.

In Spain, nurses can specialize through a specific program after graduation – choosing between occupational health nursing, family and community health, obstetrics and gynecology, geriatrics, pediatrics, and mental health. Helios Spain has established partnerships with universities to provide classroom training and to raise its attractiveness for

potential candidates. The company's own nursing schools complement the offering by expanding their training portfolio and adapting it to new market requirements.

Helios Spain aims to further expand its position as a leading private provider of healthcare services in Spain. The division participates in various online recruitment sites and has started to promote its main vacancies through social media campaigns in 2021. The quality of Helios Spain as an employer was confirmed by various external rankings in the course of 2022.

## Fresenius Vamed

To meet the shortage of skilled workers, Fresenius Vamed has developed an employee referral program. Employees of some of the entities in Austria and Germany receive benefits for recruiting new employees, linked to the duration of the new employment relationships. Certain employee groups, e.g., members of the HR department, are excluded from participation in this program. In order to counteract the shortage of skilled workers in a timely and efficient manner, cooperation with various training institutions such as schools, universities, and technical colleges has been intensified in the specific areas of expertise. In addition, vocational training concepts are continuously revised so that Fresenius Vamed can train the necessary skilled workers. The business segment is also increasingly using digital recruiting channels in order to be able to address qualified specialists from abroad.

## Fresenius Corporate

For Fresenius SE & Co. KGaA as well as Fresenius Digital Technology, the goal is to achieve a positive candidate experience in the recruitment process. It is supported by:

- ▶ the use of social media and the career website to make the activities at Fresenius tangible,
- ▶ clear communication in job descriptions that set realistic expectations for the position and working environment,
- ▶ respectful interactions with applicants through regular communication along the entire recruitment process and early communication in the event of rejection.

In the reporting year, it was again possible to hold some interviews on-site, in accordance with the applicable health protection guidelines, which are drawn up by the central Business Continuity function depending on the situation.

## EMPLOYEE RETENTION

Fresenius offers various benefit components on a corporate and business segment level. These encompass, for example, employee benefit programs, profit-sharing bonuses, pension plans, compensatory time accounts, and tariff-based future payments. Not all elements are implemented equally within the Fresenius Group, but can, however, be accompanied by local benefits depending on the market and employee requirements and regulatory provisions.

## Fresenius Medical Care

The Total Rewards packages of Fresenius Medical Care are designed to reflect the relative value of each job and support career progression in line with market trends and local requirements. In 2022, the company started a review of its global rewards strategy, including existing approaches and ongoing activities. From 2023, the business segment aims to further define the global rewards strategy, harmonize programs and processes, and set global standards on topics such as salary structures. The development of a global **job architecture** will increase the transparency and comparability of positions. It will also serve as a basis for making decisions on career development, compensation and benefits offers, and strategic workforce planning.

In 2022, Fresenius Medical Care developed a **Fair Pay Statement**. This global position statement outlines the commitment to applying fair pay and compensation principles to its employees. The business segment focuses on developing pay structures that are market competitive and internally equitable. The pay structures are also designed to support career progression and reward and incentivize measurable performance.

## Fresenius Kabi

Due to the ongoing reorganization measures, Fresenius Kabi's management approach to employee retention focuses on creating structures that support the long-term success of the business segment. After successful implementation of the planned measures within the framework of Vision 2026, further employee retention activities can be implemented as needed. In addition, the business segment is already working on potential approaches to strengthen its employer brand.

## Fresenius Helios

At Fresenius Helios, the largest employee group comprises trained nurses and doctors, who account for more than half of the employees in the business segment. The share of nursing staff in the total number of employees in the hospital varies depending on the size of the hospital. In Germany, it averages more than 40%; in Spain, it is more than 20% due to the higher proportion of outpatient treatment compared to German clinics. Therefore, employee retention measures must be specified to meet the needs of nurses or doctors, which vary from those of staff working in administrative functions. As flexible working models are limited in the nursing sector, benefits are granted here in particular, such as private supplementary health insurance, old-age provision, or in Spain also the conversion of salary components for defined benefits. The compatibility of family and

career is also promoted. For example, Helios Germany offers child care places for employees' children in 35 kindergartens – both in company and cooperative facilities.

### Fresenius Vamed

The benefits offered to Fresenius Vamed employees are diverse. In Austria, the benefits range from occupational health offers, employee restaurants or meal vouchers, employee discounts (e.g., for our health tourism facilities), a pension fund, supplementary health insurance, employee parking, company apartments, and child and vacation care, to flexible work models (e.g., part-time models, home office). Depending on the facility and collective bargaining options, employees in Germany receive special benefits and discounts at the segment's hospitals and tourist facilities as well as with external providers (e.g., fitness studios). Furthermore, they receive subsidies for the company pension plan, and they can use bike leasing or job tickets. In the Czech Republic, employees receive a specific budget with which non-financial benefits can be obtained according to their individual preferences. In Switzerland, employees are also offered various benefits, e.g. via hotel cards or fuel cards.

### DIALOG AND FEEDBACK FORMATS

In 2022, a Group-wide employee survey was carried out for the first time, in which all business segments took part. Details can be found on page 159 f. under Progress and measures in 2022.

**Fresenius Medical Care** strives to give every employee the opportunity to provide feedback and engage openly and directly with the company. In 2022, Fresenius Medical Care developed a global policy that lays out the approach for systematically conducting engagement surveys and responding to the results. Furthermore, the business segment conducted its third global engagement survey in the reporting year. Fresenius Medical Care uses these surveys to identify strengths, as well as opportunities to improve the working environment. The employee engagement score is based on three aspects: how many employees would speak positively about Fresenius Medical Care, how many intend to stay with Fresenius Medical Care, and how many feel motivated to perform at Fresenius Medical Care.

**Fresenius Kabi** attaches great importance to dialog with employees across hierarchical levels. The business segment mainly conducted dialog and feedback formats online in 2022. To support dialog between management and employees, Fresenius Kabi published video messages from the CEO on relevant topics on the global intranet, for example. In addition, digital formats as well as on-site meetings fostered the exchange between the CEO of Fresenius Kabi and top executives.

For the second time, Fresenius Kabi conducted a global employee survey in 2022. The business segment also uses regional employee surveys to sustainably increase employee

satisfaction, gain valuable insights into business processes, and increase loyalty to the business segment.

The business segment uses an IT-based annual talent review for dialog and feedback on performance, competencies, and development potential for upper management levels. It also serves to strengthen the exchange between employees and their superiors on the individual development planning. On this basis, Fresenius Kabi identifies, evaluates, and develops executives and the management board areas worldwide. In addition, for example, all employees in the United States participate in performance appraisals and set targets together with their supervisor. The set targets are evaluated mid-year as well as annually.

The clinics of **Fresenius Helios** offer appraisal interviews to employees. From these, the superiors obtain important information for future engagement as well as for individual further and advanced training planning. The divisions also conduct employee surveys. The findings of these are intended in particular to strengthen employee loyalty and reduce staff turnover. In Spain, employees can also enter into a structured dialog with their superiors by means of a feedback program.

In the other divisions of Fresenius Helios, no central guidelines have been implemented for the design of the employee dialog.

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 healthcare sector and personality-building seminars to customized language training and IT seminars.

The appraisal interview offers managers and employees at **Fresenius Corporate** a further opportunity for constructive exchange based on a structured process. The employees hold a feedback discussion together with a manager. The assessment of defined key competencies provides the basis for this discussion. In addition, non-tariff employees agree their annual targets as part of the appraisal interview and carry out the associated assessment of the target achievement.

## EMPLOYEE DEVELOPMENT

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 structures. They constantly adapt their approaches 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 in the following. 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. This is why we offer applicants many opportunities to start their career pathways in our company. In 2022, more than 6,300 young people were doing dual vocational training and/or dual study at our locations in Germany. Across the Group, we offered 44 posts requiring formal training and 33 dual degree programs. Compared to the 2021 training year, the Group's range of training opportunities was expanded once again. The dual study program in Sustainable Science and Technology with the study directions Occupational Safety

or Environmental Protection Technology, and Business Administration Insurance, as well as the training program for Insurance and Finance were offered for the first time. The classic direct-entry route aside, Fresenius also offers graduates trainee programs for further professional orientation.

For explanations of vocational training in Spain, see page 152.

### Digitalization of the training offered

Driven in part by the COVID-19 pandemic, Fresenius' development and training offerings have been digitalized to a large extent in recent years. Numerous employee development measures and mandatory training courses are now held regularly as webinars or e-learning courses. Among other things, this enables fast and up-to-date, tailored training courses, e.g. in the area of hygiene, which is particularly important during the ongoing COVID-19 pandemic. Some formats are less effective if only offered in digital form, so training for certain topics was conducted in hybrid form or entirely in person again in 2022, if the pandemic situation

### TRAINEES AND TRAINING RATIO FOR GERMANY

	2022	2021	2020	2019	2018
Trainees <sup>1</sup>	6,361	6,305	5,985	4,952	4,354
Training ratio	6.43	6.38	6.18	5.44	4.94

<sup>1</sup> Includes vocational training and university students

permitted to do so. In particular, interaction-oriented modules of the programs for new executives were conducted in person. The organization of digital learning opportunities takes place mainly on the learning platforms of the business segments or is carried out by the Group function Corporate HR Management. 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 platforms enable documentation of participation in training measures and success checks, for example through final tests.

### Leadership development

We offer two Group-wide programs to our executives. Working together with the Harvard Business School, we focus on the concept of Maximizing Leadership Impact among holders of top management positions in order to increase their effectiveness. In a leadership program that targets middle to upper management and is run in conjunction with the University of St. Gallen, we focus on strategy implementation and change management.

Additionally, the business segments have developed market-specific development programs for executives.

### Fresenius Medical Care

The business segment has introduced online learning platforms that allow employees to pursue their career goals and interests in a self-directed manner. For example, the Advanced Renal Education Program provides employees with access to courses on topics such as chronic kidney disease and home dialysis. Fresenius Medical Care aims to continuously increase participation in the digital learning

schemes. In this context, the company has developed a global learning measurement strategy that aims to improve learner experience and drive employee engagement. In 2022, more than 16,000 employees participated in self-directed courses on the digital platforms. Furthermore, through the learning management system, some 156,000 users worldwide participated in training courses on topics such as compliance, leadership, and health and safety. In addition, Fresenius Medical Care provided certain employee groups with specific training. In the U.S. alone, 9,500 leaders have completed our regional leadership development program since 2014.

### 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 responsibilities. Mandatory global training for employees is carried out internally. This includes, for example, training on the Code of Conduct.

All employees who are directly involved in production, as well as employees who work in a supporting role (e.g., technical maintenance, IT) receive mandatory training in job-related good manufacturing, control, and distribution practice and in 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 at Fresenius Kabi, postings to other countries are also used to promote professional and personal development. These comprise both long- and short-term postings, which also contribute to meeting specific staffing needs.

Furthermore, to improve Fresenius Kabi's **succession planning**, the business segment has introduced a new process. The Management Board regularly reviews defined key functions of the business segment regarding succession and development opportunities.

A Group-wide New Leaders Program is a targeted development measure to support employees in their first leadership role. Since May 2021, 40 participants from Fresenius Kabi have taken part in the program. Experienced leaders also get the opportunity to reflect on, improve, and refresh their leadership skills. Furthermore, the Step leadership development program for executives in the management board area of the Chief Operating Officer (COO), which was launched in 2021, was continued in the reporting year 2022.

### Fresenius Helios

Employee training and development activities help Fresenius Helios achieve its 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, along with regular employee and career interviews, are therefore firmly anchored at Fresenius Helios.

Especially in the nursing sector, the demand for skilled workers has continued to increase over the past few years. For this reason, Fresenius Helios intends to acquire a large proportion of the necessary nursing personnel through in-company training or training cooperations. In Germany, the business segment has 34 own training centers. At the Helios Academy, in the training centers and in other country-specific training programs offered by Fresenius Helios, employees can learn, train, and further develop their expertise – in professional and personal skills.

In Spain, the business segment focuses on cooperations with universities and also operates university hospitals and training facilities itself. In contrast to Germany, where nurses receive vocational education and training, Spanish nurses are educated at universities, as described on page 152. In Spain, more than 5,000 students are trained annually by experts; they acquire practical skills during their undergraduate and postgraduate training. The division also has 8 university hospitals where the classroom-based content of a medical school is taught and more than 400 medical staff are fully trained each year. In its two nursing schools, Helios Spain covers classroom and hands-on training as well as vocational training; for example, to qualify students as Imaging Technicians for Diagnosis and Nuclear Medicine and Technicians in Radiation Therapy and Dosimetry.

### Fresenius Vamed

Fresenius Vamed's training program is designed to cover the heterogeneous training needs that exist 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 (HCM) Program, which prepares employees with potential to take on leadership and specialist roles.

All employees are free to use Fresenius Vamed's own Academy. Their courses and training cover not only 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 the healthcare professionals working for Fresenius Vamed.

### Fresenius Corporate

At Fresenius SE & Co. KGaA, training opportunities are available to all employees. These include seminars 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. A mandatory qualification program has been established for new

managers to support the leadership and feedback culture. Mandatory training courses on compliance, cybersecurity or occupational safety are rolled out on an annual basis as a minimum.

### EMPLOYEE PARTICIPATION

#### Exchange with employee representatives

Trust and cooperation between management, employees, and employee representatives is well established at Fresenius and is 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 is detailed in our commitment to respect the international standards mentioned in our Code of Conduct and our Human Rights Statement. Fresenius SE & Co. KGaA respects freedom of association and recognizes the right to collective bargaining. Employees have the right to join or not to join a union in accordance with local laws. We do not tolerate discrimination based on trade union membership and act accordingly. We are committed to an open and solution-oriented dialog between employees and their representatives, and our management within the relevant legal and operational frameworks. For more information, see the chapter on Human rights on pages 193 ff.

Employees liaise with their supervisors, but they can also turn to their HR or compliance officers, as well as to the works council, their union representatives, or other employee representatives for assistance. In Europe, about 79% of our employees are covered by collective bargaining agreements. 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. Where this is not the case, country-specific collective bargaining agreements can be negotiated with local trade unions or comparable social partners. On a global basis, about 55%<sup>1</sup> of our employees are covered by collective bargaining agreements.

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. Further information is included in the business segment sections.

Fresenius has reached an agreement with the European Works Council (EWC), establishing a **structured dialog** with the global unions; meetings are subsequently held once a

year between representatives of the business segments, the employee representatives of the Supervisory Board, and representatives of the international trade union associations. In the reporting year, the meeting took place in November. The exchange was about activities relating to human rights due diligence and reorganization processes and impacts on employees in the Group.

#### Dialog at European level

Fresenius SE & Co. KGaA has a EWC comprising 21 employee representatives from 14 countries as of December 31, 2022. These individuals come from the European Union (EU) and EEA (European Economic Area) member states in which Fresenius employs personnel. In total, the Fresenius Group employs 181,017 people in Europe, which corresponds to 57% of the total number of employees. Of the employees in Europe, Germany alone accounts for 55%.

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. The management informs and consults with the EWC on the following topics, for example: the structure as well as the 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, partially 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 HR management, the digital transformation, the Group-wide cost and efficiency program, and compliance matters relating to the Group's human rights declaration, sustainability and corporate social responsibility (CSR). In 2022, the EBR also discussed the global engagement survey as well as international projects, such as those in logistics or the supply chain. Another focus area was the impact of the COVID-19 pandemic and the war in Ukraine on Fresenius' employees. To this end, an exchange of information took place on the situation in the individual countries.

At its annual meeting, the EWC entered into a dialog with the Management Boards of Fresenius Kabi, and Fresenius Medical Care.

The EWC elected six employee representatives to the Supervisory Board of Fresenius SE & Co. KGaA, including at least one representative of the trade unions.

<sup>1</sup> Based on about 92% of Fresenius Group total employees.

## OUR AMBITIONS

Fresenius SE & Co. KGaA as well as its four business segments pursue segment-specific ambitions. We want to build on the position of our business segments as drivers of innovation in the healthcare sector. Our aim in doing so is to attract new employees who contribute to the company's success through their willingness to perform, their expertise, their experience, and their willingness to work together as a team.

**Fresenius Medical Care** set a global target of achieving an employee engagement score that is in line with the healthcare industry benchmark of 63% by 2027. The business segment identifies individual learning needs through development and career conversations. In 2023, Fresenius Medical Care intends to roll out a globally harmonized performance management process to over 50% of its employees via its global performance and development platform. The company plans to offer access to this process to the remainder of employees in early 2024.

**Fresenius Kabi** wants to be the employer of choice. With its Vision 2026 the business segment wants to make a cultural change and advance the company culture together, in the terms of how the company works together, what values it stands for, how it makes decisions, and how it develops the next generation of leaders. To achieve this, it is important to have continuous feedback.

**Fresenius Helios** has dedicated targets in Spain and Germany with regard to annual investments in the training and education of employees. In view of the ongoing digitalization and increased use of e-learning, whether these targets need to be adjusted should be examined. In 2022, there was no adjustment to the investment target of 0.4% of segment sales.

Fresenius Helios continued the development of training portfolio management, the aim of which is to evaluate and market employee training and further education options and services more effectively – internally and externally.

For Helios Germany, the priority in the reporting year was to create working that support the public image of the company as an attractive employer. The increasing shortage of skilled workers on the labor market made the search for suitable personnel even more difficult. Against this background, it is necessary for Helios to differentiate itself from competitors, as well as to create attractive working conditions for current and future employees.

Part of Helios Spain's quality strategy is the fulfillment of various KPIs, including the implementation of two mandatory training courses for employees on the topics of patient satisfaction and patient safety. In addition, the training offering has been expanded to adapt it to the future generation of employees, to meet the challenges in the healthcare sector, and to promote patient care through the use of digitalization and technology.

**Fresenius Vamed** continually evaluates its own vocational training and development programs; where necessary, the business segment develops and implements adaptation or improvement measures. Fresenius Vamed also continually

optimizes its HR development processes through additional digitalization. The objectives for training and further education at Fresenius Vamed are determined in the context of the Vamed personnel strategy and brought in line with ESG and sustainability targets. The business segment aims to strengthen its leadership culture by offering targeted training programs for managers and to expand the range of courses offered by the internal training and development platform Vamed Academy.

## PROGRESS AND MEASURES IN 2022

In the reporting year, Fresenius conducted its first Group-wide employee survey. Employees were asked about topics of identification with the employer, attachment to the employer, and work motivation. Further, the business segments were able to include specific questions in addition to the general questions set. The participation rate was 56%<sup>1</sup>. The aim of the survey is to obtain a picture of opinion and sentiment about working at Fresenius and to increase our employees' level of commitment to us as an employer. Once the survey is completed, a Group-wide Engagement Index will be created from selected questions collected globally. The initial evaluation revealed an engagement index of 4.1 within the range of 1 (strongly disagree) to 6 (strongly agree). The index is the weighted average of engagement scores derived from a business segment's entities included in the survey. In addition to the three engagement questions, the survey focused on the identification with the company as well as

<sup>1</sup> Share of employees based on the eligible headcount number at the time of the survey. The evaluation excludes Fresenius Vamed and the fertility services business.

the team work, manager feedback and recognition. These questions are not part of the Engagement Index. A complete evaluation of the results is expected in the first quarter of 2023. This will be followed by a review and a definition of concrete measures to be derived from the findings.

A Group-wide employee survey will be conducted annually from now on selected topics. The KPI Employee Engagement Index collected in this way is also included in the Group Management Board compensation. Further information on compensation can be found in the Compensation Report starting on page 243 of the Annual Report 2022.

#### FRESENIUS MEDICAL CARE

To gain an even better overview of the workforce and to support the development of future performance indicators, the business segment is implementing a global HR digital information system. This system is already in place in Asia-Pacific, Latin America, and North America and covers roughly 70% of the total workforce. Fresenius Medical Care expects to complete the global rollout of the system with the Europe, Middle East, and Africa region in 2023.

#### FRESENIUS KABI

The global employee survey conducted for the first time in 2021 was further evaluated in the reporting year. The analysis identified potential for improvement in global HR work. For example, it showed that employees would like to see a clearer strategic direction for the business segment. Fresenius Kabi has already developed and adopted Vision 2026 in the reporting year 2021, which shows a clear strategic direction. In addition, it became clear in the further analysis that internal processes and decision-making could also be improved in order to be able to react quickly to changes and pick up on new developments in a dynamically changing market environment. Other key findings emerged in relation to employee identification with Fresenius Kabi and the strengthening of the employer brand in order to improve the company's position when recruiting specialists and managers. Overall, Fresenius Kabi's first global employee survey shows an above-average level of satisfaction compared to other companies. To further improve employee satisfaction, selected executives are developing additional measures, for example, with regards to the employer brand. In the reporting year 2022, for example, Fresenius Kabi already successfully conducted Diversity, Equity and Inclusion (DEI) training sessions with the company's top executives. A global employee survey was also conducted in 2022 which was completed with a participation rate of around 70%, comparable to the survey in 2021. Furthermore, compared

to the survey in 2021, the business segment was able to improve in one category and are at or above the pharmaceutical industry benchmark.

The business segment conducted further regional employee surveys. The 2021 employee survey in **Switzerland** revealed a sustained high level of overall employee satisfaction. Three key topics could be derived as goals from the survey results: the further development and advancement of employees, improvement of collaboration and communication with other teams, and workload and work-life balance. In collaboration with the HR department, concrete goals were developed and implemented for these three areas.

The employee survey 2021 in the **United Kingdom** showed a good level of engagement. The results were shared with the employees and used to develop action plans and implement measures. Notably, the frequency of employee communication was increased through more Town Hall and departmental meetings. Further an interaction app-based communication to manage news and feedback was introduced and the Employee Engagement Forum, which manages regular discussions with a cross-section of employees, HR and managers to discuss important issues, was launched.

Furthermore, a learning program for employees in **Asia-Pacific** was introduced in 2022, providing competency-based development across different hierarchy levels over three years. The course focuses, for example, on building relationships with key stakeholders, acquiring and learning tools that empower and strive towards exploring business opportunities, developing a broad repertoire of team leading skills, and driving behavior shifts and accountabilities.

#### FRESENIUS HELIOS

In the reporting year, Helios Germany employed temporary workers year in order to meet the minimum regulatory requirements in the area of nursing and medical services and thus to be able to prevent the closure of wards.

Employees who are not covered by collective wage agreements are remunerated at market rates.

In the area of training, a program for non-management staff was developed to identify potential future managers. Rolled out from the headquarters of Helios in **Germany**, employees at the clinic sites can be nominated for this program by the responsible HR managers and the management. This program serves to strengthen the internal training of future managers and retain talent within the company.

In addition to the Group-wide employee survey, Helios Germany will use the evaluation of its employees to derive future measures to improve employee engagement. The evaluation and analysis of the results will take place at the beginning of the 2023 reporting year.

**Helios Spain** has established an advisory board consisting of various managers from medical functions. These jointly define training priorities for medical staff, and develop training courses, e.g., a master's course in emergency medicine, which was held for the first time at the end of 2021 into 2022. Furthermore, the cooperation with the Business School IESE was continued and two training programs on advanced healthcare management were held.

#### FRESENIUS VAMED

In the reporting year, the digital training offering for employees in subareas of Fresenius Vamed was expanded in a targeted manner. As the use of homeoffice continued even beyond the pandemic, new learning modules in the area of hybrid working were rolled out for both managers and employees.

In addition, the entire learning offering of the Group-wide training academy was brought onto a common training platform. This has enabled employees to organize all their training and development activities via a central platform since the reporting year.

In Germany, a dedicated program for junior managers was newly introduced to enable management assistants and project managers to take on management functions.

#### FRESENIUS CORPORATE

At the beginning of 2022, we introduced a modern and standardized recruiting process for Fresenius SE & Co. KGaA and Fresenius Digital Technology. The focus is on clear responsibilities from the first contact with candidates through the application process to hiring and onboarding. We have also combined the topics of employer branding and recruiting in a single department in order to position Fresenius even better as an attractive employer and to facilitate the onboarding of new employees.

## EVALUATION

In fiscal year 2022, the Fresenius Group continued to face strong competition for personnel in the healthcare markets. Particularly in the hospital sector, it became apparent that positioning as an employer, working conditions, and the design of attractive working models are essential in order to be perceived as an attractive company.

It is also assumed that the vocational training situation in Germany and Austria may worsen in 2023. This supports our ambition to set the focus on training junior staff and specialists in the company's own training facilities.

In the reporting year, no violations of internal policies with reference to employees were reported via our reporting channels whose impact would have been material for the financial position or reputation of the company. Further information on opportunities and risks can be found in the Opportunities and Risk Report starting on page 85.

At the end of the 2022 fiscal year, the Fresenius Group had 316,920 employees, which was on the previous year's level (December 31, 2021: 316,078). In terms of FTE (full-time equivalents), this represented a slight increase of 0.3%.

The regional distribution also remained at the previous year's pattern: about 31% of employees are employed in Germany, 26% in the rest of Europe, and 24% in North America.

### EMPLOYEES (HEADCOUNT) BY BUSINESS SEGMENT

	2022	2021	2020	2019	2018
Fresenius Medical Care	<b>128,044</b>	130,251	133,129	128,300	120,328
Fresenius Kabi	<b>42,063</b>	41,397	40,519	39,627	37,843
Fresenius Helios	<b>125,700</b>	123,484	116,952	106,377	100,144
Fresenius Vamed	<b>20,184</b>	19,721	19,414	18,592	17,299
Corporate/Other	<b>929</b>	1,225	1,255	1,238	1,136
<b>Total as of Dec. 31</b>	<b>316,920</b>	316,078	311,269	294,134	276,250

### EMPLOYEES (FTE) BY BUSINESS SEGMENT

	2022	2021	2020	2019	2018
Fresenius Medical Care	<b>120,216</b>	122,909	125,364	120,659	112,658
Fresenius Kabi	<b>40,286</b>	39,579	39,032	38,264	36,423
Fresenius Helios <sup>1</sup>	<b>104,509</b>	101,652	96,899	88,057	82,522
Fresenius Vamed	<b>16,182</b>	15,730	15,364	14,770	13,665
Corporate/Other	<b>831</b>	1,141	1,166	1,154	1,060
<b>Total (FTE) as of Dec. 31</b>	<b>282,024</b>	281,011	277,825	262,904	246,329

<sup>1</sup> FTE: For Helios Kliniken Germany, the number of employees converted to the full collectively agreed working time on monthly average (Vollkräfte)

### EMPLOYEES (HEADCOUNT) BY REGION

	2022	2021	2020	2019	2018
Europe	<b>181,017</b>	180,122	174,835	165,862	158,939
thereof Germany	<b>98,920</b>	98,754	96,915	91,014	88,086
Europe excl. Germany	<b>82,097</b>	81,368	77,920	74,848	70,853
North America	<b>77,614</b>	76,740	75,837	74,894	72,672
Asia-Pacific	<b>26,833</b>	27,145	27,805	27,457	25,575
Latin America	<b>29,529</b>	30,192	30,871	23,998	17,610
Africa	<b>1,927</b>	1,879	1,921	1,923	1,954
<b>Total as at Dec. 31</b>	<b>316,920</b>	316,078	311,269	294,134	276,750

Our distribution of **employees by function** remained largely unchanged in 2022: 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 healthcare facilities.

The **rate of new hires<sup>1,2</sup>** in relation to the overall number of employees in each business segment is evidence of our efforts within recruitment. The length of service<sup>1</sup> within the Group can vary with acquisitions in the business segments. In 2022, the average was 8.4 years (2021: 8.3 years).

In 2022, the proportion of employees who **voluntarily left<sup>1,3</sup>** the company increased to 14.7% (2021: 12.8%). Main reasons for this development are the transformation processes at business segment level, were the uncertainty in the labor market associated with the COVID-19 pandemic, stressful labor conditions in the healthcare sector and thus an increase in early turnover as well as people leaving the industry. We explain this development in detail in our business segments and measures taken to correspond to this situation in the Employee development section on page 155 ff.

## NEW HIRES<sup>2</sup>

in %

	2022	2021	2020	2019	2018
Fresenius Medical Care	<b>26.0</b>	23.7	23.1	24.7	21.7
Fresenius Kabi	<b>16.9</b>	17.1	13.5	17.1	16.9
Fresenius Helios <sup>1</sup>	<b>20.0</b>	22.9	18.0	16.9	19.9
Fresenius Vamed	<b>23.6</b>	18.4	18.4	17.8	22.5
Corporate/Other	<b>14.5</b>	11.0	6.1	11.2	12.5

## AVERAGE LENGTH OF SERVICE

in years

	2022	2021	2020	2019	2018
Fresenius Medical Care	<b>7.9</b>	7.6	7.3	6.8	7.1
Fresenius Kabi	<b>7.9</b>	7.9	7.9	8.6	7.5
Fresenius Helios <sup>1</sup>	<b>9.2</b>	9.3	9.4	9.9	9.9
Fresenius Vamed	<b>8.5</b>	7.8	7.7	6.9	7.8
Corporate/Other	<b>7.8</b>	7.8	7.5	7.3	7.3
<b>Total</b>	<b>8.4</b>	8.3	8.2	8.1	8.2

## VOLUNTARY TURNOVER<sup>3</sup>

in %

	2022	2021	2020	2019	2018
Fresenius Medical Care	<b>19.9</b>	16.5	11.9	14.3	13.2
Fresenius Kabi	<b>11.4</b>	11.3	7.1	9.2	9.4
Fresenius Helios <sup>1</sup>	<b>11.1</b>	10.1	9.0	8.6	5.8
Fresenius Vamed	<b>10.7</b>	9.3	7.8	7.6	9.5
Corporate/Other	<b>14.2</b>	3.5	1.7	3.5	3.8
<b>Total</b>	<b>14.7</b>	12.8	9.8	11.0	9.8

<sup>1</sup> The data from Fresenius Helios includes all employees from its divisions, except for the fertility services division, which only covers the Spanish entities in 2022.

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

<sup>3</sup> 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 **average age**<sup>1</sup> of Group employees was 42.5 years (2021: 41.6 years). The majority (54%) 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 again the demand for a high proportion of skilled and experienced employees in our business segments.

The results of the group-wide **employee engagement survey** will be further evaluated in 2023, as explained on page 160. The Fresenius Group plans to continue conducting employee engagement surveys in the future to create an engagement index. If possible, units not included in the reporting year will be taken into account.

#### AVERAGE AGE

Fresenius Medical Care					
Fresenius Kabi					
Fresenius Helios <sup>1</sup>					
Fresenius Vamed					
Corporate/Other					
<b>Total</b>					

	2022	2021	2020	2019	2018
<b>44.1</b>	42.1	41.7	40.8	40.8	
<b>39.5</b>	39.2	39.9	38.7	38.4	
<b>41.6</b>	41.5	41.6	42.0	41.7	
<b>44.1</b>	44.3	44.0	41.2	43.6	
<b>38.9</b>	39.7	39.3	39.1	38.9	
<b>42.5</b>	41.6	41.7	41.0	41.0	

#### FRESENIUS MEDICAL CARE

At the end of 2022, the number of employees at Fresenius Medical Care worldwide was 128,044 compared to 130,251 in 2021. The average tenure of employees increased to 7.9 years (2021: 7.6 years).

The voluntary turnover rate was 19.9% in 2022. This increase reflects a highly competitive labor market, especially in the clinic and manufacturing sectors. It also reflects a shortage of healthcare workers and the challenging

environment created by the COVID-19 pandemic. To address this, the business segment implemented various measures to help managers improve employee retention.

#### FRESENIUS KABI

Total employees at Fresenius Kabi increased slightly in the reporting year. The external hires as well as the voluntary turnover were marked by the constraints for personnel in the healthcare market, a development which we also experienced in the other business segments.

#### AGE STRUCTURE

Dec. 31	2022			2021			2020			2019			2018		
	Below 30	Between 30 und 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	15%	55%	30%	16%	58%	26%	17%	58%	25%	18%	56%	26%	16%	57%	27%
Fresenius Kabi	22%	59%	19%	21%	60%	19%	22%	61%	17%	23%	60%	17%	23%	60%	17%
Fresenius Helios <sup>1</sup>	20%	52%	28%	20%	52%	28%	20%	51%	29%	18%	53%	29%	19%	53%	28%
Fresenius Vamed	16%	47%	37%	16%	47%	37%	15%	49%	36%	16%	50%	34%	15%	50%	35%
Corporate/Other	28%	48%	24%	25%	51%	24%	25%	53%	22%	24%	54%	22%	25%	54%	21%
<b>Total</b>	<b>18%</b>	<b>54%</b>	<b>28%</b>	<b>19%</b>	<b>55%</b>	<b>26%</b>	<b>19%</b>	<b>55%</b>	<b>26%</b>	<b>19%</b>	<b>55%</b>	<b>26%</b>	<b>18%</b>	<b>55%</b>	<b>27%</b>

<sup>1</sup> The data from Fresenius Helios includes all employees from its divisions, except for the fertility services division, which only covers the Spanish entities in 2022.

For training of employees in production on quality management an average of almost 29 hours was spent per employee in 2021. The quality management training for employees from previous years were updated and additionally supplemented by quality trainings for new employees. In addition to mandatory trainings, the KPI includes targeted trainings on communication and social skills for quality experts.

#### AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE IN PRODUCTION<sup>1</sup> REGARDING QUALITY

	2022	2021	2020
Production (training hours/average)	28.8	25.9	20.1
Number of employees included in the calculation (FTE)	23,800	23,700	21,800

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

#### FRESENIUS HELIOS

The total number of employees increased in the reporting year at Fresenius Helios. Employee retention measures were initiated early and thus, we were able to respond to the impacts on the labor market. In all countries in which the business segment operates, the pressure on the labor market remained.

In Spain, the various measures to retain and develop employees were further expanded, as explained on page 161.

In 2022, a total of 472 training sessions were held in Germany in the fields of emergency medicine, anesthesia, intensive care medicine, and obstetrics at own simulation and emergency facilities, thus training a total of 3,618 physicians and nurses.

#### FRESENIUS VAMED

At Fresenius Vamed, the number of employees increased by 2%. In 2022, the business segment recorded an increase in employee terminations from 16% to 2,139 (2021: 1,838). The voluntary turnover rate increased from 9.3% to 10.7%. The reason for this development is the unchanged highly competitive labor markets in all divisions of Fresenius Vamed. The main influencing factors are the structural shortage of skilled workers due to demographic change and the changing preferences of younger generations. These requirements must be countered by appropriate measures for personnel retention and development. Furthermore, the high demands on employees in the healthcare sector, e.g. restrictive protective measures as well as other possible limitations, also had an impact.

#### FRESENIUS CORPORATE

The decrease of 24% in the number of employees is attributable to internal transformation measures. These provided for tasks in the IT area to be transferred to an external partner. This was a transfer of operations in accordance with Section 613a of the German Civil Code (BGB), which ensured job security and unchanged general conditions at the external partner.

The internal restructuring also had an impact on the other key figures due to a significant increase of voluntary employee terminations. Further, in the area of age groups, some employees accepted the offer of partial retirement in 2022. In addition to voluntary fluctuation, this has led to a change in the weighting of the age structure.

## 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 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 business segments. These focus on occupational health and safety within production, as well as occupational health management for healthcare 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.

### ORGANIZATION AND RESPONSIBILITIES

Occupational health and safety (OHS) is decentrally organized within the Fresenius Group. Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for operational management. Responsibility for occupational health and safety

is regulated by the respective Management Boards of the business segments, their committees or management functions. They decide on the management approaches and responsibilities, e.g. via a business allocation plan. The business allocation plan of the Fresenius Group Management Board does not provide for a separate department for this purpose. As part of risk reporting, the Fresenius Group Management Board is informed quarterly about occupational health and safety, i.e. about risks or incidents that could have a significant impact on the operating business, the reputation or the value chain of the Group and its business segments. The Audit Committee of the Supervisory Board is informed of these developments on a quarterly basis, as well. The Supervisory Board is informed on an annual basis. For further information, please refer to page 86 in the Risk Report and page 180f. in the Non-Financial Group Report, section Compliance.

The business segments have internal specialists that ensure that the respective guidelines and regulatory requirements as well as specific frameworks for the local entities are applied. They define management approaches as well as company-wide guidelines for the business segments. Data on OHS is recorded and reported regularly, for example on a monthly or quarterly basis, to identify deviations. If deviations occur, our specialists initiate root cause analysis and evaluation, and corrective or preventive actions are implemented where necessary. Regular internal audits, in some cases annually, support the verification of data and management approaches, for entities both certified in accordance with ISO 45001 and without certification. Thus, we ensure that internal guidelines and regulatory provisions are complied with.

Physical and mental **health and safety risks** are identified, analyzed and evaluated at workplace level and reduced to an acceptable level through targeted measures, or even completely eliminated. The corresponding risk assessments are carried out at regularly – often at least once a year – and in close consultation with the respective department heads and local responsible experts. Corresponding documentation is provided in the safety and health protection documents.

If an entity, be it in production or in the clinical setting, uses **biological agents**, these substances are evaluated in accordance with the applicable legal regulations. The corresponding internal risk assessment is recorded in a health and safety document and preventive measures are established before the respective process is initiated.

The ISO 45001 certified sites have an **occupational health and safety committee**. In addition, national requirements are to be applied, which might also include the provision to establish health and safety committees. At their meetings, the committees discuss identified risks and possible measures, and also review the effectiveness of the defined measures. At clinic locations in Germany and Spain, local employee representatives have also formed respective committees. At Fresenius Vamed, staff from temporary employment agencies can also participate in occupational health and safety committees or are informed about decisions.

## Fresenius Medical Care

In the reporting year, Fresenius Medical Care established an Occupational Health and Safety function within its Global Legal department. This function drives the company's global OHS strategy and manages related activities including setting and monitoring global goals, targets, and Key Performance Indicators (KPIs). In the reporting year, the business segment also agreed on several short-, mid- and long-term OHS targets that will form the basis of its global OHS strategy.

## Fresenius Kabi

Responsibility for occupational health and safety management at Fresenius Kabi is anchored in the management board areas and local organizations; global management responsibility lies with the central organization, which reports to the responsible member of Fresenius Kabi's Management Board.

Fresenius Kabi has implemented standard operating procedures (SOPs) and further instructions as well as guidelines to provide a global framework for occupational health and safety. A management handbook and additional SOPs provide a consistent framework for the local occupational health and safety management of ISO 45001 certified organizations.

Experts in the central OHS function analyze and evaluate occupational health and safety programs, working procedures, risks, and objectives, and facilitate exchange of information about occupational health and safety throughout the company. Risk assessment is an important part of occupational health and safety management. Based on the outcomes of risk assessment, occupational health and safety

measures are developed and implemented locally. According to global SOPs, OHS risks must be reviewed at least annually or in case of operational changes or, accidents, for example. Employees are involved in risk assessments.

## Fresenius Helios

The senior management team of **Helios Germany**, the Helios Occupational Health business segment and the Helios Infrastructure 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 currently looks after about two-thirds of all the employees in the division in Germany as well as Xenios, a Fresenius Medical Care company. At local level, we work closely with the relevant accident insurance institutions in the interests of our employees. The Helios Occupational Health business segment in Germany also has an Occupational and Organizational Psychology department.

The members of the local Occupational Health and Safety Committees at Helios Kliniken in Germany take a targeted approach to monitoring the various aspects of occupational safety and health promotion. Meetings are held quarterly by the Occupational Health and Safety Committees. 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. There are also established processes for occupational reintegration management in the clinics in Germany and Spain. People

who are reintegrated after a longer period of absence undergo a process accompanied by experts from various specialist departments. The aim is to restore the ability to work within the scope of the individual's possibilities.

Fresenius Helios hospitals have risk assessments for the individual workplaces and maintain lists of hazardous substances. The risk assessments are to be reviewed every two years and on an ad hoc basis to ensure that they are up to date. As a preventive measure, Helios Germany also conducts occupational health and safety inspections of areas of the hospitals to detect potential risks. The main risk areas are identified via accident reports or information from employees and undergo rigorous assessment. As part of a risk assessment, these are then analyzed. Psychological risks can also be identified through employee surveys as part of a psychological risk assessment. Derived measures are developed in a targeted manner by Helios Occupational Medicine and the supervisor, and implementation is driven forward.

**Helios Spain** has implemented a policy on workplace safety, which is applicable at all company levels and locations. It is supported and controlled by a management system for health and safety at work that has been coordinated with the health and safety committees and approved by management. It has undergone the legally required audits in Spain, as well as internal audits and certifications. The implementation and monitoring of the OHS system is taken care of by specially authorized employees.

The standardized occupational health and safety approach across its entities is complemented by a company-wide training platform for specific workplace-related risks. Various KPIs, including absenteeism, occupational illness, and work-related injuries, are consolidated for all hospitals on a monthly basis in a single standardized system and are evaluated. Based on this, measures are then taken to reduce absenteeism and prevent accidents at work.

The OHS system includes processes for identifying hazards and deficiencies, assessing risks for incidents, and determining measures for control, correction or mitigation, and prevention, and improvement. These risk assessments comply with applicable legal requirements for risk assessment and the implementation of necessary controls. They include all employees who perform or have access to routine and non-routine activities in Helios Spain workplaces. All current and planned workplaces, procedures, (OHS) processes, and tasks located or performed at the centers, as well as their design, are assessed – as are human factors such as personal behavior. Also covered are the design of infrastructure, equipment, and materials in the workplace, whether provided by Helios Spain or by third parties. The assessments also include hazards that arise in the immediate vicinity of the workplace from work-related activities under the control of the division, as well as those that exist outside the workplace but potentially affect the safety and health of its

employees. The risk assessments include both physical and psychosocial risks. In assessing psychosocial risks, Helios Spain identifies those jobs and occupational groups that potentially pose greater psychosocial risks; it also proposes remedial measures. A review of the risk assessments is conducted at least every three years, or more often if required.

The **Fertility Services** division is present in 10 countries – and each country has different regulations regarding occupational health and safety. Therefore, each country has its own function responsible for OHS, usually reporting to the Human Resources (HR) department or directly to the local country management. The Compliance Steering Committee at Helios Fertility headquarters monitors compliance with OHS regulations in the various countries during its regular meetings.

#### **Fresenius Vamed**

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 broad 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 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. The legal provisions and the supporting internal guidelines, underline the importance of 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 healthcare and medical personnel. In Austria, Fresenius Vamed has issued a safety manual valid throughout the country as well as procedural instructions. As part of Fresenius Vamed's integrated quality management system, they regulate safety and health protection throughout Austria.

To prevent work-related injuries and occupational accidents, all new employees receive safety training at the very beginning of their employment. In Austria, the safety center of Vamed Technical Services employs several safety specialists. This center is responsible for the safety-related support of operations. In order to maintain and further develop their competence, all safety specialists are subject to a focus-specific training program adapted to the respective needs of the organization. In addition, the manager of the safety center is certified as quality, safety, risk, and environmental manager and as lead auditor.

Switzerland has its own safety officers who are responsible for occupational safety and data protection. In addition, there is a dedicated CIRS Circle (Critical Incident Reporting System – CIRS): this is a committee of representatives from different areas, who analyze critical and near-critical situations, in order to develop and implement solutions.

In the Czech Republic, there are not only safety officers, but also a legally required categorization of work into safety levels. This categorization is performed by in-house responsible persons. The categories determine what protective clothing the employer must provide for the respective workplace and the scope of occupational health examinations of the respective employee.

### Fresenius Corporate

Occupational safety is regulated for Fresenius Corporate in accordance with statutory requirements and is managed via the Corporate Real Estate Management department. The occupational safety specialists provide advice and support on all issues relating to occupational health and safety. This includes, for example, determining the need for risk assessments as well as their preparation, implementation and effectiveness monitoring.

### Patient safety

In addition to the health and safety of our employees, the safety of patients in our facilities is also of great importance. For information on patient safety in the context of medical treatment, please refer to the chapter on Patient and product safety on pages 113 ff. Beyond that, Fresenius Helios and Fresenius Vamed, for example, have implemented various measures to protect patients from hazardous situations outside of medical treatment. Such hazardous situations can be, for example, fires, power outages or weather-related circumstances, like ice on parking lots or hospital

access ramps in winter. If such a situation occurs, appropriate emergency and fire protection plans are in place, for example to ensure the evacuation of patients. The hospital staff are prepared for such crisis situations through annual mandatory training. Business continuity plans for crisis situations complement the existing safety measures.

### CERTIFICATIONS AND COMMITMENT

Our commitment in the business segments regarding OHS is supported, monitored, and certified by external partners or regulatory bodies. The overarching ambition of the management system according to ISO 45001 is to improve occupational health and safety management and ensure the effectiveness of existing procedures and systems. To drive this forward, we are consistently expanding the number of entities certified with this standard. Audits performed by other external bodies are scheduled with the local management.

The applicable occupational health and safety regulations and instructions for employees of the Fresenius Group also apply to individuals with temporary employment contracts. This ensures that people performing work on a company site or in our buildings are protected to the necessary extent.

### Fresenius Medical Care

Some of the production sites and dialysis clinics of Fresenius Medical Care are certified according to international health and safety standards. These include ISO 45001 in Europe, the Middle East, Africa, as well as Latin America, and the Australian Council on Healthcare Standards (ACHS) in Asia-Pacific. In addition to external audits by relevant authorities,

internal reviews and audits are conducted to monitor compliance with corresponding regulations, policies, and procedures.

### Fresenius Kabi

A global management system in accordance with the international ISO 45001 standard supports occupational health and safety at Fresenius Kabi. The global management handbook and SOPs provide global management requirements for the certified organizations' local management. The management system covers all employees as well as temporary workers at certified sites. The certified entities set local targets to enhance the occupational health and safety management. The local management reviews it at least once a year with regard to its continued suitability, appropriateness, effectiveness, and potential for improvement. Global internal audits ensure implementation of the management system. Furthermore, it is audited on an annual basis and certified by TÜV Rheinland.

At Fresenius Kabi, 34 manufacturing plants are certified according to the ISO 45001 standard. The company is working on rolling out the ISO 45001 certification globally to all manufacturing plants by 2023<sup>1</sup>. In 2022, the coverage was 67%.

<sup>1</sup> The implementation will 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 Kabi aims to improve occupational health and safety processes and align them with internationally recognized standards. In 2022, nine additional manufacturing plants were included in the ISO 45001 certification of Fresenius Kabi. The general occupational health and safety standards cover all employees of the business segment.

### **Fresenius Helios**

Helios Germany has developed its own structured approach to occupational safety and occupational medicine that complies with regulatory requirements. This includes all employees. For more information, see the Organization and responsibilities section on page 167.

Based on ISO 45001 and Spanish regulatory provisions, all hospitals at Helios Spain are required to report occupational health and safety incidents along with their cause, lost time, illnesses and absenteeism, as well as other KPIs, in a SAP system and to transmit them to the social security system.

### **Fresenius Vamed**

Fresenius Vamed ensures that the regulatory provisions for occupational health and safety are implemented. The ISO 45001 certifications of entities complement the internal management approaches at selected locations, as well as further ISO certifications or external national certifications like SwissReha. The healthcare facilities in the Czech Republic are audited and accredited to the national standard every three years by an external commission.

### **REPORTING SYSTEMS**

All business segments have notification systems for accidents at work.

**Fresenius Medical Care** began collecting and reporting on work-related fatalities on a global level in 2021. It further tracks and analyzes accidents at local and regional levels, identifies their root causes, and takes corrective action.

**Fresenius Kabi** organizations document and analyze all work-related accidents and incidents worldwide – for both its own employees and temporary workers. Occupational accidents are categorized according to their severity and reported to the responsible central OHS function and other relevant functions of the business segment depending on their severity. For example, work-related accidents that result in at least one day of absence must be reported within two working days to the central OHS function; other, less severe accidents without or with less than one day of absence are reported on a quarterly basis. All reported accidents are investigated, and the results are documented in respective reports. Fresenius Kabi also documents first-aid cases and unsafe situations including near misses. These are taken into account in the analysis of occupational health and safety.

**Fresenius Helios** uses a CIRS for critical incidents and near misses at all hospitals. Further information can be found in the Patient and product safety section on page 120.

If an accident occurs in a clinic, a defined process must be followed in order for the person affected to have recourse against the accident insurance organization: the person involved in the accident reports the event to the responsible function depending on the local organizational structure, e.g., the HR department. The clinic must then file a report with the accident insurance organization within a specified period.

At all **Fresenius Vamed** sites, reporting procedures are in place to identify and prevent work-related injuries. In Austria these are, for example, the reporting of occupational accidents and near-accidents and preventive workplace evaluation. All work-related accidents and all events that almost lead to an accident are documented locally. In addition, the HR department reports all accidents with lost days to the accident insurance, in accordance with country-specific requirements.

### **TRAINING**

Fresenius SE & Co. KGaA and all the business segments conduct regular occupational health and safety training to prevent incidents in their fields of operation, at least on an annual basis for standard programs. For potential incidents with high risk, the training frequency is higher in some cases. Helios Germany, for example, conducts quarterly drills on the power failure scenario, in different parts of the building each time.

In our clinics, employee health and safety training courses cover, besides general topics, specific areas such as the safe use of sharps and disposables, hand hygiene and infection control, as well as prevention of emergencies

and their control. Health and safety training provided in our production sites focuses, for instance, on hand hygiene, the safe handling of work equipment, hazardous chemicals, and emergency prevention and response. Training provided at the production sites focuses on, among other topics, the safe handling of work equipment and chemicals, and emergency prevention and response.

In the United States alone, more than 48,000 employees of Fresenius Medical Care completed health and safety training in 2022. Helios Spain also identifies additional training needs for risk prevention in the workplace.

## OUR AMBITIONS

Occupational health and safety is highly relevant for the Fresenius Group. The aim is to define a Group-wide KPI that will serve as a long-term performance indicator and be reported. Further details can be found in the Compensation Report on pages 243 ff.

Our business segments manage their occupational health and safety measures in line with segment-specific ambitions.

**Fresenius Medical Care** plans to include a further global indicator, the Lost Time Injury Frequency Rate (LTIFR) in the reporting beginning in 2023.

**Fresenius Kabi** wants to continue the improvement of its occupational health and safety management. The ambition of the business segment is to prevent all work-related accidents and continually improve workplace safety. To

achieve this, Fresenius Kabi is developing appropriate occupational health and safety programs and measures with local managers.

The introduction of a system for the comprehensive recording of occupational and commuting accidents is planned for all German **Helios hospitals**. The result of a pilot project will be evaluated in the first quarter of 2023. In future, key figures such as the LTIFR are also to be collected. A corresponding pilot phase was carried out in 2022. For the introduction of the system, Fresenius Helios is closely cooperating with the German accident insurance institutions and internal managers. In the future, Helios Germany will also collect data for preventive health and safety at work purposes. For Helios Spain, the central corporate strategy provides process ambitions as well as KPI targets for occupational health and safety at the clinics.

**Fresenius Vamed** currently collects relevant key figures locally that may result from occupational accidents. In the future, changes in occupational health management will also be evaluated to an increasing extent. For this purpose, a survey was conducted for the first time in the reporting year to determine the extent to which employees take advantage of offers for workplace health promotion.

## COVID-19 PANDEMIC

During the ongoing COVID-19 pandemic in the reporting year, the safety and health of our patients, employees, their families, and the communities in which we work were again the focus of our response activities. For their protection and

to secure the continuity of all operational and administrative activities, we have developed specific protection concepts, measures, and working regulations. We reapplied these in 2022 depending on the pandemic situation and based on regulatory and internal assessment. With regard to hygiene in particular, we had to take special measures. At times, our employees also had to face restrictions, e. g., by wearing personal protective equipment (PPE), or carry out additional work, for instance in the case of necessary admission controls.

There has been continuous and direct communication with the employees of all sites and companies ever since the beginning of the pandemic. The specially established crisis teams communicated the hygiene and medical requirements as part of regular communication in the Group, taking into account the respective local official regulations and country-specific ordinances and laws.

## PROGRESS AND MEASURES IN 2022

In 2022, Fresenius Medical Care rolled out a **Global OHS Policy**. This policy outlines the key principles in this area. In the reporting year the business segment also began reporting on a new global indicator: the Total Recordable Injury Frequency Rate (TRIFR). This indicator is defined

as the total number of recordable work-related injuries per 200,000 hours worked in a year. To help it track and monitor accidents more efficiently, the business segment started to develop a global **OHS IT management tool** in 2022. The tool will initially be rolled out to all locations in North America and Latin America as well as global production sites. Fresenius Medical Care has set itself the target of using this tool in 80% of those locations by the end of 2023.

In 2022, Fresenius Medical Care continued with the **global OHS risk assessment**. A preliminary risk analysis identified injuries from needlesticks, slips, trips, and falls as the biggest risks for the company's operations. Based on these findings, Fresenius Medical Care performed a global analysis on the risks derived from:

- ▶ insufficient safety standards in the provision and maintenance of the workplace, workstation, and work equipment,
- ▶ absence of appropriate protective measures to avoid exposure to chemical, physical, or biological substances, and
- ▶ lack of training and instruction of employees.

As agreed in the business segment's project roadmap, it intends to further identify and prioritize high-risk areas and to develop specific risk mitigation measures.

In December 2021, a serious fire occurred at a **Fresenius Kabi** production site in China, resulting in the deaths of five employees and one other person being hospitalized. An investigation of the incident and the cause of the fire was initiated immediately; an investigation by authorities concluded in February 2022 that no misconduct by a Fresenius Kabi employee directly caused the fire. Nevertheless, the business segment has reviewed relevant SOPs and specified requirements related to fire safety. The implementation of the new SOP regarding fire safety has been accompanied with several training meetings and further awareness-raising measures conducted by the global EHS team. Further, Fresenius Kabi developed and deployed a safety program for slip, trip, and fall accidents in 2022.

Since the reporting year, **Helios Germany** has been developing a system for the comprehensive recording of occupational and commuting accidents for all German Helios clinics – with the aim of establishing it in 2023. At two clinics, the new data tool was successfully implemented in the existing HR management program on a test basis. In the reporting year, the division continued to examine whether an integrated management system for occupational health and safety should be introduced in Germany.

**Helios Spain** also implemented new occupational health and safety projects in 2022. Among other things, all training courses on occupational health and safety were updated and translated into inclusive language. In addition, the procedure against harassment and violence in the workplace was adapted in line with a new European directive. In addition,

the division included sexual violence in risk assessments in line with the requirements of new Spanish regulations.

In the reporting year, improvements were made at **Fresenius Vamed** in the area of occupational health and safety. For example, the business segment in Germany initiated the implementation of DIN ISO 45001 together with the Helios Kliniken Group. The aim is to create a uniform occupational health and safety management system (ASM system) in order to optimize occupational health and safety in a standardized manner. In Switzerland, adjustments were made in line with the requirements for occupational safety according to H+ and a focus was placed on the safe handling of chemicals. In Austria, Fresenius Vamed implemented initiatives on addiction prevention, among other things.

## EVALUATION

In 2022, no fatalities were reported for the Fresenius Group, related to misconduct or deficiencies in the occupational health and safety measures. Further, no violations of internal policies on occupational health and safety were reported via our reporting channels whose impact would have been material for the financial position or reputation of the company. Further information on opportunities and risks can be found in the Opportunities and Risk Report starting on page 85.

## FRESENIUS MEDICAL CARE

No work-related fatalities were recorded between 2020 and 2022. In 2022, the TRIFR was equal to 2.55.

## FRESENIUS KABI

Fresenius Kabi performs global internal audits at its organizations to confirm compliance with applicable requirements and identify potential improvements. As necessary, the company develops measures to exploit this potential together with local responsible persons. Due to the COVID-19 pandemic, most audits continued to be conducted digitally in 2022. Quarterly virtual meetings took place with representatives from the organizations to exchange learning points about work-related accidents and their future prevention.

Occupational accidents are categorized according to their severity and are investigated by means of a standard investigation template. Furthermore, local management assesses the investigation reports to decide whether technical improvements, additional working equipment or instructions, or further training are required to avoid reoccurrence in future and to improve occupational health and safety for employees. Fresenius Kabi calculates the LTIFR<sup>1</sup> from the data it collects and uses this as an indicator to measure performance; the LTIFR increased to 2.9 in 2022 due to a higher number of minor lost-time cases compared to the previous year. Even though the number of lost-time cases has increased, no serious injuries have been reported. Fresenius Kabi also considers the lost time injury severity rate (LTISR)<sup>2</sup> in the analysis. Occupational health and safety reports are submitted to the Management Board and other relevant functions of Fresenius Kabi on a quarterly basis. The occupational health and safety report provides

information about, for example, LTIFR, LTISR, the severity of the occurred injuries, the type of accidents and the identified root causes.

### LOST TIME INJURY FREQUENCY RATE<sup>1</sup>

Fresenius Kabi	2022	2021	2020	2019
LTIFR	2.9	2.4	2.3	2.6

## FRESENIUS HELIOS

Qualified occupational health and safety specialists and occupational physicians examine whether 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 BGW (Berufsgenossenschaft für Gesundheitsdienst und Wohlfahrtspflege – Employer's Liability Insurance Association for Health Services and Welfare). Various audits, sometimes internal, of Fresenius Helios in Germany enable consistent analysis of existing procedures, validation of processes, and effective optimization of the occupational health and safety management already in place. Experts from the field of occupational health and safety, and hygiene, monitor jointly the management of occupational health and safety based on regulatory provisions. They cooperate on an ongoing basis across segments and developing improvement processes.

**Helios Germany** documents accidents locally and assesses the potential for associated risk, with a specific assessment carried out on-site; this is then discussed and assessed together with the relevant supervisory authorities. Time management reports which document absences and absenteeism and their development are recorded and evaluated locally in hospitals. Further, accident figures are evaluated at each meeting of the local health and safety committee. Based on this, Fresenius Helios takes measures to reduce absenteeism and prevent occupational accidents. In addition to the figures resulting from accident reporting, on-site local audits in particular serve to monitor the effectiveness of risk evaluations and local occupational safety and health management approaches.

**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 location in Spain reports on a monthly basis on the development of the key figures. At Helios Spain, there are dashboards for monthly monitoring of absenteeism, occupational accidents, and general illness. The development of the indicators is assessed, and in case of deviations, the division implements optimization projects to reduce absenteeism.

The **Fertility Services** division reports work-related fatalities to the country's and corporate Compliance Steering Committee. It monitors the incidents and takes appropriate measures to prevent work-related accidents and illnesses. Between 2018 and 2022, no work-related fatalities occurred in the division.

<sup>1</sup> LTIFR: Number of work-related accidents resulting in at least one day of absence from work in relation to 1,000,000 working hours.

<sup>2</sup> LTISR: Number of days absent due to work-related accidents in relation to 1,000,000 working hours.

## FRESENIUS VAMED

Fresenius Vamed systematically records the number of occupational accidents as part of a quarterly data collection. Despite numerous new hires, the number of occupational accidents increased only slightly in the reporting year.

All Fresenius Vamed locations are subject to regular occupational health and safety inspections in close coordination with the respective area managers and operational employees. At Fresenius Vamed, work-related incidents must not only be reported, but they also trigger an audit of existing work processes and of any proposed changes and the implementation thereof. Corresponding internal guidelines are available. The aim is to minimize risks and prevent the recurrence of hazards. Therefore, 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 specialists. To ensure a holistically structured approach, an SOP has been implemented.

At the end of 2021, an evaluation of mental stress in the workplace was carried out by an external provider. The lead companies at the headquarters participated in the evaluation, which set out to derive further findings for improved working conditions. The results are expected to be available at the beginning of 2022. Based on the results, measures will be developed going forward. The results were analyzed at department level and, depending on the area concerned, measures were derived. In areas with particular potential for improvement, in-depth workshops with an occupational psychologist could be held on request in order to derive further measures.

## 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, gender, ethnicity, nationality, cultural background, sexual orientation, physical condition, appearance, or other personal characteristics. This extends equally to employees, business partners, and patients. 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 in our daily work, neither internally nor externally. Our managers have a special responsibility in this respect and act as role models. These values and our aspirations with regard to diversity are laid down in the Fresenius Code of Conduct, which is binding for all employees. This Code makes our stance clear, i.e., to support equal opportunities for all. This lays the foundation of our cooperation and corporate culture. Further information on our approach to equal opportunities is provided in the Human rights section on pages 193 ff.

For further information on our diversity concept for the Management Board and the Supervisory Board, please see our Corporate Governance Declaration on page 227.

Information about fair compensation can be found in the Employee chapter on pages 150 ff.

## ORGANIZATION AND RESPONSIBILITIES

With the Fresenius Code of Conduct, the Group Management Board provides the framework for shaping diversity and equal opportunities. The strategic and operational responsibility for these topics lies with the respective Management Board committees or management of the business segments.

In order to be able to address existing and potential challenges in connection with diversity and equal opportunities on a context-specific basis, the business segments have also defined responsibilities at regional level.

**Fresenius Medical Care** has a main contact for diversity, equity, and inclusion (DEI) in North America, who is focused on supporting the advancement of the key objectives in this area in alignment with the global inclusion and diversity work. She is supported by both the business segment's DE & I Executive Committee and its DE & I Council.

**Fresenius Kabi** has a Center of Expertise Talent, Leadership, and Organizational Development (CoE TLO), which reports directly to the head of the Global Human Resources (HR) department. The CoE TLO is tasked with anchoring DEI in the management board areas and supporting the HR functions in their activities with a global framework. The DEI department is responsible for the region North America within the regional organization, supported by a regional Steering Committee. Activities there focus on building competencies for diversity- and equity-friendly and inclusive

behavior and developing regional DEI concepts for Fresenius Kabi employees. The committee is chaired by the Management Board member responsible for the North America region and meets on a monthly basis.

At **Fresenius Helios**, the Director of HR in Germany has responsibility for diversity in the German clinics. A diversity working group was set up in 2021 for the strategic development and implementation of overarching measures. In the hospitals, the clinic management is responsible for implementing diversity concepts. Since 2022, representatives of the clinics who further develop the topic at clinic level and manage related projects have been meeting in the Helios diversity network. In regular meetings, they discuss the main topics and push projects for the various dimensions of diversity.

Each clinic in Spain employs an equal opportunities officer, who is specially trained and exercises an advisory function for the respective management. In addition, the equality plan is monitored by a central committee comprising members from the management and employee representatives, who report on the implementation and development status at the locations. With specific action plans, measures are implemented to ensure inclusion and equal opportunities for all employees in the clinics and healthcare facilities.

For more information, please refer to the Progress and measures in 2022 section, on page 178.

For other entities or countries in which the business segment is active, the HR manager or medical director, for example, are responsible to follow best practices and country regulations regarding diversity.

At **Fresenius Vamed**, a diversity and gender representative oversees equality issues.

At **Fresenius Corporate**, the Corporate HR Management is responsible for DEI. Experts in various divisions develop training courses, communication material and programs in joint discussion with other Group functions.

## POLICIES AND REGULATIONS

The [Fresenius Code of Conduct](#) defines the Group-wide values and principles for dealing with diversity and equal opportunities. In addition, the business segments use internal guidelines to set out their respective approaches. In Germany, our home market, various regulations exist to which the Fresenius Group and its German entities have to adhere to, such as the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz), the Remuneration Transparency Act (Entgelttransparenzgesetz) and the Works Constitution Act (Betriebsverfassungsgesetz).

**Fresenius Medical Care's** commitment to inclusion and diversity is incorporated in its [Code of Ethics and Business Conduct](#). New policies were established in 2022, see page 178 in this chapter.

At **Fresenius Kabi**, the focus in all personnel-related processes is on equal opportunities for all employees, taking into account all individual characteristics, e. g., education, ethnic background, gender or age. The company values of Fresenius Kabi form the basis for the day-to-day actions of all Fresenius Kabi employees and are part of its [Code of Conduct](#). In North America, Fresenius Kabi published an **Equal Employment Opportunity Statement**, which is a commitment to comply with non-discrimination laws and embraces and supports the diversity strategy of this region.

**Fresenius Helios** is committed to operating in a non-discriminatory and equal opportunity manner. In Germany, this aspiration is also anchored in Helios' vision and mission with its six guiding principles and is reflected in the guiding principle of Working together. Helios Germany signed the Charter of Diversity ([Charta der Vielfalt](#)) and has been specifically developing tools on this basis to strengthen and live diversity in all dimensions since 2022. For more information, please refer to the Progress and measures in 2022 section, on page 178. The Helios intranet makes information, internal

and external networks, and examples of best practice transparently available to employees. Helios' framework agreements ensure non-discrimination and diversity in recruitment. Collective agreements and works agreements stipulate that all employees are entitled to the same benefits. Further information can be found on pages 149 ff. of the Group Non-financial Report.

**Helios Spain** commits to a diverse corporate culture in its Code of Conduct. The management of Helios Spain has introduced gender equality tools – for example in the form of integrative language and training and in procedures such as personnel selection processes and internal promotions. Furthermore, it is important to prevent sexual harassment or gender discrimination, for example.

In 2022, 62% of Helios Spain's employees were covered by equality plans. 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. Equality plans are regularly updated, therefore, negotiations with trade unions are conducted on an ongoing basis.

At the **Fertility Services** division in Spain, led by the respective HR departments equality plans were developed and implemented targeting non-discrimination measures.

For example, the division has implemented a training policy that standardizes the access to training offers. Also, all employees were informed about the whistleblower channel and the prevention protocol in situations of harassment and discrimination. The equality commissions of the Spanish societies received topic-specific training.

At **Fresenius Vamed**, non-discrimination and the promotion of diversity in HR processes are enshrined in explicit formal regulations.

#### REPORTING SYSTEMS AND 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 notification systems – anonymously, if necessary, as described in the Compliance section on page 184. Further, business segments offer online platforms for reporting violations of corporate principles to the company in various languages.

Incidents involving discrimination are processed via the responsible function and, depending on the severity of the incident, escalated, for example to regional or central level. At Helios Germany, for example, a crisis management team is deployed to advise on the specific procedure to be used on a case-by-case basis. In addition, employees have the option of confiding in an ombudsperson in the event of conflicts or misconduct.

At Helios Spain, incidents involving sexual and gender-based harassment can be recorded via a dedicated complaint protocol.

All information is carefully examined and appropriate action taken in accordance with 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, are implemented.

#### 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 140 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. In order to integrate equal opportunities in all processes and workflows, the business segments develop diversity concepts that are adapted to the requirements of their respective business models and regions.

## EMPLOYEES WITH DISABILITIES

The Fresenius Group also employs people with impairments, some of which are severe disabilities. The spectrum not only includes people in wheelchairs or with mental disabilities. Survival of cancer, or diabetes, rheumatism, depression, back problems, or cardiovascular disease can also be the cause of an impairment.

Fresenius is committed to the **inclusion** of severely disabled people. We want to enable our employees to apply their knowledge and skills as fully as possible. In doing so, the respective local legal requirements must be implemented. As these differ significantly in some cases, management is decentralized and local. For example, severely disabled employees in Germany are entitled to a workplace suitable for the disabled, part-time work if the disability requires shorter working hours, special protection against dismissal, and additional leave.

In Germany, elections for representatives of the severely disabled are held every four years at Fresenius facilities where at least five severely disabled persons are employed on a more than temporary basis. All members of the company can stand for election to the office of representative for severely disabled persons.

## INTEGRATION OF INTERNATIONAL NURSING STAFF

To support its foreign employees, in particular foreign nurses, Helios Germany already began to train staff as integration managers in 2020. In 2022, 72 integration managers had already completed training. They supported nurses who had come to us from abroad when they arrived in Germany, helping them to deal with authorities and providing support in other situations. The aim here 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. To further promote cultural openness and understanding among the teams, a total of 27 responsible employees were trained as cultural ambassadors in 2022.

## OUR AMBITIONS

Promoting diversity and inclusion at all levels of the company is a priority at Fresenius. The Fresenius Group Management Board welcomes the activities within the business segments to further build on this diversity in future and benefit from it more widely.

For the **Fresenius Group**, diversity targets have been communicated for the first and second management level below the Management Board. Information is provided in the Corporate Governance Declaration starting on page 227 of the Annual Report 2022.

In 2020, **Fresenius Medical Care** defined gender diversity targets to be achieved in 2025. The company reached these targets in 2022 in the context of its organizational transformation. As a result, the Management Board of the company has set new diversity goals. By the end of 2027, Fresenius Medical Care aims to increase the share of women in the first level below its Management Board to 35%, and the share of women in the second level to 45%. The first management level below the Management Board includes all managers worldwide who directly report to a member of the Management Board and participate in the long-term incentive plan (LTIP). The second management level includes all managers worldwide who directly report to a manager of the first management level and participate in the LTIP.

Fresenius Medical Care also set itself the goal of increasing the representation of women in management positions to reflect the percentage of women in the global employee population by 2030. Furthermore, the company aims to grow the number of ethnically diverse managers in the U.S. year over year by 2030.

Fresenius Medical Care has additionally developed objectives for specific focus areas. For example, it aims to increase the global number of **Employee Resource Groups** (ERGs). These groups refer to employees who build a network based on shared common interests. They are designed to increase participating employees' sense of inclusion and belonging in the workplace. ERGs also provide a platform

for employees to engage with various elements of the company's mission, values, business objectives, and sustainability efforts. By end-2022, Fresenius Medical Care had 16 ERGs. Going forward, the company expects this number as well as the number of employees engaged in such groups to grow.

## PROGRESS AND MEASURES IN 2022

In 2022, a Group-wide communication campaign in the internal employee newspaper on the topic of diversity was initiated.

In 2022, **Fresenius Medical Care** issued three global policies aimed at advancing this material topic: the Diversity, Equity, and Inclusion Policy, the Employee Resource Group Policy, and the Diverse Candidate Slate Policy. The company also educated its leaders on how to model inclusive behaviors. In the U.S. alone, it conducted ten training sessions with more than 2,500 leaders and employees to foster understanding about the value of inclusion in the workplace.

In the reporting year, the management approach and the governance structure of **Fresenius Kabi** remained as reported in 2021. Progress focused on diversity and inclusion training for top executives globally. Fresenius Kabi implemented two global initiatives for its top executives. The DECIDE program focuses on unconscious bias in, for example, recruiting processes or promotion. The program equips participants with tools and methods to reduce

unconscious biases in their daily work. The INCLUDE initiative focuses on inclusive leadership practices, aimed at strengthening inclusive, engaged, and effective teams. In addition, a global guide on inclusion issues with tips for inclusive behavior in the workplace was published on the DEI intranet site.

**Helios Germany** focused on giving the topic of diversity more emphasis and visibility in 2022. New structures were created, such as the aforementioned Helios diversity network, and measures were implemented. For example, diversity is now mandatory as training subject at Helios Germany training centers. In addition, the Helios knowledge goal Diversity has been developed, including raising employees' awareness of everyday and systemic racism. New pages on the intranet and [website](#) (German language only) provide information.

**Helios Spain** implemented various measures to foster inclusion and equal opportunities. For example, compatibility of work and childcare was improved. Further, the division introduced a penalty protocol against sexual or gender-based harassment, and a procedure for language sensitization. For internal promotions, preference shall be given to the less represented gender.

In 2022, one of **Fresenius Vamed**'s lead Austrian companies implemented training on the topic of unconscious bias for the recruiting department and in leadership development. In the reporting year, 33 participants, including 30 executives, completed the training. The business segment also integrated the training into the on-boarding process of new

managers. Improving communication and cooperation between the different generations – referred to as generation management – is also a key HR issue. It is to be gradually integrated into existing personnel processes in particularly affected areas of the company. In Germany, personnel training sessions on the topic of inclusion have been held.

In central recruiting for the divisions of Fresenius Vamed in Austria, too, conscious attention is paid to inclusion and age diversity. The integration of refugees was continued in 2022, as people from Ukraine were actively sought and recruited, among other places via the platform [Jobs for Ukraine](#).

At **Fresenius Corporate**, awareness was raised at various levels regarding the equal treatment of different employee groups. This primarily affected managers, but also employees. In 2022 this included, for example, training sessions on the topic of unconscious bias or the structured annual HR dialogs with all divisional managers, in which diversity and equal treatment were discussed and measures derived where necessary.

As a key aspect of the Group's strategy, diversity is also applied in the variable Management Board compensation. For more information, please refer to the Compensation Report of the Annual Report 2022 on page 243.

## FEMALE EMPLOYEES

Dec. 31

Fresenius Medical Care

Fresenius Kabi

Fresenius Helios

Fresenius Vamed

Corporate/Other

**Total**

	2022	2021	2020	2019	2018
Fresenius Medical Care	69%	69%	69%	69%	69%
Fresenius Kabi	51%	51%	50%	50%	50%
Fresenius Helios	75%	75%	75%	75%	75%
Fresenius Vamed	63%	62%	62%	63%	64%
Corporate/Other	46%	40%	38%	39%	39%
<b>Total</b>	<b>69%</b>	<b>69%</b>	<b>68%</b>	<b>68%</b>	<b>68%</b>

## EVALUATION

If potential violations of our internal guidelines on diversity and equal opportunities are reported, they are documented, evaluated and, if necessary, consequences derived in accordance with the respective reporting structures. In the reporting year, no violations of internal policies on diversity and equal opportunities were reported via our reporting channels whose impact would have been material for the financial position or reputation of the company. Further information on opportunities and risks can be found in the Opportunities and Risk Report starting on page 85.

The proportion of female employees in the Fresenius Group remained at the previous year's level of 69%. The proportion of females in services or care is traditionally higher than in the area of production. This is reflected in the proportion of female employees in our business segments: Our business segment Fresenius Helios has the highest proportion of female employees within the Group, with 75%. The number of female participants in the Group-wide Long Term Incentive Plan (LTIP 2018) is a good indication of the share of women in management positions. According to this, the ratio of women among the more than 1,800 top executives increased to 33.9% as at December 31, 2022 (Dec. 31, 2021: 32.6% of 1,800 top executives).

## COMPLIANCE AND INTEGRITY

### COMPLIANCE

For Fresenius, compliance means doing the right thing. Our ethical values are based on more than just regulatory requirements. This means that we not only act in accordance with the law, but also according to applicable sector codices, and our internal guidelines and values. For our employees, this is the foundation of all our activities. For our business partners and suppliers, it is the standard Fresenius sets for cooperation. In this way, we want to help ensure that everyone can rely on us as a partner of trust and integrity.

Our risk-oriented compliance management systems are aligned with the business of each of our business segments. Our key ambition is to prevent corruption and bribery in our business environment. Beyond that, prohibiting violations of antitrust law, data protection regulations, trade restrictions, and anti-money-laundering laws, preventing the financing of terrorism, and protecting human rights are also 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. That is why we design all our measures in such a way that they prevent compliance violations.

As stated in our [Fresenius Code of Conduct](#), we are fully committed to adhering to statutory regulations, internal guidelines, and voluntary commitments, as well as acting in accordance with ethical standards. Violations are not to be tolerated. If a violation is detected, we perform an investigation, initiate the necessary remediation measures, 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 to further sharpen our compliance programs and prevention mechanisms in order to prevent future violations.

In all 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 comprehensive policies and processes, regular training, and ongoing consultation. We also carry out internal controls in relevant processes to identify possible compliance violations and ensure that we act in accordance with the rules. In this regard, we have as well established internal controls in the compliance management processes.

One part of the ESG (Environment, Social, Governance) targets anchored in the compensation of the Management Board are governance aspects. These governance aspects have been translated into compliance targets. They are individual for each business segment and reflect the expectations of the Fresenius Management Board. For more information, please refer to the Compensation Report on page 243.

### Our ambition

Our goal is to integrate our comprehensive understanding of compliance into our daily business. The aim is to prevent violations, continuously improve our compliance management systems, and to further evolve a living compliance culture among our employees and the stakeholders we interact with. Exchange on best practices between our business segments plays a key role here. The business segments develop operational goals and measures on an annual basis to further strengthen their compliance management systems.

### Organization and responsibilities

Responsibility for compliance within the Fresenius Group lies with the Management Board and has been assigned to the board member responsible for Human Resources (Labor Relations Director), Risk Management and Legal of Fresenius Management SE (FMSE). The **Group Chief Compliance Officer** of the Fresenius Group has a direct reporting line to the Member of the Management Board, responsible for Human Resources (Labor Relations Director), Risk Management and Legal.

The business segments have established their own compliance organizations, which reflect the requirements of the business organization and regulatory requirements. This includes

- respective Corporate Compliance departments, which develop global compliance initiatives for their business segment and support their respective compliance officers,

- Compliance Committees which support the Heads of Compliance of the business segments in developing and monitoring the respective compliance management system. These functions report to the respective business segment management and functionally to the Group Chief Compliance Officer of the Fresenius Group, and
- Compliance responsibles in charge of organizational units of the respective segment.

In total, more than 400 employees throughout the Group are responsible for compliance tasks and support Fresenius managers and employees in all compliance-related matters.

The Group function Risk & Integrity of Fresenius SE & Co. KGaA advises the corporate functions of Fresenius SE & Co. KGaA, sets minimum standards for the compliance management systems Group-wide, and maintains the Group-wide compliance reporting. Within this Group function, the Group Risk Management department supports the operation of compliance tools and systems as well as the development of training courses.

### Risk Steering Committee

The Risk Steering Committee (RSC) is chaired by the Management Board member responsible for Human Resources (Labor Relations Director), Risk Management and Legal. The RSC is further composed of the Group Chief Compliance Officer, the Chief Financial Officer (CFO), and the heads of the Legal and Internal Audit departments. If necessary, representatives of other governance departments attend the

meetings of the RSC. The RSC is the advisory body that discusses internal and external developments regarding the risk management and internal control system. This includes developments relevant for the Compliance Management System, as well as important compliance initiatives such as the implementation of the German Act on Corporate Due Diligence Obligations in Supply Chains and the revision of the Group's case management policy in accordance with European regulatory requirements. In addition, the RSC advises on significant risks and prepares decision proposals for the Fresenius Management Board. The meetings of the RSC are scheduled every six to eight weeks.

### Reporting structure

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.

Compliance cases are evaluated based on the Group-wide policies. The Group Chief Compliance Officer of Fresenius SE & Co. KGaA informs the board member responsible for Human Resources (Labor Relations Director), Risk Management and Legal of FMSE about compliance cases of high severity immediately. Both decide whether the respective case needs to be presented to the Management Board of FMSE. The Management Board of FMSE also receives from the Group Chief Compliance Officer of Fresenius SE & Co. KGaA an annual overview of reported cases by category and business segment.

In addition to the regular updates in the Risk Steering Committee, the Group Chief Compliance Officer of Fresenius SE & Co. KGaA provides the Management Board of FMSE

with a regular comprehensive update of all group-wide Compliance initiatives and policies. The Supervisory Boards of both Fresenius SE & Co. KGaA and FMSE are regularly informed about progress of compliance measures, at least once a year, most recently in October 2022.

### 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. Regular exchanges in cross-divisional expert panels continued to take place in the reporting year. Areas of collaboration included foreign trade law, as well as anti-money laundering, whistleblower protection, and cross-border investigations.

### Guidelines and regulations

The Fresenius Code of Conduct forms the framework for all rules applicable in the 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, as explained below, and was adopted by the Management Board of FMSE. In addition, the four business segments have implemented their own Codes of Conduct, which reflect the Fresenius Code of Conduct principles and are adapted to the individual characteristics of each business segment. The applicable Code of Conduct is part of the employment contracts in almost all business segments and

is available to all employees. It is also published on the Internet. Guidelines, organizational directives, and process descriptions supplement and further define the rules of the Code of Conduct.

These are our principles, which are also defined and described in detail in the Fresenius Code of Conduct:

#### FRESENIUS CODE OF CONDUCT

Quality	Integrity	Responsibility	Reliability
<ul style="list-style-type: none"> <li>► Ensuring quality of products and services</li> <li>► Acting fair in competition</li> <li>► Dealing properly with third parties</li> <li>► Handling conflicts of interest transparently</li> <li>► Acting in exemplary fashion</li> </ul>	<ul style="list-style-type: none"> <li>► Protecting data</li> <li>► Protecting company property</li> <li>► Handling company information confidentially</li> <li>► Living social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>► Creating transparency in accounting, reporting, and communication with the public</li> </ul>	

The design and implementation of our compliance management systems are based on international regulations and guidelines, such as the ISO standards on the set-up of compliance management systems and applicable audit standards of the Institute of Public Auditors in Germany, Incorporated Association IDW (PS 980). When implementing measures, we take into account the respective national or international legal frameworks.

#### Risk assessment and internal controls

The Management Board of FMSE is responsible for the quality and effectiveness of our risk management and internal control system. It is regularly monitored by the Supervisory Board's Audit Committee as well as audited by the Internal Audit department. The findings from these audits are used to continuously advance our risk management and internal control system.

By using standardized methods, we regularly record, analyze, and evaluate compliance risks in each business segment and at Fresenius SE & Co. KGaA. As part of an integrated risk reporting, eleven core Compliance risk subgroups are regularly reported and assessed: Bribery and corruption, fraud and asset misappropriation, antitrust violations, money laundering/terrorism financing, data protection violations, trade restrictions, insider trading/market manipulation, compliance culture, retaliation, corporate governance, and human rights violations. In addition to these core compliance risks, the risk assessment also covers other significant business risks such as information security, environmental and occupational safety, quality assurance, and the protection of intellectual property, where the responsibility lies with other functions. The compliance responsible exchange information on key findings from the respective risk assessments, which may result in additional Compliance Risk Subgroups to reflect new risk areas or risk clusters.

The internal control system is an important part of Fresenius' risk management. In addition to internal controls regarding the financial reporting, it includes control objectives for further critical processes, such as quality manage-

ment and patient safety, cybersecurity and data protection, and sustainability. Fresenius has documented relevant critical control objectives in a Group-wide framework, integrating the various management systems into the internal control system in a holistic manner.

#### Dealing with third parties

Our Code of Conduct and the related guidelines for Fresenius Group employees also regulate our relations with 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](#). Our ambitions to avoid corruption and bribery are laid down in our Codes of Conduct. Among other topics, the Codes explicitly prohibit corruption and bribery and oblige our partners to comply with relevant national and international anti-corruption laws. Business segments with significant exposure to the interaction with healthcare professionals have specific rules for these interactions, as explained in the section Transparency in the healthcare sector in this chapter on page 185. In addition to risk-based business partner due diligence, we inform our business partners about these requirements before entering a business relationship. The Codes of Conduct of the Fresenius Group are publicly accessible, for more information see Supply Chain section on pages 196f.

Fresenius' **government relations activity** is managed by a dedicated political affairs department. Our representative office in Berlin and an EU Relations Office in Brussels are available as contact points for politicians and the representatives. The primary task of the political affairs department is to advise policy makers on policy initiatives that require expertise in medicine and the healthcare industry. Any political activity by Fresenius' employees and representatives is governed by our Code of Conduct, reflecting our rules, as well as by the applicable legal standards regarding our relations with external partners and the public. Information on lobbying expenditures is published as required by law in the business segments and countries concerned.

#### **Business partner and investment due diligence**

All business segments and Fresenius SE & Co. KGaA conduct risk-based due diligence on business partners before entering into a business relationship. In each business segment, the business partners to be screened are selected on a risk-based basis according to defined criteria. A risk profile of the partner is drawn up and targeted measures are initiated: accordingly, the compliance contract clauses are based on the partner's risk profile to prevent corrupt actions. We also reserve the right to terminate the contract in the event of misconduct.

Whenever we decide on potential acquisitions and investments, we take compliance risks into account in due diligence measures, among other things via the Acquisition and Investment Council (AIC), which reviews planned acquisitions and investments in a defined process for Fresenius Kabi, Fresenius Helios, Fresenius Vamed, and Fresenius SE & Co. KGaA. Every acquisition and investment proposal submitted to the Management Board must first be discussed, reviewed, and evaluated by the AIC. The AIC is made up of managers from various functions, including Business Integrity. If necessary, we initiate safeguarding measures and include, for example, compliance declarations and guarantees in the contracts. Following an acquisition, we integrate the new company into our compliance management systems as quickly as possible.

#### **Dealing with conflicts of interest**

Integrity also means that our employees clearly separate private interest from that of the company. They make decisions for Fresenius based on objective criteria. Our employees are obliged to make potential conflicts of interest transparent to their supervisors as soon as they have identified the conflict and before the business action is taken. The affected employee and his or her supervisor have to identify the exact circumstances. The supervisor will deduct from these circumstances a risk analysis and initiate the appropriate measures.

To avoid potential conflicts of interest and assure patients of independent treatment options, our Guidelines for Dealing with Business Partners and Customers regulate the handling of donations. They state that Fresenius donates for scientific or charitable purposes and without expecting any

consideration on a voluntary basis only. Donations and other contributions to political organizations are provided in accordance with applicable legislation. Fresenius Helios prohibits unilateral monetary allocations and sponsorships from industry.

Fresenius supports its employees in dealing responsibly with conflicts of interest by defining clear requirements and providing guidance, as well as answers to the most frequent questions, on the intranet. Training and regular updates of information complement the activities at the Group level and within the business segments. Our Corporate Compliance department is also available as a contact partner for all questions.

#### **Financial transactions**

We have implemented Group-wide guidelines and dedicated controls for cash transactions and banking transactions, such as the dual-control principle. We also monitor cash transactions that exceed a certain threshold. In this way, we want to ensure that all financial transactions are correctly accounted for, authorized, and processed. Through 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.

Controls for cash transactions and banking transactions are part of our Internal Controls Framework and will be regularly tested and adjusted, if required. For more information, please refer to the Opportunities and Risk Report on pages 85 ff.

## Money laundering

Business segments within the scope of the Money Laundering Act for traders in goods have established appropriate measures to address money laundering risks. These measures include internal controls, such as the prohibition of certain cash payments, as well as risk analysis and review processes for relevant transactions. The controls implemented are embedded in policies and appropriate training is provided.

## Trade restrictions

To provide people worldwide with access to lifesaving medicine and medical equipment, Fresenius also supplies products to countries that are subject to trade restrictions. However, such deliveries have been exempted from the relevant sanctions and Fresenius expects the scope of the exemption to remain unchanged. 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 special IT system checks for deliveries that are subject to import or export restrictions. In our corporate and business segments we have dedicated experts for trade compliance and a trade compliance program in place. Regular exchange calls among experts and with the management are held to ensure up-to-date knowledge on trade and economic sanctions. There are also centralized monitoring programs at Fresenius for certain countries subject to applicable sanction programs. The trade compliance program will be continuously updated to reflect the latest

sanctions regulations. 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, such as experienced in 2022. We have no evidence that Fresenius has not complied with applicable sanctions and export control requirements.

## Compliance training

Compliance training is a high priority for Fresenius. Our employees are offered training on compliance issues, covering basic topics such as our Code of Conduct and corporate guidelines. Depending on the employee group, more specific topics such as anti-corruption, antitrust law, anti-money-laundering, data protection, and information security are also included – especially for particularly high-risk areas.

To convey the content in a targeted manner, we rely on individual concepts tailored to the respective department and employees. We 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. Mandatory elearnings will be distributed to all employees of the defined target group.

Employees are prompted and reminded to participate in mandatory training courses, for example with automatic registration, or manual registration by compliance departments, human resources, or managers. To promote a risk-conscious and value-oriented corporate culture, we train executives using a dialog-based approach.

## Reporting channels and dealing with potential compliance violations

If Fresenius employees suspect misconduct, e. g., violations of laws, regulations or internal guidelines, they can contact their supervisors or the responsible compliance officers and report the potential compliance incident. They can also report potential compliance incidents anonymously, where legally permitted, e. g., by telephone or online via whistleblower systems and e-mail addresses set up specifically for this purpose. All business segments have established appropriate mechanisms based on the requirements of the UN Guiding Principles on Business and Human Rights (UNGPs) and the German Act on Corporate Due Diligence Obligations in Supply Chains. Further, all segments have prepared to comply with the laws implementing the new EU regulation regarding the protection of whistleblowers. The whistleblower systems are available via the Fresenius Group website and the websites of the business segments not only to employees, but also to third parties, e. g., customers, suppliers, and other partners, in a total of more than 30 languages.

We strive to continuously improve our processes and further optimize the complaint mechanisms. Based on the requirements of the UNGPs, the German Act on Corporate Due Diligence Obligations in Supply Chains, and the European Union Directive on the protection of whistleblowers and their implementation in national law, we have reviewed our systems and processes and adjusted them accordingly. We are therefore convinced that the complaint mechanism of Fresenius SE & Co. KGaA in its current form meets the currently applicable requirements. Thus, the business segments

observe the developments in this area and adapt their processes as needed, based on the mentioned legal requirements and international applicable frameworks. This encompasses measures to support a culture in which legal and ethical concerns may be communicated without fear of retaliation. Fresenius Medical Care has an **anti-retaliation policy** in place to protect employees against any reprisal. Fresenius Kabi has put in place an updated case management Standard Operating Procedure (SOP) which also includes a strict non-retaliation policy.

Incoming reports are treated confidentially as described in the respective guidelines to protect persons reporting. Depending on the severity of the case, the business segments adhere to the reporting structure as outlined on page 181. We take all potential compliance violations seriously. An initial assessment focuses on the plausibility and possible severity level of the potential violation. For this purpose, also ombudsperson panels are set up at Fresenius SE & Co. KGaA, Fresenius Kabi, Fresenius Helios, and Fresenius Vamed. These carry out preliminary assessments of reports received and initiate risk-appropriate investigations of reports on a case-by-case basis. The severity of the compliance violation determines who is responsible for further investigation. If necessary, a dedicated team takes over the investigation, which may include internal professionals or external support. Measures are implemented in a timely manner by the responsible management in close cooperation with the

compliance officers. Depending on the type and severity of the misconduct, disciplinary sanctions or remedies under civil or criminal law may be imposed. We take every case of potential misconduct as an opportunity to review our corporate processes for improvements. After completion of the investigation, we use the results of internal reviews and reports to review our business processes. We implement corrective or improvement measures where necessary to prevent similar misconduct in the future. Fresenius Medical Care as well has a defined procedure in which all reported cases of potential misconduct are investigated, individual measures are taken to remedy them, and implementation is tracked. We report the compliance reports received in 2022 in the Evaluation section on page 188.

#### Transparency in the healthcare sector

In the healthcare sector, transparency is of major importance with regard to business conduct, patient information and quality of care. More information can be found in the Patient and product safety chapter on pages 110ff.

Fresenius Group companies adhere to laws and our ethical principles that

- ▶ require us to track and report publicly payments made to healthcare professionals and organizations;
- ▶ require us to issue written notification or approval and to disclose the purpose and scope of the interaction between a Fresenius Group company and healthcare professionals, such as in healthcare facilities;
- ▶ require us to publicly disclose data pursued in clinical trials as well as disclose to patients the information

gathered in patient studies. This is linked to the public right to transparency regarding data used to approve new medicines, as well as provisions to adhere to relevant data protection standards; for more information see Data Protection section on pages 189f.;

- ▶ require transparency in pricing and reimbursement procedures for pharmaceutical products.

We are committed to respecting the codes and principles associated with membership of various associations. In addition, Fresenius Group companies disclose all donations to healthcare professionals in accordance with the publication requirements applicable to them.

#### PROGRESS AND MEASURES IN 2022

##### Reporting structure

In order to further foster a functional Group-wide compliance organization, the Management Board of FMSE decided that the compliance professionals will functionally report to the Heads of Compliance of each business segment, effective in 2023. Where such reporting structures have not been established, they will be initiated. The Heads of Compliance of each segment and the Head of Group Compliance Reporting and Monitoring form the Group Compliance Management Team (GCMT). This expert group sets governance standards for Compliance across Fresenius and supports the effective implementation of the Compliance management system.

## Continual improvement of the Fresenius compliance program

In 2022, the business segments planned and implemented various compliance initiatives to drive further improvement or to respond to new regulatory requirements. For Fresenius as a Group, a dedicated Human Rights Office has been tasked with coordinating the preparation for the German Act on Corporate Due Diligence Obligations in Supply Chains. For more information, please refer to the Supply chain section starting on page 196. A revised Group-wide Case Management SOP will reflect the requirements under the applicable whistleblower protection laws in Europe.

Fresenius Kabi conducted a compliance culture survey and thereby opened another channel for its employees to voice views about the company's compliance culture, particularly in relation to speak up culture, case reporting and case management. The business segment also updated its reporting categories for its complaint management, offering simpler clusters of violations to potential whistleblowers, that include categories relevant for reporting human rights violations.

Further, new guidelines and regulations within the business segments were addressed as follows: Fresenius Kabi updated its Code of Conduct in the reporting year, taking into account more recent developments such as anti-money

laundering, sustainability, cybersecurity, social media, environment, and human rights. The business segment also updated its case management SOP and collateral documentation, such as templates for investigation plans and investigation reports, to take into account the requirements of the recent legislation updates and to further increase the quality and consistency of case management work across the globe. Fresenius Helios also revised its case management guideline. All business segments also decided to continue the further implementation of the Internal Controls Framework.

To support this development of the Fresenius compliance program, **focus training topics** were set in 2022:

- ▶ The Group function Risk & Integrity developed and provided various training materials regarding the Code of Conduct, anti-money-laundering, anti-corruption, anti-trust, trade compliance, fraud and internal control systems for all business segments.
- ▶ Fresenius Kabi continued its intensive efforts to train its personnel on antitrust risks and created a new comprehensive antitrust training course that has been made available internally on the intranet and was also rolled out as an eLearning to sensitive functions in various languages. Selected groups were additionally trained in webinar sessions on particular antitrust topics for their area of responsibility. Fresenius Kabi rolled out its global anti-bribery and anti-corruption eLearning again, as a refresher training.

- ▶ Fresenius Helios offered training courses on fraud and rolled out dedicated trainings on specific aspects of anti-corruption, such as accepting benefits as business employees, donations, granting benefits to healthcare professionals and healthcare organizations, and conflicts of interest.
- ▶ In the reporting year, Helios Spain began preparing additional training courses for the risks identified in the compliance risk assessment in addition to the existing training courses on the Code of Conduct.
- ▶ Fresenius Vamed focused on data protection, anti-money laundering and trade compliance trainings.
- ▶ Fresenius Medical Care has its own compliance management system and a correspondingly coordinated training program.

## Risk assessment and internal controls

In 2022, the business segments expanded their risk assessment processes, which they continued to carry out to include bottom-up information.

We made further improvements within our Group-wide integrated risk management tool to implement applicable regulatory requirements. Risk entries are validated by subject matter experts, i. e. the Compliance function, in order to ensure the consistency and quality of these entries. Risk mitigation plans will be tracked and monitored to ensure a steady mitigation effect.

Due to the constantly changing external and internal requirements and environment, our risk management and internal control system is being continuously developed. Currently 25 out of 139 control objectives are related to compliance processes, in particular in the areas anti-corruption, trade compliance, anti-money laundering, antitrust/competition compliance. In 2022, the internal control system has been further expanded by the business segments, including structured scoping and performance of control testing.

#### Dedicated monitoring programs for trade compliance

Since sanctions have been imposed against certain countries because of the war between Russia and Ukraine, the Management Board of Fresenius SE & Co. KGaA has implemented a monitoring mechanism to ensure that trade compliance approvals and the review of business partners are mandatory for each delivery into a country subject to a sanction program. In addition, automated IT-based checks for each transaction at Fresenius Kabi are an integral part of the trade compliance program.

#### Developments in the business partner due diligence

The business partner due diligence process is being enhanced to achieve more accuracy and efficiency in addressing risks with its third parties and integrated the requirements of the German Act on Corporate Due Diligence

Obligations in Supply Chains. Human rights due diligence as one aspect of our overall business partner due diligence enables us to better understand our suppliers and their modus operandi. This way, we monitor potential risks occurring from the supply chain while adhering to our commitments to conducting business in a responsible manner, to human rights, and to our commitment to compliance and integrity. Further information on human rights due diligence and our 2022 progress can be found in the Supply chain chapter on page 198.

**Fresenius Medical Care** sharpened its focus on several ongoing compliance initiatives. Prior to entering new business relationships, and as part of its continuous monitoring of existing business relationships, the company assesses third parties for compliance risks. In 2022, the business segment assessed and approved around 21,000 third parties. In addition, Fresenius Medical Care continued to implement its third-party training approach at global level. Target groups are sales partners, such as distributors, re-sellers, wholesalers, commercial or sales agents, and any other third parties involved in the sales of the products that potentially interact with government officials or healthcare professionals. The business segment also conducted 15 anti-corruption-related audits of third-party business partners. 80% of internal audits included a compliance focus.

**Fresenius Kabi** published its updated SOP and collateral guidelines on Business Partner Due Diligence to enhance and refine its processes and conducted related training for key stakeholders, as well as updated its contractual compliance clauses for business partners and suppliers. Furthermore, Fresenius Kabi has combined the previously separate

codes for suppliers (Suppliers Code of Conduct) and for business partners (Business Partner Code of Conduct) into a Third-Party Code of Conduct and published it at the end of the year. This also includes the expectations of suppliers and business partners with regards to human rights and environmental standards/duties of care in the supply chain.

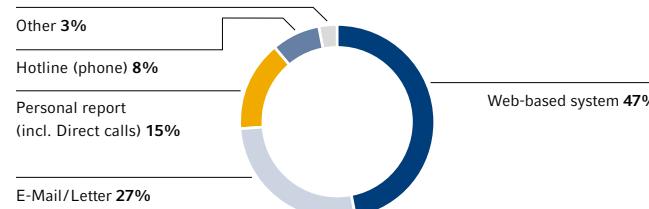
#### EVALUATION

Despite the differences in business and risk profile in each business segment, we strive to uniformly evaluate the design of the compliance management systems on a Group level. In 2022, aspects of the effectiveness of compliance measures were surveyed after the Group function Risk & Integrity 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 harmonized Compliance Management System Reporting methodology. The results were presented to the Management Board and Supervisory Board.

#### Audits and inspections

The Internal Audit departments conduct independent audits to improve the effectiveness of the risk management, control and governance processes at Fresenius SE & Co. KGaA and in the business segments. Aspects of compliance and anti-

#### MESSAGES BY INPUT CHANNEL



corruption are also taken into account on a risk basis. If weaknesses are identified, Internal Audit monitors the implementation of remediation actions taken by the respective management. In 2022, 21 internal audits with a focus on corruption were conducted at operating sites of the business segments Fresenius Helios, Fresenius Kabi, Fresenius Vamed and Fresenius Corporate. The audit engagement results were analyzed by the compliance organizations and incorporated into the continuous improvement of existing measures. Structural changes of the processes related to the compliance organizations were not required.

At **Helios Germany**, adherence to the business segment's transparency regulations is monitored on a random 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 various international workshops again in 2022. 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 effectiveness of local implementation of internal guidelines, and the development and improvement of central compliance initiatives.

#### Reports in 2022

In 2022, a total of 375 compliance reports<sup>1</sup> were received via the incident databases at Fresenius SE & Co. KGaA, and the business segments Fresenius Kabi, Fresenius Helios, and Fresenius Vamed. They were collected via different input channels as shown in the graph. The compliance reports were principally assigned to the following topic groups: Business Integrity (88 reports, incl. Anti-Corruption, Antitrust, Anti-Money-Laundering etc.), Data Protection (26 reports), HR/Workplace (155 reports), Misappropriation of Corporate Assets (35 reports, incl. Conflicts of Interest), Accounting, Auditing and Financial Reporting (8 reports), Environment, Health and Safety (23 reports), and other (40 reports).

We received the most complaints in the area of Business Integrity and workplace-related, in particular, in clinics. Each complaint is reviewed under our case management processes and, if substantiated, appropriate remedial measures will be taken.

#### DATA PROTECTION

##### OUR APPROACH

We bear responsibility in a sensitive environment on which the lives and health of many people depend. Accordingly, we know how to reconcile high quality standards with economical, IT-supported processes in our regulated markets. In doing so, we are always aware of the increasing sensitivity and need for protection of the data and information we process. In this way, we design efficient processes and create scope for what is really important: the protection and safety of patients.

The Fresenius Group and its operating entities process, e.g. personal and other data of

- our patients,
- our employees,
- customers,
- suppliers, and other business partners.

<sup>1</sup> For 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. Therefore, cases from Fresenius Medical Care are not consolidated on a Group level. This leads to a corresponding reduction of compliance reports in comparison to the previous year.

Data protection is core to our operating business and embedded in our Fresenius Group Code of Conduct. To meet new requirements or to accommodate new technologies, we are constantly developing our data protection management systems and the accompanying data protection measures. The aspect of information security is also a crucial part of cybersecurity at the Fresenius Group. It refers to the processes designed for data security. Information on the Group Cybersecurity function and related responsibilities and the governance structure are included in the Cybersecurity chapter on pages 141 ff. of the Fresenius Group Non-financial Report.

### Organization and responsibilities

The Management Board member of the Fresenius Group responsible for Human Resources (Labor Relations Director), Risk Management and Legal assumes responsibility for data protection at the level of Fresenius Corporate. The Data Protection Officer of Fresenius SE & Co. KGaA reports directly to this Management Board member. Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for the implementation of adequate governance systems in their business segment, including data protection. The management boards of the business segments define the management approaches and regulate responsibility for data protection, e.g. via a business allocation plan.

In addition, data protection is a regular topic for the Risk Steering Committee, which includes the Management

Board member for Human Resources (Labor Relations Director), Risk Management and Legal of Fresenius Management SE, among other members. The Data Protection Officers responsible for the four business segments report regularly to the respective management. In their role, the Data Protection Officers act independently regarding the exercising of their tasks and are not controlled by a superior Group function.

Fresenius SE & Co. KGaA and all business segments maintain data protection organizations in line with their organizational and business structure including aforementioned independent Data Protection Officers. All data protection organizations, separated according to functions, have both advisory and monitoring duties, which complement each other in their tasks. The data protection organizations support the management and specialist departments of the assigned companies in operational data protection issues and in complying with and adhering to the applicable data protection requirements in the respective countries. The respective Data Protection Officers are responsible for monitoring compliance with these requirements. They are the contact persons for national and international supervisory authorities and are supported by internal experts, e.g. data protection advisors and coordinators. Depending on the business segment, the data protection advisors are organized centrally, regionally, and/or locally.

Operating tasks of data protection management lies with the respective expert functions. These functions are supported by processes of the Data Protection Management System. In certain areas, our Compliance Management

System provides additional support, e.g. comprehensive risk analysis or the assessment of potential data protection incidents and breaches.

Regular alignment meetings of experts in dedicated committees at business segment level and at corporate level ensure that IT security and data protection topics are discussed. Based on the outcomes of these meetings, measures may be derived, or strategic decisions are formulated and proposed to the respective management.

In addition, the Data Protection experts from the business segments and Fresenius SE & Co. KGaA regularly exchange information on best practices and initiatives, including at Group Coordination Meetings and conferences, jours fixes, and in other formats. In total, more than 300 employees at Fresenius are entrusted with data protection tasks.

### Guidelines and regulations

The realization of data protection is a joint task of all employees of the Fresenius Group. At the core of this is 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 clearly commit ourselves to the careful handling of data and the right to informational self-determination: we undertake to respect the rights and privacy of all persons from whom we collect or receive data. This applies to patients and employees as well as to suppliers and business partners. The privacy statements are publicly available, for example, on the [website](#) of Fresenius SE & Co. KGaA.

All business segments and Fresenius SE & Co. KGaA have also implemented policies for data protection and the handling of personal data. The data protection policies are complemented by further standard operating procedures, working instructions guidelines and standards. These support the employees in implementing EU General Data Protection Regulation (GDPR) requirements and other relevant local laws and regulations in their areas of responsibility.

### Audits and monitoring

To ensure compliance with data protection regulations, several functions in the Group perform regular checks with different focuses in all business segments. Internal Audit departments carry out independent audits to improve the effectiveness of risk management, control and governance processes in all business segments. Aspects of data protection are also taken into account on a risk basis. The data protection related results of performed audits are analyzed by the respective data protection officers and are incorporated into the continuous improvement of existing measures of the respective business segment. In addition Data Protection Officers perform regular and specific data protection audits. All business segments and Fresenius SE & Co. KGaA have defined corresponding audit concepts for this purpose.

In addition, data protection controls are an integral part of various internal control frameworks, such as data protection risk assessments, in the business segments. Findings

on potential improvements from audits, assessments and reviews are used to continuously develop our data protection processes.

### Risk assessment

We regularly assess risks related to data protection and IT security using standardized methods. 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 as to integrate data protection into the design of new, or amended, data processing activities as early as possible. Among other things, this enables us to implement the data protection requirements by the use of technical and organizational measures in processing personal data and to minimize potential risks. The introduction or the design of new or modified IT systems is subject to the same standardized review processes to examine the implementation of data protection and IT security requirements. If a risk assessment is performed, an evaluation of the results and whether the assessment is up-to-date carried out, accompanied by audits performed by the respective Data Protection Officers. Regular reviews are conducted, for example, at least every three years or at shorter intervals. At Helios Spain, internal data protection audits are outsourced every two years. Further, in case of any changes to a processing activity that will affect the status as documented the respective process owner is obliged to initiate an update.

### Data subject rights

Fresenius SE & Co. KGaA and all business segments respect and protect the rights of all individuals whose data is processed. Personal data is processed only for the legal purposes specified in each case, in accordance with legal requirements. We also require third parties with whom data is shared for specified purposes, e. g. for service or support provisioning, to comply with applicable data protection requirements. If deviations occur, they are documented, reported, and evaluated based on applicable reporting guidelines and procedures. Depending on the severity of the incident, additional protection measures or the adjustment of contractual clauses can take place to improve the protection of data subject rights.

All business segments and Fresenius SE & Co. KGaA are committed to safeguarding the rights of data subjects by adequately informing them of their rights and by having established processes and tools in place to ensure that requests are answered sufficiently and in a timely manner. Fresenius informs data subjects – whether employees or external parties – about the processing, e. g., collecting and storing, of their data via privacy notices. We inform employees of any amendments to the data protection information that affect them. These changes are communicated via the established internal communication channels, coordinated by the respective data protection function.

We have also implemented technical and organizational measures, including appropriate measures that serve to safeguard the rights of data subjects in accordance with the GDPR. We provide data subjects with information in a concise, transparent, intelligible and easily accessible way for them to find out what personal data about them we process. The requests are evaluated and responded to at corporate or segment level in our Group, or both. The collection of and responses regarding all requested information may also be carried out locally if deemed necessary. This takes place in the local language with the assistance of local data protection advisors. For example, Helios Spain processes requests from data subjects in accordance with the requirements for hospitals and is supported by central Data Protection Officers. A technical solution for submitting data requests was implemented at Helios Spain in 2022.

With these solutions, we aim to support data subjects in exercising their rights to access, rectification, restriction, objection, portability, and deletion of their personal data in a timely manner insofar as no other regulations prevent us from doing so, especially when erasing data. We comply with such requests in compliance with legal requirements. For example, data subjects are informed about the respective deletion process at the point in time when their data is collected.

### Reporting systems

At Fresenius SE & Co. KGaA, we have a zero-tolerance policy regarding data protection violations. External parties and all employees of the Fresenius Group may raise concerns regarding data protection via the existing reporting systems or dedicated e-mail addresses. We investigate and evaluate all reported indications of potential infringements as quickly as possible and, where necessary, question and adjust our corporate processes. When required, we report privacy breaches to the relevant authorities and inform those affected without undue delay and in accordance with legal requirements. The data protection organizations of the business segments and of Fresenius SE & Co. KGaA conduct their own investigations and document possible violations.

### 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 EU GDPR and all other international legal requirements relating to international data transfer. These include Binding Corporate Rules (BCR) that have been approved by the responsible European data protection authorities in 2022 for Fresenius Corporate and Fresenius Kabi, accompanied by mandatory internal company policy and guidelines. BCR ensure the participating companies establish a uniform level of data protection

aligned with the standards of the EU GDPR and contribute to the lawful processing of personal data internationally within the companies. In accordance with the EU GDPR or legal safeguards and contracts, the business segments and Fresenius SE & Co. KGaA transfer data to third countries outside the European Union on the basis of an adequacy decision of the European Commission, recognized certifications, or other legal safeguards such as Standard Contractual Clauses. To this end, in addition to commercial contracts, we also enter into specific supplementary data transfer agreements with data recipients. The latest developments in the area of international data transfer are closely monitored and taken into account in risk assessments explained on page 190 and when concluding contracts. The internally published templates are adapted subsequently. When data is processed in another country by third parties, the contractor is subjected to a careful review and measures, such as additional safeguards like pseudonymization measures to establish and maintain an appropriate data protection level, are taken to ensure compliance with privacy regulations. The data protection departments are involved in any negotiation relating to data protection contracts.

## Training

We train employees on current requirements and threats in connection with data protection and data security. The data protection department differentiates between specialist functions and responsibilities, the scope of training, and between voluntary and mandatory content. In principle, basic training on data protection is mandatory for all employee. At Fresenius Vamed, for example, data protection training is mandatory for employees in relevant positions, like all senior managers, employees in Human Resources (HR), Legal and IT departments, reception staff, and others.

To this end, we use an extensive range of e-learning courses, face-to-face training, and other training measures. We supplement general training with training measures for specific employee groups. In this way, we ensure that employees entrusted with processing data are informed about the current legal situation and the corresponding internal requirements. Mandatory training must be tracked by the respective supervisors and participation in training must be documented.

We inform new employees about the appropriate handling of sensitive data and oblige them to maintain confidentiality. This is confirmed in written form. Newly hired employ-

ees at Fresenius SE & Co. KGaA, Fresenius Kabi, and Fresenius Helios also receive online mandatory instruction in data protection within a defined period, which varies between the business segments. The business segments and Fresenius SE & Co. KGaA have internal provisions on how often evidence has to be provided regarding the instruction of employees in data protection. Within our Group, this ranges between eight weeks for initial training courses to at least every two years for update training courses in the following.

## PROGRESS AND MEASURES IN 2022

In 2022, at Fresenius SE & Co. KGaA and within the business segments, data protection was further developed with a view to global operational activities. Our measures in this area focused on the development of new training content and the implementation of existing training concepts, as well as on the expansion of audit concepts to take regulatory changes into account. There was also a focus on data protection measures in connection with the performance of risk assessments, thus strengthening the established risk control processes.

Fresenius SE & Co. KGaA issued a new data protection training in 2022 containing different modules that can be provided over a 18 to 24 month timeframe. At Fresenius Kabi, new data protection training had been developed in the

previous year, with four modules comprising BCR, which has been offered mandatorily to its employees since the end of 2021 and completed within the reporting period. The training will be repeated every two years. The Management approaches of Fresenius Helios and Fresenius Vamed remained unchanged compared to the previous year. Measures conducted within the business segments aimed at e.g., the alignment of guidelines or processes based on the latest developments, if deemed necessary.

## EVALUATION

In the reporting year, no data breach was reported via the reporting channels that had a direct impact on the financial position or reputation of the company. Audits and risk assessments took place on segment or local level, as described on page 190. Findings of these audits are remediated on the respective level. Further information on opportunities and risks can be found in the Opportunities and Risk Report starting on page 85.

The data privacy officers prepare reports on the number, type and processing status of data protection incidents and data subject inquiries, which are communicated in accordance with the organizational structure explained on page 189.

## HUMAN RIGHTS

Human rights are universal. As a global healthcare company, Fresenius views the respect for human rights as an integral part of our responsibility. We are committed to meeting the regulatory requirements and social expectations of due diligence for the respect of human rights.

Medical care for patients and the well-being of our more than 300,000 employees are among the most important engagement areas of our human rights due diligence. We are aware that respecting human rights extends beyond our own company operations and core business. We consider human rights issues when selecting and cooperating with our suppliers and business partners, in procurement, sales, and distribution. We expect them, among other requirements, to commit to compliance with the principles set out in our Human Rights Statement. We specify and communicate these expectations in our Code of Conduct for Business Partners. We are working to increase the transparency of our supply chains. The knowledge gained by doing so

helps us to ensure secure supplies while reducing human rights risks in the procurement of important raw materials and supplies, as shown in the Supply Chain section on pages 196 ff.

## OUR APPROACH

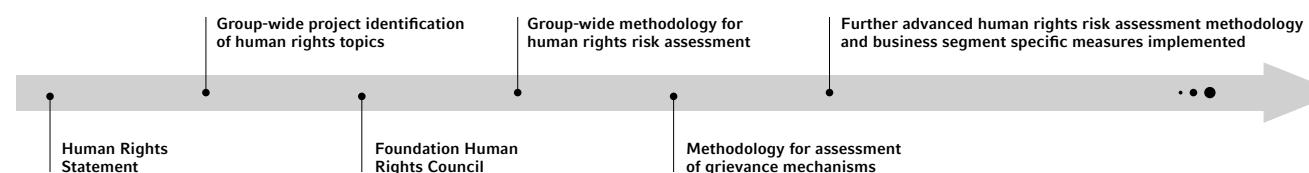
Fresenius is committed to respecting human rights. We underline this commitment with our Group-wide **Human Rights Statement**, which the Management Board adopted in 2018 for the first time. The statement is guided by the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. It covers our fundamental principles on human rights, which include prohibiting exploitative and illegal child labor or forced labor, preventing discrimination, promoting equal opportunities, and creating safe working conditions.

The adoption and publication of the statement at this time also marked the starting point for our Human Rights

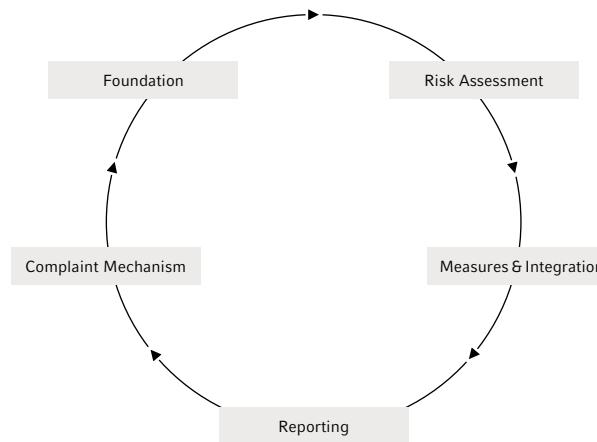
Program, which establishes preventive measures helping Fresenius to identify and address human rights risks in its business processes and includes human rights risks in our Group-wide risk management. The measures of the Human Rights Program are closely aligned with the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) and build on its five elements: establishment of fundamentals, risk analysis, measures and integration, reporting, and grievance mechanisms.

In 2019, we identified and defined human rights topics that are of particular importance for the Group in a comprehensive project involving all business segments. They include access to healthcare, working conditions in our own operations and in the supply chain, patient and product safety, health hazards from disposal, and preventing discrimination and promoting equal opportunities. Our business activities and relationships can have impacts on human rights in these areas. In addition, the business segments work on potential issues specific to their business, such as potential environmental impacts related to production. This analysis forms the basis for identifying potential human rights violations and gives us the opportunity to develop necessary measures. In 2020, a Group-wide methodology for **human rights risk analysis** was initiated to identify and prevent or mitigate human rights violations at an early stage – and to then define further measures in the business segments. We report on the progress achieved on page 195 f.

## MILESTONES OF THE HUMAN RIGHTS PROGRAM



## HUMAN RIGHTS PROGRAM



We further advanced the methodology of the human rights risk assessment in the reporting year and aligned it with regulatory requirements, such as the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz).

### Organization and responsibilities

The Management Board of Fresenius Management SE oversees our Group-wide human rights due diligence program. The Group function Risk & Integrity department is responsible for the Group-wide human rights due diligence approach, such as the Human Rights Risk Assessment

methodology, overseeing the implementation of human rights related measures, and driving them forward. The implementation of human rights due diligence lies in the business segments. In the reporting year and as a next step of the Human Rights Program, we started establishing new functions responsible for human rights at Group and business segment level and, thus, started to further strengthening the governance structure. Please refer to the Progress and measures in 2022 section on pages 195f. for more information on these changes.

### Human Rights Council

In 2019, Fresenius established a Human Rights Council to drive the implementation and development of our Human Rights Program at the Group level. It is composed of representatives of the four business segments and Fresenius SE & Co. KGaA. The approximately 20 members of the Human Rights Council are active in various functions within the Group, including compliance, legal, sustainability, communication, procurement, human resources, and medicine and thus cover the many perspectives of the topic. The committee meets quarterly and promotes information exchange on current human rights topics across the business segments. The participants discuss Group-wide initiatives and present new concepts and methods. In 2022, the Human Rights Council met four times.

### Guidelines and regulations

#### **Fresenius Human Rights Statement**

Our [Human Rights Statement](#) is a Group commitment. It is approved by the Management Board of Fresenius Management SE and was further developed in the reporting year. The representatives of the business segments and departments at the Human Rights Council have been involved in the creation. In addition, [Fresenius Medical Care](#) and Fresenius Vamed have adopted own statements regarding human rights. The human rights statements supplement the Codes of Conduct of the business segments and their underlying human rights commitments. The Human Rights Statement must be regularly updated as new insights arise or new essential issues need to be added. In the Human Rights Statement, we position ourselves on various topics both with regard to Fresenius' employees, and with regard to our suppliers.

#### **Human Rights Program**

We respect and support human rights as defined in international standards, e. g., the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Our actions are guided by

the UNGP, which were adopted in Germany through the National Action Plan for Business and Human Rights (NAP) and the CSR Directive Implementation Act (CSR-RUG). The measures of our Human Rights Program – which we are continuously developing, as the graphic shows – are based on these principles. We incorporate new requirements and legal frameworks, such as the German Act on Corporate Due Diligence Obligations in Supply Chains, which comes into force on January 1 in 2023, into the ongoing development process and adapt our measures and actions where necessary.

#### Human rights training

Human rights issues are addressed in different trainings throughout the Fresenius Group. For example, mandatory trainings for employees on the respective Code of Conduct include human rights aspects. Additionally, Fresenius Medical Care conducted awareness-raising sessions with members of the leadership teams of its key business functions in 2022.

#### 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 existing complaint management systems to provide information or use designated e-mail addresses to draw attention to possible human rights violations or other violations. More information on our reporting channels and how we are dealing with potential compliance violations can be found in the Compliance section on pages 184f.

#### Human rights risk management and assessment

The Fresenius Group has identified human rights issues and fields of action in all business segments that are particularly relevant to our value chains. In doing so, we consider various factors, including business models of the business segments, and current public debates and regulatory developments such as NAPs.

Based on these topics, we developed our Human Rights Risk Assessment methodology and, since 2020, have been rolling it out in the business segments successively. This methodology takes into account the severity of the potential human rights risks, such as the impact on the people affected and the possibility of restoring the situation, as well as the likelihood of a potential human rights violation. Human rights risks have been integrated into Group-wide risk management in 2021. For information on the current status of the roll-out of the Human Rights Risk Assessment, please refer to the Progress and measures in 2022 section.

#### Our ambitions

As a global healthcare company, manufacturing of our products and services depends on the commitment of our more than 300,000 employees and on complex supply chains. We are sensitive that human rights risks and impacts may occur in these supply chains as well as in our own operations. We aim to regularly analyze, and prevent these

risks, and initiate remediation measures, if needed – in our supply chain as well as related to our products and services.

#### PROGRESS AND MEASURES IN 2022

##### New responsibilities

For Group-wide steering, we started preparing the **Group Human Rights Office** in the Group function Risk & Integrity of Fresenius SE & Co. KGaA. It will be responsible for steering Group-wide activities for respecting human rights. The office will be responsible for the further development of human rights initiatives within the Fresenius Group. Its responsibilities will also include the coordination of human rights activities with the business segments, risk analysis methodology, monitoring of risk analyses and Group-wide reporting.

For the further implementation of human rights due diligence, each business segment will appoint its own responsible contacts who act as the central human rights function for coordination and implementation of human rights due diligence obligations. These functions began – if already appointed – coordinating, among others, the execution of the risk analyses, the implementation of measures, and the reporting of the business segments. The implementation of the further advanced risk analysis approach has begun in the reporting year in close cooperation with the specialist

departments, which will also initiate – if necessary – department-specific adjustments to processes or other measures. These specialist departments include, for example, procurement and human resources.

The members of the Group Human Rights Office, besides the central contact persons for human rights activities in the business segments, will participate in the Human Rights Council, with further representatives from specialist departments.

### Updated Human Rights Statement

In the reporting year, we also updated our Human Rights Statement along with the further development of our Human Rights Program. This [statement](#) will apply from 2023 onwards and reflects the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains.

### Risk management and assessment

In order to identify, prevent and eliminate or minimize human rights risks, we further advanced our Group-wide risk management in the reporting year. The further advanced approach follows a risk-based approach in which we consider potential risks based on country and industry as well as business segment specific aspects. The risks are then prioritized based on an additional assessment on the potential impact and likelihood as well as the extent to which we as a company might contribute to the materialization of

the risk through our business activities. Building on our assessment we will initiate preventive and if necessary remedial measures. Our risk-based approach to analyzing potential human rights risks, the governance and reporting structure, and the requirements for dealing with potential risks are defined in a new Group-wide Standard Operating Procedure (SOP) prepared and will be effective in 2023.

We specified our requirements also with regard to human rights due diligence towards suppliers and business partners in corresponding codes of conduct. Fresenius Kabi updated its Supplier Compliance Clauses and Business Partner Compliance Clauses and added a new section on human rights in the supply chain.

### EVALUATION

The efforts to respect human rights are a continuous development process for us. We continuously review our measures and results. We adjust processes where necessary on the basis of these insights.

In the reporting year, we received grievances via the existing reporting channels which we also assessed on human rights related aspects. Further information on the reporting channels and topic groups can be found in the Compliance section on pages 184f. and 188 as well as in the Data protection section on page 191.

## SUPPLY CHAIN

### OUR APPROACH

We expect our suppliers and business partners to comply with our or equivalent ethical, social, ecological, and human rights standards. To this end, they are expected to introduce processes to ensure compliance with applicable standards. The requirements for our direct suppliers, service providers, and other partners are set out 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, e. g., introduce additional control measures, such as audits, and request additional written confirmations from suppliers and business partners.

### Guidelines and regulations

Our 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 and contracts with other business partners, e. g., distributors and sales representatives – as annexes or references. [Fresenius Medical Care](#) has embedded its expectations in its Global Supplier Code of Conduct. [Fresenius SE & Co. KGaA](#), [Fresenius Helios](#), and [Fresenius Vamed](#) have set out their requirements in Codes of Conduct for Business Partners and Suppliers, [Fresenius Kabi](#) in its Third-Party Code of Conduct. The codes include, e. g., details on the regulation of child and forced labor, and fair working and employment conditions such as working hours and wages.

In Codes of Conduct and in their further development, we also consider regulatory developments, such as the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains.

### Supplier evaluation

Transparency in the supply chain is important to identify and address human rights risks. Our business segments have each implemented a set of measures for evaluating suppliers in their specific supply chain. Corresponding explanations are provided below; additional information on procurement activities can be found in the Group Management Report on page 48. Progress made and new measures introduced in the reporting year can be found in the related section on page 195f.

### Fresenius Medical Care

Fresenius Medical Care's Global Supplier Code of Conduct covers topics such as integrity and ethics, human rights and labor conditions, quality, occupational health and safety, and environmental protection. It also forms the basis of their contractual relationships with suppliers. Fresenius Medical Care continues to incorporate the requirements of the Global Supplier Code of Conduct in supplier contracts. Furthermore, the business segment has an onboarding process in place for suppliers to inform them of their sustainability requirements. This includes procedures to manage situations where suppliers do not wish to or are unable to adhere to these requirements.

### Fresenius Kabi

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 organizations. Based on defined processes, Fresenius Kabi classifies strategic suppliers according to their risk and evaluates them regularly. The business segment also conducts risk-based supplier audits.

Since 2019, Fresenius Kabi has assessed the aspects of occupational health and safety, environment, human rights, business ethics, and sustainable procurement of relevant<sup>1</sup> strategic suppliers. This enables Fresenius Kabi to identify suppliers' ESG performance (Environment, Social, Governance). Subsequently, suppliers can be requested to implement appropriate measures to reduce their ESG risks. Fresenius Kabi is supported in its supplier evaluation by an external service provider that provides ESG assessments for global supply chains.

According to the Supplier Compliance Clauses and Business Partner Compliance Clauses, Fresenius Kabi is entitled to review them and to terminate the contract in case of violations. If high risks are identified in the supplier evaluation, the responsible procurement department is informed. This department then contacts the high-risk supplier and asks for Corrective and Preventive Action (CAPA)

and improvement of performance. During the next supplier evaluation, it is checked whether appropriate measures have been taken and, if necessary, the supplier is requested to take further measures.

### Fresenius Helios

At Fresenius Helios in **Germany**, the procurement department regularly evaluates strategically important suppliers according to standardized criteria and processes. Criteria include the quality of processes, IT infrastructure, and the quality of operational and strategic collaboration. In addition to this focus, further environmental and social aspects, as required by the German Act on Corporate Due Diligence Obligations in Supply Chains as of 2023, are assessed. The relevant instruments for risk management, risk prevention and complaint management were not only designed, but already partially applied in 2022. In addition, a policy statement was drawn up and the uniform procedure for the required reporting and documentation agreed.

Helios Germany's procurement department also takes this Group-wide, uniform risk assessment on the topic of human rights into account for the further evaluation of its suppliers in order to ensure early identification of potential risks. The Code of Conduct for Suppliers of Helios Germany is an integral part of all contracts since 2021, and compliance with it has been mandatory for suppliers and business

<sup>1</sup> Suppliers of APIs, excipients, primary packaging materials, energy, disposal services, filters, granulates, lab consumables, secondary and tertiary packaging, strategic components, clinical studies, medical devices components.

partners since 2022. On this basis, the company consequently demands the inclusion of further, predominantly ecological and social, aspects. If suppliers violate the Code of Conduct, Helios Germany may impose requirements or sanctions on business partners.

Fresenius Helios in **Spain** has developed a procedure for the general evaluation of all suppliers, elaborating different supplier categories and detailed criteria for analysis and evaluation for the different categories. The supplier evaluation is performed every two years. To implement the supplier evaluation, software is used that allows traceability of the different actors involved in all phases of the evaluation process. Part of this project is a validation process to ensure that suppliers are aware of and accept the Code of Conduct. The processes established with this project are intended to improve supplier selection through a standardized, comprehensive evaluation. For this purpose, a modular questionnaire was developed. It includes, among others, general, financial, qualitative, social, and environmental aspects of suppliers, criminal incidents, and implementation of compliance, data protection, and cybersecurity. The objective is to ensure transparency and quality in various procurement areas, such as the evaluation of food safety, pharmaceuticals, construction and other work, and equipment.

### **Fresenius Vamed**

At Fresenius Vamed the Code of Conduct for Business Partners defines the business segment's expectation of its business partners to comply with human rights, environmental protection, and sustainability. Further, corresponding guidelines regulate the risk-based audit of all business partners. All business partners within the scope of Fresenius Vamed's Guideline for Business Partner Due Diligence are subject to an audit before signing a contract. If the contract becomes active, the audits are reviewed at least every two years and in case of increased risk at least every year.

If a business partner violates the principles of the Code of Conduct for Business Partners Fresenius Vamed reserves the right to decide on the continuation of the business relationship.

### **PROGRESS AND MEASURES IN 2022**

In 2022, there were no significant changes in the supply chains of our business segments compared to the previous year.

### **Project on German Act on Corporate Due Diligence Obligations in Supply Chains**

By preparing the installation of the Group Human Rights Office and the human rights functions in the business segments, additional organizational structures for human rights due diligence were created across the Fresenius Group in the reporting year. The departments within the

business segments are closely involved in the implementation of risk analyses, which are also required under the German Act on Corporate Due Diligence Obligations in Supply Chains, which comes into force in 2023.

In addition to our Codes of Conduct for Business Partners, we also reviewed and further developed our reporting channels and incorporated the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains.

In 2021, we additionally included the category of human rights risks in our risk management system. We expanded this in the reporting year to include additional reporting options.

Further information on human rights due diligence and governance can be found in the Human rights section on pages 193 ff.

### **Supplier evaluation in 2022**

In 2022, **Fresenius Medical Care** further developed its procedures for evaluating suppliers based on sustainability risks. The risk assessment approach, which is aligned with the requirements set out in the German Act on Corporate Due Diligence Obligations in Supply Chains, involves assessing the sustainability risk of suppliers based on country- and industry-level factors. Special focus is placed on suppliers that are critical to the business of Fresenius Medical Care. Furthermore, the business segment gathers information about the specific sustainability performance of

selected suppliers via self-assessment forms. Fresenius Medical Care aims to use this information to identify suppliers that do not yet fully comply with its sustainability standards and initiate appropriate follow-up action.

**Fresenius Kabi** continued to work on integrating supplier assessments based on ESG criteria into supplier processes in the reporting year 2022. At the end of 2022, more than 85% of the relevant strategic suppliers had been evaluated against ESG criteria.

**Helios Germany** consistently demands its suppliers to take other, predominantly ecological and social aspects into account. The basis for this is a Supplier Code of Conduct for suppliers, which the division introduced in 2021 as part of the respective contract and compliance with which has been mandatory for the suppliers since 2022. In addition to requirements for environmental protection and human rights, it includes further requirements such as animal welfare and labor standards.

In 2021, **Helios Spain** launched an extensive analysis of direct suppliers to the central purchasing department, the construction and equipment division, and the quality department. In the reporting year, the project was further implemented. The framework audited in 2021 has been extended to the other suppliers as well as the purchasing processes of the clinics and health centers.

In 2022, a human rights risk assessment has been established in the project business of **Fresenius Vamed**, starting as a first risk analyses before start of a project and then being followed up during the term of the project. In the high-end service business and in the total operational management business, a process was set up for analyzing chances and risks including classification of products and services according to countries of origin and evaluation of the suppliers.

## EVALUATION

In the reporting year, our global procurement activities demonstrated their reliability – despite the particularly volatile procurement market situation in 2022.

Some business segments have carried out supplier assessments and training. The aim of the respective assessments was to ensure that suppliers comply with the applicable specifications of the business segments.

In the reporting year, **Fresenius Medical Care** continued in its efforts to train procurement staff on sustainability topics. The business segment rolled out a global e-learning course on sustainable supplier management and enrolled 99% of the global procurement staff by the end of 2022.

**Fresenius Kabi** achieved its internally set ambition to assess 85% of selected strategic suppliers in the reporting year. The ESG performance of the majority of strategic suppliers was confirmed by the assessment. Strategic suppliers with a low ESG assessment score have been requested in 2022 to take measures to improve their performance.

In the reporting year 2022, the management approaches of **Fresenius Helios** and **Fresenius Vamed** to supply chain management remained largely unchanged. Progress and measures serve primarily to comply with the legal requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains. First findings from the measures are expected for the reporting year 2023.

## ENVIRONMENT

As a healthcare 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

## ENVIRONMENTAL MANAGEMENT

We aim to develop an integrated environmental approach for the Fresenius Group and foster a balanced view across all functions with regard to relevant environmental aspects. 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 or ISO-oriented management systems.

### OUR APPROACH

We aim to analyze our impact on the material environmental aspects in both the manufacturing and services areas, as the risks of financial or reputational costs linked to environmental litigation are expected to increase. Also, reducing in-process material is essential for many industries affected by growing natural resource scarcity. Dedicated monitoring of natural resource consumption and waste-generating activities can lead to lower costs and, in some cases, new business opportunities. This is why we assess trends and adapt our activities if deemed essential to support the sustainable, long-term growth of our business. In the Progress and measures in 2022 section on pages 204f. we report on our activities and projects in the reporting year. The results achieved are presented in the Evaluation section on pages 205f. Information on risks can be found in the Group Annual Report 2022 in the Opportunities and Risk Report on pages 85ff.

Within the Fresenius Group Management Board, the Chief Executive Officers (CEOs) of the business segments are responsible for operational management. Responsibility for environmental management is regulated by the respective Management Board committees or managements, e. g. via a business allocation plan. The business allocation plan of the Fresenius Group Management Board does not provide for a separate department for this purpose. As part of risk reporting, the Fresenius Group Management Board is informed quarterly about the effectiveness of the environmental management systems, i. e. about risks or incidents that could have a significant impact on the operating business, the reputation or the value chain of the Group and its

business segments. The Audit Committee of the Supervisory Board is also informed of these developments on a quarterly basis, and the Supervisory Board as a whole is informed annually. For further information, please refer to page 86 in the Risk Report and page 180f. in the Non-Financial Group Report, section Compliance.

On a business segment level, the environmental management strategy is aligned to the respective business models. Since the requirements in our business segments differ, environmental management is decentralized. The common foundation of environmental management approaches in our business segments is the ISO 14001 standard. All segments have implemented local, regional, or global management systems to take into account the respective business models and adapt processes accordingly. Each business segment has functions that monitor and control the respective environmental impacts. They analyze environmentally relevant vulnerabilities, develop suitable standard procedures, and implement appropriate measures. They also support their certified local entities in effective, directed environmental goal-setting, monitoring these goals as well as developing and implementing mandatory guidelines for all entities.

### CERTIFICATIONS AND COMMITMENT

The environmental commitment of our business segments is reviewed or certified by external partners and regulatory bodies. We are continuously expanding the number of sites

certified to ISO 14001. In 2022, further entities were added on a Group level. More information on the various standards is provided for each business segment in this chapter.

The environmental management approach of the Fresenius Group is controlled by internal specialists or dedicated functions within the business segments. Relevant data is reported regularly, e.g., on a monthly basis, to identify deviations. If deviations occur, our specialists initiate a root cause analysis which is evaluated, and corrective or preventive actions are implemented where necessary. Regular internal audits, partially annually, support the verification of data and management approaches, both for certified and non-certified entities. In this way, we ensure that activities to protect the environment are in accordance with internal guidelines and regulatory provisions. The overarching ambition is to improve efficiency of our management systems and to extend their scope to new or not yet integrated sites, so as to ensure the effectiveness of the procedures and systems in place.

### Fresenius Medical Care

Part of Fresenius Medical Care's environmental management involves monitoring national and international regulations concerning the environment, so that the internal policies and manuals are up to date. The business segment has established internal environmental standards, which it complements with external certifications where it adds value. The production sites, distribution centers, laboratories, and dialysis clinics are subject to internal and external audits.

This involves checking their compliance with environmental laws and regulations, certification requirements, and internal guidelines. Due to the COVID-19 pandemic, some audits in 2022 took place virtually. In total, 25% of production sites are certified according to ISO 14001 standard and 5% of production sites have ISO 50001 certifications.

Fresenius Medical Care's environmental management is described in this section, for energy management and emissions see chapter Climate protection – energy and emissions on page 214.

### Fresenius Kabi

Fresenius Kabi has a matrix certification for both its global environmental management system and the energy management system; both systems are audited annually and certified by TÜV Rheinland. The business segment 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. Fresenius Kabi is working to implement 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<sup>1</sup>. To achieve the goal of implementing the management systems, the business segment has drawn up an ambitious implementation plan and is working systematically on its realization. By expanding the coverage of the management systems, Fresenius Kabi aims to continuously improve its environmental and energy performance. 39 Fresenius Kabi manufacturing plants are currently certified according

to ISO 14001, including 6 additional manufacturing plants which were certified in 2022. Further, 27 manufacturing plants are certified according to ISO 50001, including 7 additional manufacturing plants which were certified 2022. Information on the environmental management of Fresenius Kabi can be found on page 202, for energy management and emissions see chapter Climate protection – energy and emissions on pages 214f.

### Fresenius Helios

Fresenius Helios started introducing an environmental management system in accordance with ISO 14001 in Germany in 2020 and continued this process in 2022. To this end, the necessary structure was created in the reporting year at the level of the business segment as well as at the level of the individual clinics, for example by establishing sustainability teams. The certification of all Helios clinics is to be covered by matrix certification in the coming years. An energy management system in accordance with ISO 50001 was implemented at all Fresenius Helios sites in Germany by the end of 2020 and the sites are externally certified accordingly.

At Helios Spain, five further hospitals were certified according to ISO 14001 in 2022. The total number is now 49 hospitals. The number of hospitals certified to ISO 50001 increased by three to a total of ten. The certification audits were conducted in 2022 and the valid certificates are expected in early 2023.

<sup>1</sup>Implementation will 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 four Spanish clinics of the division Fertility Services have all already been certified to ISO 14001 in 2021.

### Fresenius Vamed

In 2022, at Fresenius Vamed no new certifications according to ISO 14001 or ISO 50001 were performed. The number of facilities with appropriate certifications was unchanged, with 8 facilities certified to ISO 14001 and 53 certified to ISO 50001.

## ENVIRONMENTAL MANAGEMENT IN THE BUSINESS SEGMENTS

### Fresenius Medical Care

The Global Environmental Policy provides a framework for Fresenius Medical Care's environmental management. It addresses how the business segment manages and monitors its environmental impact and forms the basis for other policies and manuals. Also, various guidelines help to manage global data and correctly report on environmental indicators related to energy, greenhouse gas (GHG) emissions, and water. Fresenius Medical Care plans to extend these guidelines in 2023 to other indicators such as waste and wastewater in line with internal and external reporting requirements.

### Life cycle assessments

To help understand the environmental impact of its products, Fresenius Medical Care conducts simplified product life-cycle assessments (screening LCA) for selected products.

These assessments identify the life cycle phase with the highest impact, and the processes and materials needed to focus on to improve the eco-performance of the products and services. Screening LCAs are used to assess most of the active medical device product lines and are gradually being extended to disposables. In addition, the business segment has conducted detailed comparative product life cycle assessments for important disposables.

### Fresenius Kabi

The focus of the environmental management system at Fresenius Kabi is to improve environmental performance and prevent environmental incidents. Key opportunities are, e.g., reducing energy and water usage, as well as wastewater, waste, and emissions, in relation to production activities.

A manual for the respective management system and standard operating procedures provide the certified units with the framework for their local environmental or energy management system.

The local management reviews the environmental management system at least annually to ensure continued compliance with the applicable requirements and effectiveness of the systems, and to identify potential for improvement. These local reviews are consolidated, analyzed, and evaluated on an annual basis by Fresenius Kabi's global EHS (Environment, Health, and Safety) function. Appropriate corrective measures will be initiated, if deviations from the requirements of the ISO 14001 or ISO 50001 management systems are identified. Based on the local management reviews, the global EHS function presents a global management review to the responsible members of Fresenius

Kabi's Management Board and other relevant functions of the business segment. In addition, the global EHS function reports on a quarterly basis about Fresenius Kabi's environmental and energy performance with selected indicators and provides an update on the implementation of the ISO 14001 and ISO 50001 management systems.

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 mitigate environmental risks, as well as how to prevent environmental incidents. 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. In addition, since 2021, the business segment takes sustainability criteria into account in decision-making processes for new projects, such as the development of products or capacity expansions.

Manufacturing sites must identify environmental protection measures associated with environmental aspects of their activities and services. This can relate to emissions into air, water, or soil, consumption of natural resources and raw materials, waste and wastewater, packaging, transport, or other local environmental impacts. Environmental impacts of organizations are evaluated and, where necessary, environmental protection measures are implemented and reviewed for effectiveness. In addition, using internal audits, Fresenius Kabi identifies further improvement opportunities and develops appropriate measures with locally respons-

sible managers to tap that potential. During an audit, a review is conducted as to how environmental aspects have been evaluated by the respective organization and whether objectives have been set for significant environmental aspects. Objectives and respective measures are reviewed by the auditor during inspection tours or on the basis of monitoring records. This is carried out at certified sites in particular. In addition, internal audits cover preparedness for emergencies including heavy weather events, floods, earthquakes, or hurricanes, depending on relevance or location. The frequency of global internal audits depends on audit observations from previous audits, environmental incidents, certification status, or the evaluation of the management review and can vary between one and four years. Worldwide internal audits are conducted by the global EHS department. Due to the ongoing COVID-19 pandemic in 2022, most audits have been conducted remotely.

Fresenius Kabi has a reporting process for environmental incidents such as violations of environmental regulations, pollution caused by uncontrolled spills, or complaints from third parties. Environmental incidents are recorded internally and categorized into five levels – depending on the impact of an environmental incident. Environmental incidents are reported to the global EHS function by local managers. Where necessary, Fresenius Kabi immediately reports environmental incidents to the relevant authorities. Environmental incidents are analyzed to determine the cause and to prevent future incidents.

### Fresenius Helios

The environment has a direct impact on 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 continuously to reduce the environmental impact of hospital operations. It is the aim of Fresenius Helios to control and reduce its Scope 1 and Scope 2 emissions. The business segment also aims to raise employees' awareness of the environment, and with these measures, to improve the ecological sustainability performance of its hospitals in the long term.

In **Germany**, the Infrastructure business unit is responsible for the energy and environmental management strategy of Helios hospitals. It supports them in the central purchasing of products or services and in sharing best practice procedures, among others. The business unit reports directly to the Chief Operating Officer (COO) of the parent company Helios Health.

In **Spain**, environmental management is part of operational management and is carried out by the Quality Management department and by the local environmental management committees of the hospitals. The Group management 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. In 2022, a corporate environmental committee with multidisciplinary participation has been started, that joins efforts and aligns

projects to improve the environmental management of hospitals. Since 2021, diverse working groups develop and promote environmental guidelines and support the hospitals in their implementation. The guidelines serve to raise environmental awareness and tackle climate change through optimized energy use.

Furthermore, the division is part of the Clúster de Cambio Climático alliance, organized by Forética, a leading corporate network for sustainability and corporate responsibility in Spain and Latin America. The alliance meets three times a year to discuss a specific topic with experts and authorities, to evaluate the best climate-related practices in the private sector, and to promote exchange and transparency between companies.

### 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 business segment 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. The responsibilities and processes for the environmental area of Fresenius Vamed were collected and recorded in an internal process documentation.

## OUR AMBITIONS

In February 2022, the Management Board of Fresenius Management SE adopted a climate target for the Fresenius Group in addition to the existing programs. The Fresenius Group aims to be climate neutral in 2040 and to reduce Scope 1 and Scope 2 emissions by 50% in absolute terms by 2030, compared to 2020. Furthermore, we will assess the impact of Scope 3 emissions in the future to include them in our targets as well.

We are currently developing key performance indicators (KPIs) at Group level to measure our environmental performance, which are also to be included in the future variable compensation of the Board of Management. For more information, please refer to the Corporate Governance Report on page 243 of the Annual Report 2022, section Compensation Report.

The environmental efforts undertaken in the reporting year are aimed at supporting the Group's target. Further, each business segment has its own approach to environmental management.

**Fresenius Medical Care** is also currently assessing Scope 3 emissions that arise from activities or assets that the business segment does not own or control along its value chain. With this information, the company intends to evaluate the possible inclusion of Scope 3 emissions in its climate target roadmap. In the Scope 3 assessment, Fresenius Medical Care places particular focus on five categories that it considers especially relevant to its business: purchased goods and services, upstream transportation and

distribution, waste generated in operations, use of sold products, and end-of-life treatment of sold products. Fresenius Medical Care aims to disclose information on its Scope 3 emissions in its own reporting for the financial year 2024 at the latest.

**Fresenius Kabi** constantly works to improve its environmental management and reduce negative impacts on the environment. Certified organizations set local targets to constantly improve their environmental and energy performance; this includes targets for waste, water, wastewater and energy consumption.

**Helios Germany** is working to reduce its environmental and CO<sub>2</sub> footprint. First and foremost, the consumption of energy resources is to be reduced.

**Helios Spain** has set itself ambitious overarching goals and defines the environmental targets for each hospital locally each year. Since 2020, clear targets have been in place to reduce electricity and gas consumption in all hospitals. Furthermore, Helios Spain set itself comprehensive goals to raise employees' environmental awareness, improve energy use, and document CO<sub>2</sub> emissions in all hospitals. To this end, the infrastructure of the hospitals is to be analyzed first, then their own generation of energy is increased and their equipment improved.

**Fresenius Vamed** continues to strive to evaluate its strategy on the basis of sustainability criteria and to identify performance indicators that will serve long-term strategic development. Moreover, Fresenius Vamed intensifies its focus on efficiency measures, investments in renewable energy production and heat generation to further reduce CO<sub>2</sub> emissions in line with the Group's target.

## PROGRESS AND MEASURES IN 2022

In the reporting year, the Fresenius Group initiated various measures and projects to achieve the Group climate target, which was approved in February 2022. Environmental managers of the business segments and representatives of the Group function Investor Relations & Sustainability form the **Climate Target Working Group**, that meets on a regular basis. The participants exchange information on the development of measures and the coordination of corresponding activities. As a first measure, Helios Germany, for example, has been purchasing green electricity with certificates of origin from renewable sources since 2022.

Since 2021, **Helios Germany** has been developing a system for collecting and evaluating Scope 3 emissions. At **Helios Spain**, the emissions from waste management and from business trips by air and rail have been calculated in the reporting year. In addition, the emissions of the journeys made by workers to their workplace have been estimated with a mobility survey.

Further information about climate protection can be found in the Climate Protection – Energy and Emissions section starting on page 213. Scope 1 and Scope 2 emissions for the reporting year can be found on page 217 in the Evaluation section.

In addition, our business segments achieved progress according to environmental management on which we report in the following.

## Fresenius Medical Care

In 2022, Fresenius Medical Care set up a governance function responsible for global environmental management in the Global Sustainability department. Responsibility for environmental management in the dialysis clinics lies with the respective management in the global Care Delivery segment, which was implemented on January 1, 2023 as part of the new operating model. The global Care Enablement segment, which also came into effect in 2023, is accountable for environmentally sustainable manufacturing, product development, supply chain, and sales operations for the product business. Updates on environmental protection activities are provided to top management as needed. In 2022, the global network of environmental experts continued to exchange regularly on best practices related to topics such as energy and waste management, decarbonization, and water. These experts, which include representatives from the company's new global structures, provide input on the implementation of the global environmental management strategy and goals.

Fresenius Medical Care additionally performed further assessments to determine how environmental factors such as water stress, climate change vulnerability, and waste management can represent risks to its business. The company updated the global environmental risk management process and catalog based on the results of these assessments to increase awareness but did not identify any significant new risks. In 2022, Fresenius Medical Care also continued to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into its enterprise risk management approach. The business segment reviews climate-related risks and opportunities on an annual basis.

## Fresenius Kabi

In 2022, Fresenius Kabi progressed with the roll-out of the environmental management system at the designated manufacturing plants. The global EHS function supports the local organizations in preparing and implementing the management system and certification according to ISO 14001.

## Fresenius Helios

In July 2022, **Helios Germany** established the Helios Sustainability Board to manage its environmental activities. It meets once a month. Under the leadership of the Sustainability Office, it comprises the management of Helios Germany and the heads of the relevant central services such as Purchasing and Logistics, Infrastructure, Compliance and Hygiene. Non-permanent members who participate in the Sustainability Board depending on the topic focus are management of the central services Risk Management, Pharmacy, Medical Technology, Occupational Safety, Human Resources, IT and Data Protection. The Board steers all issues relating to environmental and energy management. This includes, for example, ensuring and monitoring the climate target and ISO 50001 certification. It is also responsible for evaluating employee suggestions in the context of sustainability, managing overarching sustainability projects in the company, and discussing new technologies, such as CO<sub>2</sub> reduction. In addition, sustainability teams were formed at the level of the clinics in 2022 under the leadership of the clinic managing directors to deal with the same setting of topics at the clinic level. These teams are also

responsible for implementing decisions made in the Sustainability Board at the clinic level. In this context, the integrated energy teams specifically take care of the implementation of the energy management system according to ISO 50001.

**Helios Spain** has been working on corporate environmental objectives for many years, which are documented annually in the corporate targets. However, in 2022 a Corporate Environmental Committee has been created to promote projects and align environmental policies. The current targets are:

- ▶ the implementation of renewable energy generation projects,
- ▶ decarbonization of industrial facilities and
- ▶ progress in the fight against climate change.

With joint initiatives and the pooling of forces, the segment supported its units in achieving these in the reporting year.

## Fresenius Vamed

Fresenius Vamed pursues the goal of creating a central governance structure. Therefore, the business segment continues to record and review responsibilities and processes and to define strategies on the core topics of energy and water in the reporting year.

## EVALUATION

In the reporting year, we further made progress to develop and prepare an integrated environmental management approach for the Fresenius Group, thus improving and aligning the assessment of relevant environmental aspects at all

functions. The various measures conducted in the reporting year are described on pages 204f. Internal and external audits are used to identify potential for improvement at both local and global level and to take measures to continuously improve environmental performance.

In the reporting year, no environmental incidents were reported via the reporting channels whose impact would have been material to the financial position or reputation of the company. Furthermore, no incidents were recorded in which the respective environment or the general public were directly harmed. Further information on opportunities and risks can be found in the Opportunities and Risk Report starting on page 85.

### Fresenius Medical Care

At its production sites, the business segment is involved in local environmental projects that are reported on as part of the global Green & Lean initiative. This initiative enables best practices to be shared across the organization. The objective is to reduce emissions, promote the efficient use of natural resources, and increase recycling rates. By the end of 2022, more than 110 projects were reported as part of the initiative. They were aimed at, for example, using efficient equipment to reduce energy consumption and improving processes to save water. As a result of these projects, per year Fresenius Medical Care expects to save more than 18,000 MWh of energy (0.7% of the total energy consumption), prevent 4,400 tons of CO<sub>2</sub> equivalent emissions (0.6% of the total Scope 1 and 2 emissions), save more than 88,000 m<sup>3</sup> of water (0.2% of the total water consumption), and recycle or reuse more than 270 tons of waste.

Fresenius Medical Care also includes environmental considerations in its scientific activities. For example, in 2022, the business segment collaborated with other institutions to research the impact of climate change on dialysis patients. Further information on clinical trial management is provided on pages 136ff. in this report.

### Fresenius Kabi

In 2022, no systematic non-compliances were detected during the global internal audits ISO 14001 and ISO 50001, and by TÜV Rheinland with regard to the certification of environmental management in accordance with ISO 14001. Nevertheless, some observations at local sites showed improvement potential, e. g., enhancing knowledge about the local energy management. To support this, regular trainings on a global and local level have been implemented or repeated in 2022.

In 2022, Fresenius Kabi documented environmental incidents in its internal reporting system. Where necessary, local authorities were informed of the incidents immediately after an incident became known. Necessary measures were implemented to reduce the environmental impact of the respective incidents. Fresenius Kabi has also taken the environmental incidents at the affected sites as an opportunity to implement preventive measures, such as training courses, in order to avoid future incidents. No incident led to a severe impact on the environment, biodiversity, or the communities nearby.

### Fresenius Helios

**Helios Germany** conducts internal and external energy audits at the hospital sites as part of its energy management program. As part of the monitoring process, the respective

personnel is sensitized to potential savings and increasing energy efficiency as well as related measures. The effects on energy efficiency are regularly monitored and evaluated within the energy management system. This process is part of the continuous improvement according to the requirements of ISO 50001. **Helios Spain** sets annual targets. To objectively assess target progress, the hospitals conduct quarterly self-evaluations. Every six month, the division evaluates the progress.

### Fresenius Vamed

As part of Fresenius' key performance indicator development, Fresenius Vamed has defined targets for 2023 and measured consumption data on a quarterly basis. In case of deviations from the target path, measures will be enforced in the future. In 2022, a first trial run was conducted. The data collection, validation, and release processes as well as the documentation requirements have been defined and are evaluated in audits. There were no environmental incidents at our health facilities in Europe in the reporting year.

## WATER MANAGEMENT

For decades, water consumption has been increasing worldwide and water shortages are occurring in more and more regions. We too need water, both at our production plants and in our healthcare 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 healthcare facilities. The health of our patients and employees must be protected. The aim of our water management is therefore not only to ensure the highest quality and sufficient availability of freshwater but also to avoid unnecessary polluting the sources from which we obtain water or into which we discharge our wastewater. Water withdrawal for the Fresenius Group has been surveyed annually since 2016 as a part of non-financial reporting.

## OUR APPROACH

Fresenius continuously reviews national and international regulations on water management. This ensures that internal principles, guidelines, and standard operating procedures are always up to date or often go beyond regulatory requirements, e.g., within the framework of global management handbooks. Depending on the operating activity, either environmental or hygiene experts ensure that internal guidelines and external regulations are adhered to.

At our clinics and hospitals, most of the water withdrawal is from municipal water supplies. We have implemented applicable risk management procedures that come into action if impurities are detected or if the quality of water is not

compliant with standards set. Further, dedicated reporting lines provide transparency within the business segments. The local government is informed of any detected critical deviations from local drinking water provisions.

### Fresenius Medical Care

Large volumes of water are required both in production sites and in dialysis clinics as the dialysis process requires a significant quantity to provide life sustaining care for dialysis patients. It is critical that the water Fresenius Medical Care uses for dialysis is of high quality, which is why the company generally uses municipal water that is treated further in its dialysis clinics.

### Progress and measures in 2022

In 2022, Fresenius Medical Care continued to build on the water stress-related assessments that the company has been performing since 2020 with the support of the World Resource Institute's Aqueduct tool. The most recent water stress analysis in 2021 confirmed that 12% of its dialysis clinics and 7% of the production sites are situated in locations identified by the tool as having an extremely high risk of water stress. The assessment covered 77% of the dialysis clinics and all its production sites. By 2023, Fresenius Medical Care aims to expand the coverage of this analysis to include additional dialysis clinics.

In the reporting year, the business segment focused on further developing the water stress scenario analysis, which it initiated in 2021. The aim of this analysis is to identify areas around the world where water stress levels will increase most by 2030 and 2040. Fresenius Medical Care determined that a considerable number of the existing sites are

in locations that are expected to have high or extreme water stress levels by these dates. Most of them are situated in North America which accounts for the largest share of its business. Sites in Europe, Middle East and Africa, Latin America, and Asia-Pacific are also likely to be affected by increasing water stress. Fresenius Medical Care is actively incorporating insights from this analysis into the Group-wide risk management systems to identify, monitor, and mitigate possible risks as early as possible.

### Fresenius Kabi

Water is primarily used in production at Fresenius Kabi, e.g., for cooling or in sanitary facilities, and is discharged as wastewater. Some manufacturing sites are reusing water, e.g., by using condensate water from installed air handling units or in steam condensate recovery systems. The business segment also uses water for its products, e.g., for infusion solutions such as sodium chloride. The water used for this purpose must meet stringent quality requirements to ensure product quality and patient safety. Fresenius Kabi's global environmental standard operating procedures and working instructions include instructions for the responsible handling of water, including the control of wastewater. Each of Fresenius Kabi's manufacturing sites is required to evaluate its environmental impact, e.g., from water usage and wastewater. Water management measures consider a reduction in water and wastewater volumes, and monitor the quality and authorized withdrawal of water and discharge of wastewater.

Water discharges are locally managed at the sites in accordance with applicable local regulations. Water discharge by quantity is regularly reported to global EHS in accordance with internal standards and guidelines. In addition, Fresenius Kabi has been member of the AMR Industry Alliance since 2020 and has been actively involved in the association's governing bodies since 2021. The business segment is in the process of implementing the Common Antibiotic Manufacturing Framework (CAMF) of the AMR Industry Alliance. According to the CAMF requirements, wastewater contaminated with antibiotic residues should not be discharged untreated. In 2021, the business segment started to establish corresponding processes and measures at the sites that produce antibiotics. These processes and measures complement the existing internal standards and procedures. For example, systems to control Predicted No-Effect Concentrations (PNEC) were introduced. PNEC values can be used to determine discharge concentration targets for antibiotics that are not expected to cause environmental effects.

Water availability at Fresenius Kabi's production sites is important to ensure business continuity. The business segment analyzes the water situation using the World Resources Institute's Aqueduct Water Risk Atlas, which contains information on current and future water risks at specific locations. Fresenius Kabi has identified manufacturing sites that are in areas with extremely high or high risk of water scar-

city. At these sites, efficient water management is especially important to ensure water availability for production and to prevent negative impact on the local water situation as far as possible.

Manufacturing plants are requested to include water stress and other applicable types of water risks such as floods, droughts or heavy rain into their risk assessments and set up measures in case a risk is identified. Manufacturing plants certified according to ISO 14001 are requested to improve their environmental performance, including water, on an annual basis. In addition, national requirements on the handling and use of water are to be followed on a local level. Fresenius Kabi's Global Competence Cluster (GCC) Energy and Water Management supports the business segment's manufacturing plants in managing water as a scarce resource. Management practices are being shared among sites and water saving projects are continuously being fostered. Thereby, Fresenius Kabi aims to increase efficiency of water usage.

### Progress and measures in 2022

In 2022, the management approach and the governance structure of Fresenius Kabi remained as reported in 2021. Progress focused on conducting water risk assessments which were requested from all manufacturing plants. Sites with high water risks have been asked to develop action plans to mitigate them. Action plans will be reviewed during global internal EHS audits by Fresenius Kabi's global EHS function. In addition, the progress of implementation of the

CAMF continued with a focus on methods for treating wastewater as well as measuring or calculating concentrations of antibiotics in wastewater.

### Fresenius Helios

The focus of water management at the Helios clinics lies on ensuring an uninterrupted supply of water of consistently high quality and on preventing microbiological contamination. The use of water as a resource in healthcare facilities is subject to strict legal requirements both in Germany and in Spain. Rainwater, for instance, can only be used in areas that are not critical for patient safety. Compliance with the respective applicable regulatory requirements, e.g., the Drinking Water Ordinance in Germany, has top priority. In order not to endanger patients, employees, or other people at any time, water management is closely linked to hygiene management.

In the case of contaminated fresh water from the public network, Helios Germany has the option of connecting additional water treatment modules upstream of the hospital's own network in addition to its own treatment facilities. All Helios Germany and Helios Spain hospitals have contingency plans in place in the event of supply bottlenecks to ensure healthcare for patients.

The company's own guidelines and specifications determine the hospital-specific procedures. Further internal requirements regarding drinking water quality apply. These must be implemented in all German and Spanish facilities.

For these reasons, Fresenius Helios does not reuse water or use gray water – i. e., treated water from showers or wash-basins.

Helios Spain supports the careful use of water, as there is a water shortage in certain Spanish regions that exposes the country to the risk of increasing desertification.

For the discharge of wastewater, Fresenius Helios in Spain and Germany 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 an incident, Fresenius Helios aims to ensure that the requirements are met in future. This is enabled through measures like technical improvements or changes to processes and additional training.

### **Progress and measures in 2022**

In 2022, the management approach and governance structure in the water management area of Fresenius Helios remained as reported in the previous year.

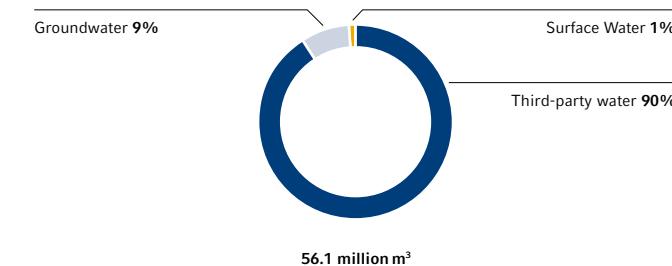
### **Fresenius Vamed**

For Fresenius Vamed, a sufficient supply of fresh water for patient well-being and hygiene is a key element in the planning, construction, and operation of healthcare facilities. The healthcare facilities built by the business segment use construction and sanitation technology that enables optimal water management – adapted to local regulations. At the same time, intelligent water management must under no circumstances undermine hygiene measures or jeopardize the well-being of patients. The largest freshwater users at Fresenius Vamed are rehabilitation clinics with therapy pools, e. g., in the orthopedics department, and facilities that sterilize used medical instruments.

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.

Due to the material significance of fresh water use for compliance with hygiene measures and thus patient safety, no significant reductions in water withdrawal are made. A secondary use of water is refrained from due to the hygiene issues that need to be taken into account. In the long term, the business segment aims to achieve constant water withdrawal.

### **WATER WITHDRAWAL BY SOURCE<sup>1</sup>**



### **Progress and measures in 2022**

In 2022, the management approach and governance structure in the water management area of Fresenius Vamed remained as reported in the previous year. At the healthcare facilities in Austria, work began in the reporting year to examine the installation of water-saving systems. In the first step, a hygienic expert opinion confirmed their suitability. Subsequently, the reduction in consumption resulting from the installation will be calculated in order to be able to evaluate the effectiveness of the measure. The result of the test is expected at the beginning of 2023.

### **EVALUATION<sup>1</sup>**

In 2022, Fresenius withdrew a total of 56.1 million m<sup>3</sup> of water (2021: 56.4 million m<sup>3</sup>). Over the last three years, a relative reduction in water withdrawal was achieved, both in relation to sales and to full-time equivalents. Around 90% came from the municipal water supply, while about 9% was sourced from groundwater and 1% from surface water. In the hospital and rehabilitation sector in particular,

<sup>1</sup> Newly acquired companies are included in the second year of consolidation, at the latest. 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. Due to rounding, individual numbers and percentages presented in this report may not precisely reflect the absolute figures.

water is sourced from the municipal water supply. This is due to the strict hygiene regulations and high demands on water quality in healthcare facilities. Furthermore, no incidents were recorded in which the respective environment or the general public were directly harmed.

In 2022, **Fresenius Medical Care's** reported water withdrawal decreased by 2% compared with 2021. This was mainly due to a decrease in the number of treatments the business segment provided.

In addition to the water stress analyses, in 2022, Fresenius Medical Care defined global water-related objectives to supplement those already at a regional level. For example, the company has set itself the global target of developing and implementing sustainable water plans for production sites and dialysis clinics in extremely high water stress areas by 2026. These plans are intended to lay out optimization and improvement measures for the sites in question.

In 2022, **Fresenius Kabi** asked selected antibiotic-producing sites to prepare a mass balance on antibiotic residues in wastewater. This, together with the measurements carried out as part of a pilot project, leads to enhanced transparency about possible antibiotic residues in wastewater and contributes to the continuous improvement of water management. Water withdrawal at the business segment was 10.4 million m<sup>3</sup> in 2022 (2021: 10.1 million m<sup>3</sup>) which

#### WATER WITHDRAWAL FRESENIUS GROUP<sup>1</sup>

m<sup>3</sup> in millions

Fresenius Medical Care<sup>2</sup>

Fresenius Kabi

Fresenius Helios<sup>3</sup>

Fresenius Vamed

**Total**

	2022	2021	2020	2019	2018
<b>40,5</b>	41.4	41.7	43.2	42.1	
<b>10.4</b>	10.1	9.7	9.5	9.7	
<b>4.2</b>	4.0	4.1	3.8	3.7	
<b>1,0</b>	0.9	0.8	0.7	0.7	
<b>56.1</b>	56.4	56.2	57.2	56.2	

#### FRESENIUS GROUP<sup>1</sup> RELATIVE WATER WITHDRAWAL

in m<sup>3</sup>

Water withdrawal/€1 million sales

Water withdrawal/FTE

	2022	2021	2020	2019	2018
<b>1,373</b>	1,503	1,550	1,609	1,676	
<b>199.8</b>	201.9	203.3	217.5	228.2	

amongst other things increased due to higher production at some sites compared to the previous year. In 2022, several projects to reduce water withdrawal were implemented at manufacturing plants of Fresenius Kabi. Water-saving projects in 2022 included, e.g., installation of ultrafiltration and reverse osmosis system in wastewater treatment plant to reduce wastewater generation and water consumption saving about 24.000 m<sup>3</sup> water annually, another site has implemented a system to reduce the discharge of water for injection (WFI) resulting in a saving of about 5.000 m<sup>3</sup>.

Water withdrawal at **Fresenius Helios** was 4.2 million m<sup>3</sup> in 2022 (2021: 4.0 million m<sup>3</sup>). Water withdrawal depends

on the number of patients treated in hospitals. The previous years were further impacted by an increased demand for sterilization and hygiene.

In the business segment **Fresenius Vamed**, water withdrawal increased compared to the previous year. Total water withdrawal was 1.0 million m<sup>3</sup> in 2022 (2021: 0.9 million m<sup>3</sup>). The increase in consumption was due to a less severe pandemic situation in the reporting year. Specifically, more technical services were again performed in the area of sterile supply, and there was also greater occupancy of healthcare facilities.

<sup>1</sup> Newly acquired companies are included in the second year of consolidation, at the latest. 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. Due to rounding, individual numbers and percentages presented in this report may not precisely reflect the absolute figures.

<sup>2</sup> Fresenius Medical Care water figures include the water withdrawal of its production sites and in-center treatments at its dialysis clinics. Some data is subject to part to extrapolations.

<sup>3</sup> Data of Fresenius Helios's fertility services division include in 2022 only the Spanish entities.

## 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 aim to 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

For Fresenius as a healthcare Group, 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 treatments in healthcare facilities must be hygienic and sterile at all times. All business segments

must always dispose of their waste professionally and safely. As the business models of our business segments are different, Fresenius conducts waste management on a decentralized basis. The business segments are responsible for assessing individual risks and, where necessary, establishing internal guidelines for dealing with waste. The business segments provide training to their employees and carry out checks to ensure that the standards contained therein are adhered to.

### Fresenius Medical Care

Waste is managed on a local and regional level, allowing Fresenius Medical Care to adhere to all applicable laws and regulations.

### Progress and measures in 2022

In 2022, Fresenius Medical Care continued to analyze the waste streams of the production sites and dialysis clinics in all regions. As part of this process, the business segment implemented waste reporting processes at production sites. Furthermore, it is working to consolidate the data on waste generation gathered in dialysis clinics by identifying data sources and improving reporting methodologies. The business segment plans to disclose waste data in its non-financial reporting for 2023.

### Fresenius Kabi

Waste at Fresenius Kabi is mainly generated as a byproduct of production processes or packaging material of the product containers in hospitals, private households, or nursing homes. This includes both non-hazardous and hazardous waste, i.e. solvents, cytostatics, or antibiotics.

The business segment's global environmental standard operating procedures include global requirements for waste management. The instructions constitute a global framework for the business segment's waste management and set minimum requirements for Fresenius Kabi's own facilities. As part of waste management, the business segment has established a sequence for the measures to be taken: waste prevention, preparation for reuse, recycling, other recovery, in particular energy recovery and backfilling, and disposal of the resulting waste. The measures taken must always be in compliance with applicable laws and regulations.

Each of Fresenius Kabi's manufacturing sites is required to separate its waste according to local regulations and to store the waste under consideration of 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. In general, local EHS managers or dedicated waste managers are responsible for waste management at the

respective organizations. Where necessary, local training courses on waste management are conducted. Regular audits of the commissioned waste disposal companies are conducted by the local organizations to ensure compliance with the applicable regulations.

As part of the ISO 14001 requirements, certified organizations evaluate processes that significantly contribute to the generation of waste as well as identifying potential for improvement. The business segment also considers the conservation of resources and options for recycling or direct reuse of the generated waste. Based on the evaluation, measures are implemented to reduce waste or increase the recycling rate.

If the design of a product is under the control of an ISO 14001-certified organization, as part of the life cycle perspective, the design phase of the product must take environmental aspects into account, e.g. sustainable components or required packaging. The influence of the organization on pharmaceutical products can be limited due to the importance of patient safety and product quality requirements. ISO 14001-certified organizations set local targets for their waste management.

Fresenius Kabi records the waste volumes generated at its production sites, logistics centers, compounding centers, and the further ISO 14001-certified organizations and categorizes them by waste type and disposal method. Plastic waste represents the largest portion of classified

non-hazardous waste. Hazardous waste is, to a large extent, processed and reused for a different or similar purpose. To a large extent, the internally generated waste is recycled. Non-recyclable hazardous waste is mainly incinerated and a large part of it is led into energy recovery.

### Progress and measures in 2022

In 2022, the management approach and the governance structure of Fresenius Kabi remained as reported in 2021. Progress and measures in 2022 focused on waste management at individual sites. In addition, representatives from relevant sites were trained and shared exemplary practices on waste reduction and improving recycling management including control measures.

### 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 strict hygiene requirements: medical instruments and aids are cleaned and packed separately so that they can be reused as sterile items. 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. In Spain, the Law 22/2011 on Waste and Contaminated Soils applies, for example, which sets out requirements for different types of waste applies. Specially trained staff in the hospitals are responsible for ensuring that the respective requirements are met. In particular, if hospitals in Germany generate more than two tons of hazardous waste per calendar year, they must appoint a company or external waste officer with relevant expertise and report this to the responsible authority. When disposing of waste, Fresenius Helios in Spain and in Germany 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.

### Progress and measures in 2022

In 2021, **Helios Germany** began to implement or prepare for the implementation of the new regulatory requirements of the German Packaging Act 2021. For instance, an initial concept for reusable packaging in the restaurant and catering segment was drawn up. Starting in 2023, Helios Germany will implement this concept in its clinics. In addition, Helios established a central data collection system for waste volumes at its German hospitals in the reporting year.

**Helios Spain** is also currently working to reduce single-use plastic in line with European and Spanish legislation. Since 2021, large packs, e.g., with dispensers or dosing aids, have increasingly been used to prevent packaging waste.

The division has also been working with a supplier to improve the labeling of recyclable primary packaging. In the reporting year, all hospitals were additionally provided with a catalog of single-use items made from more sustainable materials so that they can reduce their consumption of disposable plastic.

### 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 each healthcare facility is responsible for ensuring compliance with these guidelines. Reusable waste is processed in the required recycling processes. Other waste is disposed of by composting 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.

The most important legal basis for waste management in Austria is the Waste Management Act (AWG 2002), which is supplemented in the federal states by state laws to include local aspects, such as the fees to be paid. There are also a large number of legal provisions under European law. All of these regulations create the legal framework to ensure an efficient waste management industry in Austria.

The healthcare 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 activities is to ensure the longevity of technical systems through maintenance and repair.

### Progress and measures in 2022

In 2022, the decentralized management approach and governance structure in the waste and recycling management area of Fresenius Vamed remained unchanged compared to the previous year.

### EVALUATION

No Group results are available for waste management in fiscal year 2022. Although no effects can yet be reported at Group level, we report on the measures initiated in 2022 and related progress in the business segments. For 2023, we assess to include at least business segment waste KPIs in the Group Non-financial Report. Furthermore, no incidents were recorded in which the respective environment or the general public were directly harmed.

Fresenius Kabi's total waste volume increased in the reporting year. Fresenius Kabi is continuously working to increase the recycling rate<sup>1</sup> and made progress with hazardous waste. In addition, data quality of internally reported information on waste was improved.

In our healthcare facilities and our clinics, the waste volume caused by disposables and protective gear has increased due to COVID-19. This also applies to the amount of (potentially) infectious waste requiring special disposal.

### CLIMATE PROTECTION – ENERGY AND EMISSIONS

Climate change and its effects are also impacting Fresenius: in healthcare facilities we have to prepare for rising temperatures and the increase in severe weather events in order to continue to protect the health of patients.

Another current challenge: Energy is becoming more and more expensive, especially if it is obtained from dwindling fossil resources. Energy efficiency is therefore an increasingly important factor for Fresenius. Our production processes and the operation of healthcare 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.

<sup>1</sup> Calculation of the recycling rate has been updated according to the GRI standard 306-4 (2020) for waste by category and disposal method applied as of 2021 for both, 2020 and 2021 data; waste disposed for energy recovery is no longer categorized as recycled waste.

## 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 2022, the business segments focused primarily on the topics of energy saving, purchasing green electricity, and thus the reduction of CO<sub>2</sub> emissions.

Uninterrupted energy supply is a top priority for Fresenius in order to ensure patient safety and reliable production or care. Within this context, we implement energy-saving measures wherever possible. Details for each business segment can be found in the following sections.

The energy management system is geared to the requirements of our business segments and is certified according to ISO 50001. We are constantly expanding the number of certified sites.

Fresenius further invests in new buildings and modernizations that meet the latest energy standards and legal requirements.

### Fresenius Medical Care

The business segment is committed to developing measures to reduce energy consumption and GHG emissions across its business. Energy efficiency and climate protection are integral aspects of the global environmental strategy.

Further information on the management approach can be found in the Environmental management section on pages 200ff.

### Progress and measures in 2022

In 2022, Fresenius Medical Care defined global climate targets. The business segment plans to be climate neutral by 2040. By 2030, it aims to reduce Scope 1 (direct) and Scope 2 (indirect) emissions by 50% compared with the reported emissions scope of the base year 2020.

In the reporting year, a project team was set up to drive the implementation of the climate roadmap. To achieve the targets, the business segment currently focuses on renewable energy sourcing, which includes the purchase of renewable energy certificates, and energy efficiency measures. Moving forward, Fresenius Medical Care also intends to evaluate other measures for reducing emissions such as process optimization, renewable energy generation, and technology assessments.

In 2022, Fresenius Medical Care enhanced the reporting processes for indirect greenhouse gas emissions to additionally include market-based emissions, which are calculated using residual mix factors. The location-based emissions that the business segment disclosed in past reporting take into account the average emission factors for the electrical grids that power its operations. The market-based approach reflects energy generated as part of contractual arrangements such as the purchase of renewable energy. Adding market-based emissions to the reporting will enable the business segment to demonstrate its emission reduction activities more transparently going forward.

### Fresenius Kabi

The focus of the energy management system at Fresenius Kabi is on improving energy performance and preventing excessive use of energy. Key opportunities are reducing energy and emissions in proportion to the volume of production activities. Fresenius Kabi derives its energy mainly from external providers. This includes the purchase of renewable energy such as hydropower, solar, or wind power. The business segment also generates electricity in its own facilities and uses, e.g., combined heat and power systems or solar panels at its own sites. The business segment has put into operation further solar panels in 2022 and wants to increase the share of renewable energy in its overall energy consumption.

Local measurable objectives and energy targets are derived from the business segment's global energy policy. As stated in the chapter Environmental management on page 201, Fresenius Kabi has matrix certification for its global energy management system, which is audited annually and certified by TÜV Rheinland.

Responsibility for energy management is anchored in the management board areas and local organizations; global management responsibility lies with the central EHS function, which reports to the responsible member of Fresenius Kabi's Management Board.

### Progress and measures in 2022

In 2022, the management approach and governance structure of Fresenius Kabi remained as reported in 2021. Progress focused on increasing energy efficiency and reducing CO<sub>2</sub> emissions in proportion to the volume of its production activities.

Furthermore, Fresenius Kabi has taken further steps to use energy from solar power. Thus, the business segment, for example, has put into operation solar panels at its sites in Guangzhou in China, Haina in the Dominican Republic and San German in Puerto Rico in 2022. The recently installed solar panels have a capacity of about 4,883,000 kWh per year. The energy will be used in the production of Fresenius Kabi's MedTech products. The business segment is working on extending the number of solar panels at its own sites in the future.

### 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 threat to the smooth healthcare services of hospitals.

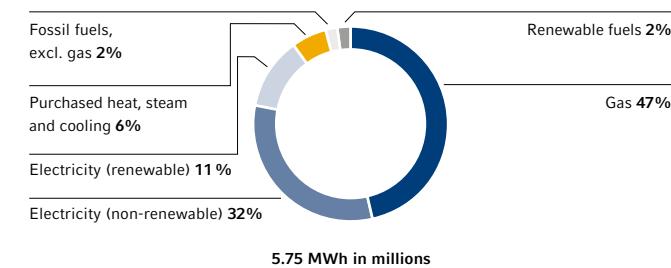
In Germany, the Infrastructure business unit has established a central energy procurement and management system that records the energy consumption of each site. Helios Germany uses this system to compare consumption figures and to initiate improvement measures. Helios Germany's own energy supplier,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

Various parameters can be monitored 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 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.

In order to ensure an uninterrupted energy supply at all times, every hospital of Helios Germany and Helios Spain has a mains backup system: in the event of a power outage, this system guarantees a secure supply of electricity for the principal energy consumers in the clinics within a few seconds. To safeguard this protection, these emergency power systems are inspected and tested regularly – monthly in Germany and at least once a year in Spain.

Helios Spain analyzes its energy management risks annually, and in some hospitals the division uses renewable energy sources. Electricity and natural gas are purchased centrally at Helios Spain. The energy manager, who monitors the consumption of all hospitals and provides corresponding data for evaluation and comparative analyses. In addition, each hospital reviews and implements specific energy-saving measures. Seven Helios Spain hospitals use thermal

### GROUP ENERGY CONSUMPTION BY SOURCE<sup>1</sup>



solar energy and photovoltaic systems to generate energy. To generate thermal energy, the division also uses miniature combined heat and power plants at two hospitals and a biomass boiler at another hospital.

### Progress and measures in 2022

Helios Germany introduced guidelines throughout the country for the establishment of charging infrastructure by service providers for charging electric vehicles and bicycles. Also, an environmental campaign called Patient Earth was also launched for employees to encourage energy-conscious behavior at work as well as at home.

Further, the Helios Sustainability Board agreed on various measures to save energy consumption. For example, a 100-point checklist for the clinics is intended to

<sup>1</sup> Newly acquired companies are included in the second year of consolidation, at the latest. 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. Due to rounding, individual numbers and percentages presented in this report may not precisely reflect the absolute figures.

raise energy-saving potential. The implementation of the checklist is coordinated by regular updates between a task force of the Infrastructure business unit and the clinic energy teams. In addition, control systems for indoor air and refrigeration systems are being installed in the clinics.

Helios Spain updated obsolete facilities by installing new boilers and solar power generation plants in 2022. In addition, efforts have been made to replace lamps that are permanently on for more than 10 hours a day, to replace them with LED lights.

### Fresenius Vamed

The respective management teams are responsible for energy and emission management at Fresenius Vamed's healthcare facilities. The effectiveness of energy management measures in the certified divisions of the business segment is assessed by regular independent audits as part of ISO 50001 certification. In Germany, this certification was implemented together with the Infrastructure business unit of the Fresenius Helios hospitals.

To increase energy efficiency in buildings, the performance of relevant energy consumers is measured, compared with more energy-efficient systems, and finally a decision is made about retrofitting. In this way, efficient as well as economically sensible solutions are used – such as LED lamps. Energy efficiency is also taken into account when new products are purchased.

### Progress and measures in 2022

In 2022, the management approach and governance structure of Fresenius Vamed remained as reported in the previous year. Progress focused on the ongoing internal preparation of the process documentation. Moreover, the business segment concentrated on reducing CO<sub>2</sub> emissions. In this regard, an important step was taken by switching the Germany facilities to green electricity.

### EVALUATION

In 2022, Fresenius consumed a total of 5.75 million MWh of energy, a decrease of 1% compared to the previous year. In the reporting year, we focused our activities on energy efficiency measures and the increase of our renewable energy usage across the Fresenius Group. Our main energy sources remain gas and electricity. Newly acquired companies are included in the second year of consolidation, at the latest. If data of the business segments is not available in time, it is extrapolated on the basis of existing data.

#### FRESENIUS GROUP ENERGY CONSUMPTION

MWh in millions

	2022	2021	2020	2019	2018
Fresenius Medical Care <sup>1</sup>	2.59	2.61	2.49	2.43	2.38
Fresenius Kabi	1.80	1.77	1.65	1.64	1.65
Fresenius Helios <sup>2</sup>	1.17	1.24	1.16	1.09	1.14
Fresenius Vamed	0.19	0.19	0.18	0.16	0.17
<b>Total</b>	<b>5.75</b>	<b>5.81</b>	<b>5.48</b>	<b>5.32</b>	<b>5.34</b>

	2022	2021	2020	2019	2018
Fresenius Medical Care <sup>1</sup>	2.59	2.61	2.49	2.43	2.38
Fresenius Kabi	1.80	1.77	1.65	1.64	1.65
Fresenius Helios <sup>2</sup>	1.17	1.24	1.16	1.09	1.14
Fresenius Vamed	0.19	0.19	0.18	0.16	0.17
<b>Total</b>	<b>5.75</b>	<b>5.81</b>	<b>5.48</b>	<b>5.32</b>	<b>5.34</b>

#### FRESENIUS GROUP RELATIVE ENERGY CONSUMPTION

in MWh

	2022	2021	2020	2019	2018
Energy consumption/€1 million sales	141	155	151	150	159
Energy consumption/FTE	20.5	20.8	19.8	20.3	21.7

	2022	2021	2020	2019	2018
Energy consumption/€1 million sales	141	155	151	150	159
Energy consumption/FTE	20.5	20.8	19.8	20.3	21.7

<sup>1</sup> Data of Fresenius Medical Care include the energy consumption of production sites and the electricity consumption of in-center treatments in dialysis clinics. Some data is subject in part to extrapolations.

<sup>2</sup> Data of Fresenius Helios's fertility services division include in 2022 only the Spanish entities.

An adjustment will be made in the next report. Prior-year information was adjusted to conform to the current year's presentation. Due to rounding, individual numbers and percentages presented in this report may not precisely reflect the absolute figures.

Compared with 2021, the Scope 1 and Scope 2 emissions of **Fresenius Medical Care** decreased by 11% in 2022. The reported Scope 1 emissions decreased by 2%. This decrease can be explained by an overall reduction in energy usage resulting from reduced production activities, the shutdown of a production line in the U.S., and a maintenance project that required gas turbines to be temporarily shut off at the St. Wendel production site. The reported Scope 2 emissions decreased by around 15%. One of the primary activities Fresenius Medical Care engages in to decrease its overall emissions footprint is the procurement of renewable electricity. In 2022, the business segment purchased 250,000 MWh of renewable emission free electricity via Green-e certified Renewable Energy Certificates (RECs). The purchased renewable electricity accounts for 19% of its total electricity consumption. This represents 21% of its global Scope 2 market-based emissions.

Each year, the headquarters of **Fresenius Kabi** are audited by TÜV Rheinland with regard to the ISO 50001 energy management certification. In 2022, no observations were detected, confirming that the energy management system is in line with the requirements of ISO 50001. Further, Fresenius Kabi successfully achieved the self-imposed target for the continuing roll-out of the ISO 50001 energy man-

## FRESENIUS GROUP GHG EMISSIONS SCOPE 1 AND 2

t CO<sub>2</sub> equivalents in thou.

	2022 <sup>3</sup> (market-based)	2022 <sup>4</sup> (location-based)	2021 <sup>5</sup>	2020 <sup>5</sup>	2019 <sup>5</sup>	2018 <sup>5</sup>
Fresenius Medical Care <sup>1</sup>	659	731	766	770	775	776
Scope 1	258	258	263	242	227	219
Scope 2	401	473	503	527	547	557
Fresenius Kabi	425	441	443	417	409	424
Scope 1	169	169	170	160	169	169
Scope 2	256	272	273	256	239	255
Fresenius Helios <sup>2</sup>	206	250	277	287	284	296
Scope 1	113	113	122	112	107	114
Scope 2	93	137	155	175	178	182
Fresenius Vamed	30	39	39	39	36	38
Scope 1	22	22	23	21	18	19
Scope 2	8	16	16	17	18	19
<b>Total</b>	<b>1,321</b>	<b>1,461</b>	<b>1,524</b>	<b>1,512</b>	<b>1,504</b>	<b>1,534</b>
Scope 1	563	563	578	536	522	521
Scope 2	758	899	946	976	982	1,013

## FRESENIUS GROUP RELATIVE<sup>6</sup> GHG EMISSIONS SCOPE 1 AND 2

t CO<sub>2</sub> equivalents in thou.

	2022	2021	2020	2019	2018
t CO <sub>2</sub> equivalents/€1 million sales	36	41	42	42	46
t CO <sub>2</sub> equivalents/FTE	5.2	5.5	5.5	5.8	6.2

agement system in accordance with the internal implementation plan, thus expanding the coverage of the management system to additional manufacturing plants in 2022. In addi-

tion, the focus in the past fiscal year was on increasing energy efficiency and a best practice program was rolled out at all production sites for evaluation of applicability

<sup>1</sup> Data of Fresenius Medical Care encompass the Scope 1 and 2 emissions of production sites and the Scope 2 emissions from electricity consumption resulting from in-center treatments in dialysis clinics. Some data is subject in part to extrapolations.

<sup>2</sup> Data of Fresenius Helios's fertility services division include in 2022 only the Spanish entities.

<sup>3</sup> The Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol, following the market-based emission calculation approach for all business segments. The market-based approach reflects energy generated as part of contractual arrangements such as the purchase of renewable electricity. The market-based emissions were calculated using residual mix factors and International Energy Agency (IEA) emission factors.

<sup>4</sup> The Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol, following the location-based emission calculation approach for all business segments. These emissions are based on the average emission factors in the individual countries.

<sup>5</sup> In previous years, Scope 2 emissions were calculated using the location-based approach and the proportion of green electricity purchased was taken into account. In future reporting years, Scope 2 emissions will only be differentiated according to the market-based and location-based approach.

<sup>6</sup> The calculation for 2022 is based on market-based emissions. The calculation for 2021-2018 is based on the emissions calculation approach of the previous years.

on-site. Energy performance was also affected in 2022 by higher production at some sites and regulatory validation processes, e. g., the testing of new production lines for quality requirements.

During the past fiscal year, **Helios Germany** focused on increasing energy efficiency and expanding the share of renewable energy usage. Thus, the business segment has been purchasing green electricity with certificates of origin since the beginning of 2022. The reduction in energy consumption was supported by the measures initiated to achieve the energy reduction target, as explained on pages 205 and 215f.

In addition, **Helios Spain's** energy consumption slightly decreased, despite an increasing number of patients compared to the previous year.

At **Fresenius Vamed**, operations in 2022 concentrated on developing the management approach to climate protection in connection with the ESG (Environment, Social, Governance) process. Besides, relevant collection and control processes were implemented. In 2022, energy consumption was comparable to the previous year. Fresenius Vamed initiated measures to reduce consumption in the reporting year, however, their effectiveness will only become measurable in the coming years.

In 2022, we enhanced our Group-wide reporting processes by including **market-based Scope 2 emissions**. The market-based approach reflects energy generated as part of

contractual arrangements such as the purchase of renewable electricity. Including market-based Scope 2 emissions in our reporting processes enables us to disclose our emissions reduction activities more transparently going forward. To achieve our Group-wide climate targets, we have established a group of experts who are working on the implementation of appropriate reduction measures across all business segments. In addition, we continuously analyze measures for reducing our resource consumption. When purchasing energy, we consider efficiency requirements and changes in demand. We are exploring the use of renewable energies and already generate our own electricity at numerous sites. For example, we purchased around 645,000 MWh of renewable electricity mainly by using Renewable Energy Certificates (RECs) in 2022. With these efforts we increased the share of renewable electricity consumption from about 4% in 2021 to about 26% in 2022.

In 2022, Fresenius generated a total of 1,321 thousand t CO<sub>2</sub>e (2021: 1,524 thousand t CO<sub>2</sub>e<sup>1</sup>). Our Scope 1 emissions accounts for 563 thousand t CO<sub>2</sub>e and could be decreased by 3% compared to the previous year (2021: 578 thousand t CO<sub>2</sub>e). This decrease was due to an overall lower energy consumption this fiscal year, achieved partly as a result of our energy efficiency measures. Our Scope 2 emissions (market-based) of 758 thousand t CO<sub>2</sub>e already reflect the emission reduction from the increased share of renewable electricity.

<sup>1</sup> In previous years, Scope 2 emissions were calculated using the location-based approach and the proportion of green electricity purchased was taken into account. In future reporting years, Scope 2 emissions will only be differentiated according to the market-based and location-based approach.

## FURTHER KEY FIGURES

### EU TAXONOMY

Proportion of **revenue** from products or services associated with

Taxonomy-aligned economic activities – disclosure covering year 2022

ECONOMIC ACTIVITIES	Codes	Substantial contribution criteria							DNSH criteria („Do no significant harm“)							Taxonomy-aligned proportion of revenue year 2022 (%)	Taxonomy-aligned proportion of revenue year 2021 (%)	Category (enabling activity)	Category (transitional activity)
		Absolute revenue (€ in millions)	Proportion of revenue (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.0	0.0	0.0													0.0		
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Construction of new buildings	7.1	402.8	1.0																
Renovation of existing buildings	7.2	21.6	0.0																
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		424.4	1.0																
<b>Total (A.1.+A.2.)</b>		424.4	1.0														0.0		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Revenue of Taxonomy-non-eligible activities (B)		40,415.9	99.0																
<b>Total (A+B)</b>		40,840.3	100.0																

Proportion of **CapEx** from products or services associated with

**Taxonomy-aligned economic activities – disclosure covering year 2022**

ECONOMIC ACTIVITIES	Codes	Substantial contribution criteria										DNSH criteria („Do no significant harm“)					Taxonomy-aligned proportion of CapEx year 2022 (%)	Taxonomy-aligned proportion of CapEx year 2021 (%)	Category (enabling activity)	Category (transitional activity)							
		Absolute CapEx (€ in millions)	Proportion of CapEx (%)	Climate change mitigation		Climate change adaptation		Water and marine resources		Circular economy		Pollution		Biodiversity and ecosystems		Climate change mitigation		Climate change adaptation		Water and marine resources		Circular economy		Taxonomy-aligned proportion of CapEx year 2022 (%)	Taxonomy-aligned proportion of CapEx year 2021 (%)	Category (enabling activity)	Category (transitional activity)
				(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																											
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																											
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.0	0.0	0.0																						0.0	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																											
Construction of new buildings	7.1	201.8	5.7																								
Renovation of existing buildings	7.2	265.4	7.6																								
Acquisition and ownership of buildings	7.7	823.0	23.4																								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		1,290.2	36.7																								
<b>Total (A.1.+A.2.)</b>		1,290.2	36.7																								0.0
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																											
CapEx of Taxonomy-non-eligible activities (B)		2,224.8	63.3																								
<b>Total (A+B)</b>		3,515.0	100.0																								

## Proportion of OpEx from products or services associated with

Taxonomy-aligned economic activities – disclosure covering year 2022

ECONOMIC ACTIVITIES	Codes	Substantial contribution criteria										DNSH criteria („Do no significant harm“)					Taxonomy-aligned proportion of OpEx year 2022 (%)	Taxonomy-aligned proportion of OpEx year 2021 (%)	Category (enabling activity)	Category (transitional activity)
		Absolute OpEx (€ in millions)	Proportion of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.0	0.0	0.0													0.0			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0.0	0.0																	
<b>Total (A.1.+ A.2.)</b>		0.0	0.0														0.0			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy-non-eligible activities (B)		1,753.6	100.0																	
<b>Total (A+B)</b>		1,753.6	100.0																	

## 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). The EU taxonomy disclosures included were prepared in accordance with REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation). Together with the additional unaudited information we offer on our website, it forms our Sustainability Report 2022. For the preparation of the Group Non-Financial Report, we considered the Sustainability Code (Deutscher Nachhaltigkeitskodex) and the standards of the Global Reporting Initiative (GRI) as possible frameworks. Due to our global business activities, we decided to use the globally recognized GRI standards as a framework. In accordance with Section 289d HGB, Fresenius SE & Co. KGaA uses the GRI Standards for the structured description of management approaches based on Disclosure 3-3 in GRI 3: Material Topics 2021. Furthermore, this report contains a review of the materiality analysis we conducted in 2020 in accordance with the then applicable standard GRI 102-46 (determination of report content and topic delimitation) from GRI 102: General Disclosures 2016 and the legal requirements. This

materiality analysis did not include an impact assessment in accordance with Disclosure 3-1 in GRI 3: Material Topics 2021. Accordingly, the management approaches of our material topics (Disclosure 3-3 in GRI 3: Material Topics 2021) do not include a description of how we manage actual and potential positive and negative impacts. We will take this into account in the next materiality analysis and derive appropriate measures for managing our impacts.

Further, we also report ESG information in accordance with the SASB Index and the Task Force on Climate-related Financial Disclosures (TCFD). These additional indices, outside of the Non-financial Report, include information provided in the audited Group Non-financial report, however, they were not part of the audit process.

### REPORT FRAMEWORK

This separate Group Non-financial Report covers the financial year (calendar year) 2022 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, Germany.

The Notes to the consolidated financial statements in the Annual Report contain further information, see pages 297ff. 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 2022.

### 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 2020, we conducted a comprehensive materiality analysis, see pages 110f. of the [Group Non-financial Report 2020](#) for more information. Experts from the four business segments as well as relevant Group functions have reviewed and validated the results. In 2022, a review confirmed the identified materials topics as still valid. Further information can be found in the section Our materiality analysis starting on page 106. 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.

Strategy and management | Well-being of the patient | Digital transformation and innovation | Cybersecurity | Employees | Occupational health and safety  
Diversity and equal opportunities | Compliance and integrity | Environment | Further key figures ► [Report profile](#) | Limited assurance report of the independent auditor

## 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 REPORTING<sup>1</sup>

To Fresenius SE & Co. KGaA, Bad Homburg

We have performed a limited assurance engagement on the Separate Non-financial Group Report of Fresenius SE & Co. KGaA, Bad Homburg, (hereinafter the "Company") for the period from 1 January to 31 December 2022 (hereinafter the "Separate Non-financial Group Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

### RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making

their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "1 Strategy and management – EU-Taxonomy" of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "1 Strategy and management – EU-Taxonomy" of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

### 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 Qualitäts sicherung 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.

### RESPONSIBILITY OF THE ASSURANCE PRACTITIONER

Our responsibility is to express a conclusion with limited assurance on the Separate Non-financial Group Report based on our assurance engagement.

We conducted our assurance engagement in accordance with 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

<sup>1</sup> 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.

we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Separate Non-financial Group Report, other than the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "1 Strategy and management – EU-Taxonomy" of the Separate Non-financial Group Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- ▶ Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- ▶ Inquiries of the executive directors and relevant employees involved in the preparation of the Separate Non-financial Group Report about the preparation process, about the internal control system relating to this process and about disclosures in the Separate Non-financial Group Report
- ▶ Identification of likely risks of material misstatement in the Separate Non-financial Group Report

- ▶ Evaluation of the implementation of central management requirements, processes, and specifications regarding data collection through targeted sample testing at selected sites
- ▶ Analytical procedures on selected disclosures in the Separate Non-financial Group Report
- ▶ Evaluation if the preparation of the ESG targets, which are part of the Management Board compensation as ESG performance targets, is in line with the methodology described in the Compensation Report
- ▶ Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- ▶ Evaluation of the presentation of the Separate Non-financial Group Report
- ▶ Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Separate Non-financial Group Report
- ▶ Inquiries on the relevance of climate-risks and water stress

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the imminent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

### **ASSURANCE OPINION**

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Separate Non-financial Group Report of the Company for the period from 1 January to 31 December

2022 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "1 Strategy and management – EU-Taxonomy" of the Separate Non-financial Group Report. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

### **RESTRICTION OF USE**

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 21 February 2023

PricewaterhouseCoopers GmbH  
 Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Nicolette Behncke	ppa. Felix Wandel
Wirtschaftsprüfer	Wirtschaftsprüfer
German public auditor	German public auditor

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# CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE DECLARATION.

The Supervisory Board and the Management Board are committed to responsible management that is focused on achieving a sustainable increase in the value of the Company. Long-term corporate strategies, solid financial management, strict adherence to legal and ethical business standards, and transparency in corporate communication are key factors.

In this Corporate Governance Declaration, the Supervisory Board of Fresenius SE & Co. KGaA and the Management Board of the general partner of Fresenius SE & Co. KGaA, Fresenius Management SE (Management Board), report on corporate management pursuant to Sections 289 f and 315 d of the German Commercial Code (HGB) and on the corporate governance of the Company and the Group pursuant to the German Corporate Governance Code. The Corporate Governance Declaration is published on our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

### CORPORATE GOVERNANCE DECLARATION

#### GROUP MANAGEMENT AND SUPERVISION STRUCTURE AND CORPORATE BODIES

##### GROUP MANAGEMENT AND SUPERVISION STRUCTURE

The Company has the legal form of a KGaA (Kommanditgesellschaft auf Aktien – partnership limited by shares). The **Annual General Meeting**, the **Supervisory Board**, and the **general partner** Fresenius Management SE are the legal

corporate bodies. There have been no changes in the Group management and the supervision structure in the reporting period. The chart on the following page provides an overview of the Group structure.

The articles of association of Fresenius SE & Co. KGaA, which, in addition to legal provisions, further define the responsibilities of the individual corporate bodies, can be downloaded from our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

## SHAREHOLDERS

The shareholders uphold their rights at the Annual General Meeting, where they exercise their **voting rights**. Every ordinary share of Fresenius SE & Co. KGaA confers one vote. None of the shares carry multiple or preferential voting rights.

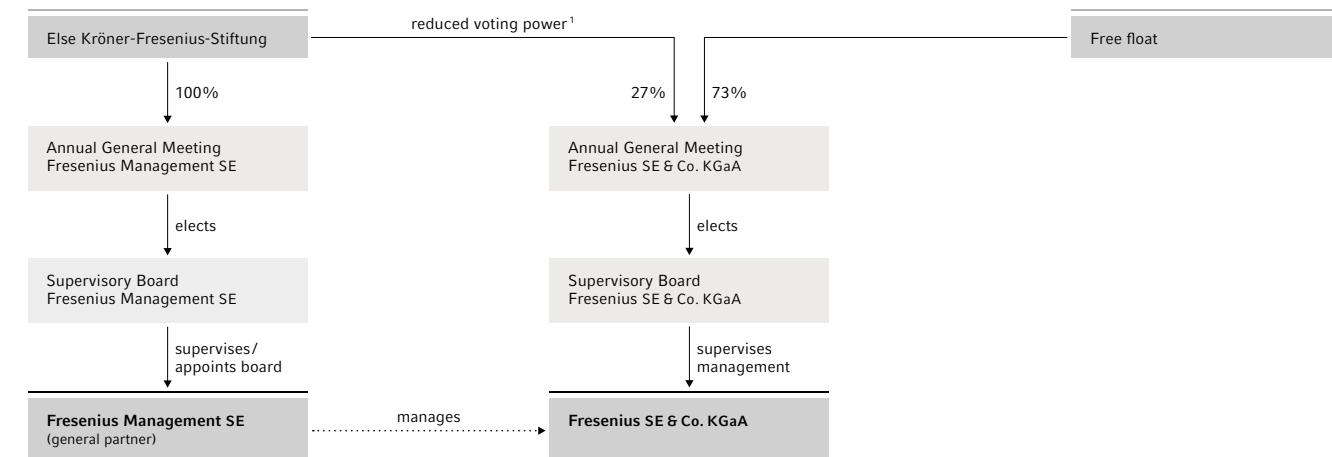
We report in detail on our investor relations activities in the "Fresenius share" section on page 23.

## ANNUAL GENERAL MEETING

Our virtual Annual General Meeting (AGM) was held on May 13, 2022, in Bad Homburg vor der Höhe. Approximately 73% of the share capital was represented. As in the previous year, in order to protect the health of the shareholders as well as the employees and external partners involved in the organization, Fresenius took advantage of the option created by the legislator due to the COVID-19 pandemic to hold the Annual General Meeting virtually. The shareholders elected Ms. Susanne Zeidler and Dr. Christoph Zindel as new shareholder representatives to the Supervisory Board of Fresenius SE & Co. KGaA with a majority of over 97% and over 99%, respectively, and appointed Susanne Zeidler as member of the Joint Committee. With a majority of 90%, the Annual General Meeting approved a 2021 compensation report for the Management Board of the General Partner.

During the AGM, the shareholders approved the proposal made by the general partner and the Supervisory Board to increase the 2021 dividend by 5% to €0.92 per ordinary share with a majority of more than 99% of the votes cast. The shareholders also resolved, with a majority of around

## STRUCTURE OF FRESENIUS SE & CO. KGAA



<sup>1</sup> For selected items no voting power, e.g., election of Supervisory Board of Fresenius SE & Co. KGaA, discharge of general partner and Supervisory Board of Fresenius SE & Co. KGaA, election of the auditor

89%, a new Authorized Capital I in the amount of €125 million. They also resolved, by a majority of around 95%, a new authorization to issue bonds with warrants and/or convertible bonds and the creation of a new Conditional Capital III. In addition, the shareholders resolved, by a majority of around 93%, a new authorization to acquire and use treasury shares in accordance with Section 71 (1) No. 8 AktG and to exclude subscription rights. With a majority of around 96%, they also resolved a new authorization to use equity derivatives in the acquisition of treasury shares with possible exclusion of any tender rights. Shareholder majorities of around 99% and 93%, respectively, approved the actions of the general partner and the Supervisory Board in 2021.

With regard to certain subject matters, legally required voting right exclusions exist for the general partner and for its sole shareholder, the Else Kröner-Fresenius-Stiftung. These pertain, for example, to the appointment of the Supervisory Board of Fresenius SE & Co. KGaA, the approvals of the actions of the general partner and the members of the Supervisory Board, and the selection of the auditor. This guarantees that the remaining shareholders retain the sole authority to decide on these matters, especially those that pertain to the supervision of management.

Documents and information on the Annual General Meeting, as well as the voting results, are available on our website at [www.fresenius.com/annual-general-meeting](http://www.fresenius.com/annual-general-meeting).

## MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES

The **responsibilities** are distributed as follows in Fresenius SE & Co. KGaA: the Management Board of the general partner is responsible for conducting the business of Fresenius SE & Co. KGaA. The Supervisory Board of Fresenius SE & Co. KGaA supervises the management of the Company's business by the general partner.

### General partner – Management and Supervisory Boards

The general partner, Fresenius Management SE, represented by its Management Board, manages Fresenius SE & Co. KGaA at its own responsibility and conducts its business. The Management Board formulates the Company's strategy, discusses it with the Supervisory Boards of Fresenius Management SE and Fresenius SE & Co. KGaA, and oversees its implementation. Its actions and decisions are aligned with the best interests of Fresenius SE & Co. KGaA. The Management Board is committed to increasing the value of the Company on a sustainable basis. The rules of procedure for the Management Board were established by the Supervisory Board of Fresenius Management SE. They define the activities within the board more specifically, especially with regard to the individual duties and responsibilities of the members, matters reserved for the full Management Board, and resolutions to be passed by the full Management Board.

The Management Board, in principle, consists of seven members: the Chairman, the Chief Financial Officer, the Management Board Member responsible for Human Resources (Labor Relations Director), Risk Management

and Legal, and the chief executive officers of the four business segments. This ensures that the full Management Board is kept constantly informed about important events, plans, developments, and measures within the business segments. According to the rules of procedure, the CEO is responsible for coordinating the business segments, the general corporate policy, and the investment policy. The subject of Group sustainability is also directly reported to the CEO. Further information on sustainability matters can be found in the Group Non-financial Report on pages 101 ff. The Group departments Finance, Group Controlling, Internal Audit, and Tax report to the Chief Financial Officer directly. Further, the Chief Financial Officer coordinates cybersecurity activities, IT and Corporate Real Estate Management at Fresenius.

Members of the Management Board also lead internal working groups or committees, for example the Risk Steering Committee or the Group Sustainability Board. Further information is included on pages 101 ff. of the Group Non-financial Report.

There are no Management Board committees owing to Fresenius SE & Co. KGaA's role as an operating holding company. The Management Board is listed on page 408 of the Annual Report.

Members of the Management Board are appointed for a maximum period of five years. Following the recommendation of the Code, first-time appointments are for a three-year period.

Ms. Sara Hennicken was appointed member of the Management Board responsible for finance (CFO) as of September 1, 2022. She succeeds Rachel Empey, who left the company on August 31, 2022. Rice Powell left the Executive Board effective September 30, 2022. As of October 1, 2022, the Management Board member responsible for the

Fresenius Kabi business segment, Mr. Michael Sen, was appointed Chairman of the Management Board of Fresenius Management SE. He succeeds Mr. Stephan Sturm, who left the Company as of September 30, 2022. Mr. Michael Sen will also continue as Chairman of the Management Board of Fresenius Kabi Aktiengesellschaft until his succession there has been settled. Dr. Carla Kriwet was appointed as a member of the Management Board for the business segment Fresenius Medical Care as of October 1, 2022 and resigned as of December 5, 2022. Ms. Helen Giza was appointed as member of the Management Board of Fresenius Management SE responsible for the business segment Fresenius Medical Care as of December 6, 2022.

A standard age limit is in place for the Management Board of Fresenius Management SE: newly appointed members of the Management Board shall, as a rule, retire from the Management Board at the end of the calendar year after reaching the age of 65.

The **meetings of the Management Board** are convened as required, but at least once a month, and are chaired by the Chairman of the Management Board or, if he is incapacitated, by the Chief Financial Officer or, if she is also incapacitated, by the Management Board member present who is most senior in age. However, Management Board meetings are usually held twice a month. The person chairing the meeting decides the order in which the items on the agenda are dealt with and the form in which the voting is conducted. The Management Board passes its resolutions by a simple majority of the votes cast or, outside its meetings, by a simple majority of its members, except in cases where mandatory provisions of law or the articles of association of Fresenius Management SE impose stricter requirements. The

► **Corporate Governance Declaration** | Further information on Corporate Governance

Chairman of the Management Board has the casting vote if a vote is tied. If the Chairman is incapacitated or absent, the motion is deemed rejected if a vote is tied. The rules of procedure for the Management Board also govern the relations between the Management Board and the Supervisory Board of the general partner, as well as between the general partner and the Supervisory Board of Fresenius SE & Co. KGaA, and also matters that require approval of the general partner's Supervisory Board.

As a European company (SE – Societas Europaea), Fresenius Management SE has its own **Supervisory Board**. It consists of six members, and its Chairman is Dr. Gerd Krick. The Supervisory Board appoints the members of the Management Board of Fresenius Management SE and supervises and advises the Management Board in conducting business. If necessary, e.g., in order to discuss or decide on matters concerning the Management Board, the Supervisory Board meets without the Management Board. It has established its own rules of procedure.

The Supervisory Board members of Fresenius Management SE can be found on page 409 of the Annual Report. The Supervisory Board of Fresenius Management SE appoints the members of the Management Board of the general partner and also ensures long-term succession planning. This is based on discussions with members of the Management Board and impressions of other managers gained at the meetings of the Supervisory Boards of Fresenius Management SE and Fresenius SE & Co. KGaA. In this way, the Supervisory Board can form an opinion on potential successors from within the Company.

Information on the compensation of the Management Board and Supervisory Board of Fresenius Management SE can be found here:

- Compensation system of the Management Board pursuant to Section 87a (1), (2) Sentence 1 German Stock Corporation Act (AktG)  
at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)
- Compensation Report 2022 including the auditor's report pursuant to Section 162 AktG  
at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)

#### **The Supervisory Board of Fresenius SE & Co. KGaA**

The Supervisory Board of Fresenius SE & Co. KGaA supervises the management of the Company's business by the general partner Fresenius Management SE. It supervises business operations to ensure that the Management Board's corporate decisions are compliant, suitable, and financially sound. In addition, the Supervisory Board reviews the Group's annual financial statements, taking into account the auditor's reports. Another important part of the Supervisory Board's activities is the work conducted within the committees formed in accordance with the requirements of the German Stock Corporation Act and the recommendations of the Code. The Management Board of the general partner – Fresenius Management SE – continuously informs the Supervisory Board of the corporate development, planning, and strategy.

The Supervisory Board of Fresenius SE & Co. KGaA consists of 12 members. The Supervisory Board members can be found on page 406f. of the Annual Report. Half of its members are elected by the AGM. The proposals for the members of the Supervisory Board primarily take account of the knowledge, ability, and expert experience required to

perform the tasks. The election proposals provided by the Supervisory Board will reflect its designated **objectives** as well as its **profile of expertise and skills**. A Nomination Committee has been instituted for election proposals for the **shareholder representatives**. Its activities are aligned with the provisions of law and the Code. The European Works Council elects the **employee representatives** to the Supervisory Board of Fresenius SE & Co. KGaA. If an employee representative retires within their term of office, the substitute member will become a member of the Supervisory Board. For the Supervisory Board of Fresenius SE & Co. KGaA, the law requires a quota of at least 30% women and 30% men. In 2022, the statutory quotas were met.

The Supervisory Board of Fresenius SE & Co. KGaA has a standard age limit: the Supervisory Board of Fresenius SE & Co. KGaA should generally only have members who have not yet reached the age of 75 at the time of their election or appointment. The average age on the Supervisory Board as of December 31, 2022 was around 61 years. All members have served an average of more than five years on the board.

The competencies and the expert knowledge of all members support the discussion and the information exchange within the board. In 2022, the objectives for the composition and profile of skills and expertise of the board were met. Further information can be found on pages 234ff. of the Annual Report.

The Supervisory Board of Fresenius SE & Co. KGaA fulfills its tasks in accordance with the provisions of law, the articles of association of Fresenius SE & Co. KGaA, and its rules of procedure. The Chairman is responsible for coordinating

► **Corporate Governance Declaration** | Further information on Corporate Governance

the activities of the Supervisory Board, chairing the **meetings**, and representing its interests externally. The Supervisory Board should convene once each calendar quarter, and must convene twice each calendar half-year. The meetings are convened and chaired by the Chairman or, if he is incapacitated, by a chairperson named by the Chairman. The person chairing the meeting decides the order in which the items on the agenda are dealt with and the form in which the voting is conducted. Unless other majorities are mandatory by law, the Supervisory Board passes its resolutions by a simple majority of the votes submitted in the voting. If a vote is tied, the Chairman has the casting vote or, if he does not take part in the voting, the matter is decided by the vote of the Deputy Chairman, who is a shareholder representative. The shareholder representatives and the employee representatives within the Supervisory Board conduct separate preparatory meetings to the Supervisory Board meetings on a regular basis.

The **articles of association** of Fresenius SE & Co. KGaA and the rules of procedure of the Supervisory Board of Fresenius SE & Co. KGaA regulate the details with regard to the Supervisory Board's election, constitution, term of office, meetings and resolutions, and rights and duties. They are published on our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

Information on the compensation of the Supervisory Board of Fresenius SE

► Compensation system of the Supervisory Board of Fresenius SE & Co. KGaA in accordance with Section 113 (3) of the AktG at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)

► Compensation Report 2022 including the auditor's report pursuant to Section 162 AktG at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)

#### **Independence and conflicts of interest**

The Supervisory Board of Fresenius SE & Co. KGaA is of the opinion that all its members are independent. The Supervisory Board shall include what it deems to be an appropriate number of **independent members** who do not have any business or personal relationship with the Company, its corporate bodies, a controlling shareholder, or a party related to the latter that may give grounds for a material and not merely temporary conflict of interest. This also applies to Klaus-Peter Müller, who had been a member of the Supervisory Board for more than 12 years before his retirement following the AGM on May 13, 2022. His performance in office demonstrates the necessary critical distance to properly advise and monitor the business conduct of the general partner in every respect.

The general partner, acting through the Management Board, and the Supervisory Board of Fresenius SE & Co. KGaA are committed to the interests of the Company. The members of these bodies neither pursue personal interests in the performance of their duties nor grant unjustified advantages to other persons. Any sideline activities or transactions of the members of the executive bodies with the Company must be disclosed to the Supervisory Board without delay and approved by the Supervisory Board. The Supervisory Board of Fresenius SE & Co. KGaA reports to the AGM on any **conflicts of interest** and their treatment. There were no conflicts of interest of Supervisory Board members in the past fiscal year.

Fresenius publishes information on related parties on page 393 f. of the Annual Report.

#### **Supervisory Board training and further education measures**

The members of the Supervisory Board independently take on necessary training and further education measures required for their tasks. They keep themselves regularly informed, through internal and external sources, about the latest requirements with regard to their supervisory activities. The Supervisory Board at all times ensures that its members are suitably qualified, keep their professional knowledge up to date, and further develop their judgment and expertise. They are supported appropriately by the Company in accordance with the Code. External experts as well as experts from the Company continuously provide information about important developments, for example about relevant new laws and precedents, or changes in the IFRS accounting and IFRS auditing standards. In particular, training on ESG reporting requirements was provided in fiscal year 2022. In addition, the Company offers an individual onboarding for new members of the Supervisory Board.

The members of the Supervisory Board of Fresenius SE & Co. KGaA can be found on page 406 f. of the Annual Report. On page 16 f. of the Annual Report, the Supervisory Board reports on the main focuses of its activities and those of its committees in 2022.

#### **Supervisory Board self-assessment**

The Supervisory Board of Fresenius SE & Co. KGaA carries out a self-assessment of how effectively it as a whole and its committees perform their duties, at least once a year, most recently in December 2022.

► **Corporate Governance Declaration** | Further information on Corporate Governance

The review is carried out through a **company-specific questionnaire** covering the salient points for a self-evaluation followed by an open discussion within the full Supervisory Board. The most recent self-assessment showed that the Supervisory Board, including its committees, assesses its organization as well as its work as efficient and that it fulfills its tasks effectively.

**Cooperation between the general partner and Supervisory Board of Fresenius SE & Co. KGaA**  
Good corporate governance requires **trusting and efficient cooperation** between the Management and the Supervisory Board. The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA closely cooperate for the benefit of the Company. Open communication is essential. The common goal is to sustainably increase the company value in line with the corporate governance and compliance principles. The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA coordinate with each other, especially with regard to the Company's strategic focus. As the monitoring body, the Supervisory Board of Fresenius SE & Co. KGaA also needs to be fully informed about operating performance and corporate planning, as well as the risk situation, risk management, and compliance. The Management Board of the general partner provided this information in full and in compliance with its duties in the reporting period.

The representatives of the shareholders and of the employees may prepare the Supervisory Board meetings separately, and, if applicable, with members of the Management Board. Pre-meetings of the employee representatives as well as consultations of the shareholder representatives take place on a regular basis. The Supervisory Board meets without the Management Board on a regular basis.

#### COMPOSITION AND PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board of Fresenius SE & Co. KGaA has formed two **permanent committees** from among its members: the Audit Committee, consisting of five members, and the Nomination Committee, consisting of three members. The committee members were elected for the duration of their term as a member of the Supervisory Board of Fresenius SE & Co. KGaA. In accordance with the articles of association of Fresenius SE & Co. KGaA, only members of the Audit Committee receive additional compensation (Section 13 (4)). There is no Personnel Committee in the KGaA because the Supervisory Board of Fresenius SE & Co. KGaA is not responsible for appointing members of the Management Board of the general partner or for their service contracts. Responsibility for these personnel matters lies with the Supervisory Board of the general partner.

The provisions for the Supervisory Board of Fresenius SE & Co. KGaA apply analogously to the committees. The committees hold meetings as required. The meetings are convened by the committee chairmen. They report during the following Supervisory Board meeting about the work of the respective committee. The rules of procedure for the committees are regulated in the rules of procedure of the Supervisory Board of Fresenius SE & Co. KGaA. Accordingly, the committees do not have their own rules of procedure.

The members of the Supervisory Board's committees are listed on page 407 of the Annual Report.

#### Audit Committee

The Audit Committee's function is, among other things, to prepare the Supervisory Board's approval of the financial statements – and the consolidated financial statements – and the Supervisory Board's proposal to the AGM on the appointment of the auditor for the financial statements, and to make a preliminary review of the proposal on the allocation of distributable profits. It also reviews the quarterly reports before they are published and – following discussions with the Management Board – engages the auditor for the financial statements (and concludes the agreement on the auditor's fees), determines the main focuses of the audit, and defines the auditor's reporting duties in relation to the Supervisory Board of Fresenius SE & Co. KGaA. Other matters within its remit are to monitor the quality of the audit of the financial statements and to review the effectiveness of the internal control system, of the risk management system, of the internal audit system, and of the compliance management system.

Since the meeting of the Supervisory Board on May 13, 2022, the Audit Committee has comprised Ms. Susanne Zeidler (Chair), Ms. Grit Genster, Mr. Wolfgang Kirsch, Mr. Konrad Kölbl, and Dr. Christoph Zindel. Mr. Bernd Behlert was elected as successor to Mr. Konrad Kölbl as of February 17, 2023. With Susanne Zeidler as Chair of the Audit Committee, Wolfgang Kirsch, and Dr. Christoph Zindel, three members of the Audit Committee have expertise in the area of accounting. This includes special knowledge and experience in the application of accounting principles and internal control and risk management systems.

► [Corporate Governance Declaration](#) | Further information on Corporate Governance

Accounting also includes sustainability reporting and its auditing. With Susanne Zeidler as Chair of the Audit Committee, Wolfgang Kirsch, and Dr. Christoph Zindel, three members of the Audit Committee also have expertise in the field of auditing. This includes in particular knowledge and experience in the auditing of financial statements, including sustainability reporting and its auditing. More information on the expertise of the members of the Audit Committee in the areas of accounting and auditing is provided in the "Implementation of the objectives and competence profile" section on page 237. of the Annual Report.

Until the end of the Annual General Meeting on May 13, 2022, the members of the Audit Committee were Mr. Klaus-Peter Müller (Chair), Ms. Grit Genster, Mr. Wolfgang Kirsch, Mr. Konrad Kölbl, and Ms. Hauke Stars (until January 31, 2022), as well as Ms. Susanne Zeidler (from January 9, 2022).

The Audit Committee also examined in detail the non-audit services rendered additionally by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as well as PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

### Nomination Committee

The Nomination Committee proposes suitable candidates to the Supervisory Board for the nominations it makes to the AGM for the election of Supervisory Board members on the shareholders' side. It consists solely of shareholder representatives. In making its proposals, the Nomination

Committee is guided by the requirements of the Code. Since the meeting of the Supervisory Board on May 13, 2022, the members of the Nomination Committee have been Mr. Wolfgang Kirsch (Chair), Mr. Michael Diekmann, and Ms. Susanne Zeidler. Until the end of the Annual General Meeting on May 13, 2022, the members of the Nomination Committee were Mr. Wolfgang Kirsch (Chairman), Mr. Michael Diekmann, and Mr. Klaus-Peter Müller.

### Mediation Committee

Fresenius SE & Co. KGaA does not have a Mediation Committee because the provisions of the German Co-Determination Act that require such a committee do not apply to a partnership limited by shares and because the Code does not require such a committee either.

### Ad-hoc "Capital increase scrip dividend" Committee

In the context of the capital increase from authorized capital to pay the stock dividend, the Supervisory Board formed the ad-hoc "Capital Increase Stock Dividend" committee and delegated to it the powers vested in the full Supervisory Board by law, the Articles of Association or the Rules of Procedure in connection with the stock dividend and the associated rights issue capital increase. The members of this committee were Mr. Wolfgang Kirsch (Chair), Ms. Grit Genster, and Ms. Susanne Zeidler. The committee was dissolved again after the completion of its tasks.

### Joint Committee

Pursuant to Sections 13a et seq of the Articles of Association of Fresenius SE & Co. KGaA, the Supervisory Board of Fresenius SE & Co. KGaA has formed a Joint Committee together with the Supervisory Board of Fresenius Management SE. For some matters, which are defined in further detail in Section 13c (1) of the articles of association of Fresenius SE & Co. KGaA, the general partner requires the approval of the Joint Committee if 40% of the consolidated sales, the consolidated balance sheet total, and the consolidated profit are affected by the matter. These include, for example, the divestiture and acquisition of large investments and business units or the divestiture of large business units from the assets of Fresenius SE & Co. KGaA or a wholly owned company. The approval of the Joint Committee is also required for certain legal transactions between Fresenius SE & Co. KGaA or its affiliates and the Else Kröner-Fresenius-Stiftung.

Since the end of the Annual General Meeting on May 13, 2022, the members of the Joint Committee have been Mr. Michael Diekmann and Ms. Susanne Zeidler. In addition, Dr. Dieter Schenk (Chairman) and Wolfgang Kirsch, who were delegated by the General Partner, are members of the committee. Until the end of the Annual General Meeting on May 13, 2022, the members of the Joint Committee were Mr. Michael Diekmann, Ms. Hauke Stars (until January 21, 2022), Ms. Susanne Zeidler (from 9 February, 2022), Mr. Wolfgang Kirsch and Dr. Dieter Schenk (Chair). The Joint Committee did not meet in the reporting year.

## OBJECTIVES FOR THE COMPOSITION, PROFILE OF SKILLS AND EXPERTISE, AND DIVERSITY CONCEPT

The Supervisory Board of Fresenius SE & Co. KGaA has determined concrete objectives for its composition. It further developed these existing objectives and drew them up together with a revised competence profile for the entire Board. This was adopted in December 2022. The status of implementation is disclosed in the form of a qualification matrix. The Supervisory Board has also adopted a diversity concept for itself and for the Management Board of Fresenius Management SE.

## OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD AND PROFILE OF SKILLS AND EXPERTISE FOR THE ENTIRE BOARD

The Supervisory Board of Fresenius SE & Co. KGaA is to be composed in such a way that its members in entirety have the required knowledge, skills, and professional experiences for duly observing the tasks. Thereby, it is necessary to differentiate between the requirements for the individual Supervisory Board members and the requirements for the composition of the entire board.

### Requirements for the individual Supervisory Board members

The Supervisory Board members have to be professionally as well as personally qualified to advise and supervise the Management Board of a globally active healthcare Group.

### Good corporate governance

Each Supervisory Board member is to have the knowledge of good corporate governance of a capital-market-oriented company required for duly observing its tasks. This includes knowledge of the main features of accounting, risk management, internal control mechanisms, and of compliance matters.

### Sector experience and internationality

Each Supervisory Board member is to have general knowledge of the healthcare sector, as well as a basic understanding of the global activities of Fresenius.

### Independence

A minimum of half of the Supervisory Board members and a minimum of the half of the shareholder representatives in the Supervisory Board are to be independent within the meaning of the German Corporate Governance Code. Independent in this meaning is someone who does not have a personal or business relationship with the Company, its governing bodies, a controlling shareholder, or a company affiliated with such that may cause a substantial and not merely temporary conflict of interest. The shareholder structure may be appropriately taken into account.

When assessing independence, in the view of the Supervisory Board, neither an appointment to the Management Board lapsed for more than two years nor the duration of the membership to the Supervisory Board exclude the classification as independent per se.

With regard to the employee representatives, the independence is not contested by the fact of representing employees nor by the employment relationship.

Individuals exercising an office in a body of a significant competitor of Fresenius or who hold, directly or indirectly, more than 3% of the voting capital in such are not to be a member of the Supervisory Board.

In cases where a Supervisory Board member is active for another company having business relationships with Fresenius, this activity is described in the "Legal relationships with members of the corporate bodies" section of the Annual Report.

### Time availability and limit to the numbers of offices held

Each Supervisory Board member is to have sufficient time available for duly observing the office as Supervisory Board member and to comply with the limit to the offices held as recommended by the German Corporate Governance Code. Under the assumption of, in the future, five meetings annually, the expected time expenditure of new members amounts to approximately 15 to 30 days a year. This includes the preparation and follow-up of the Supervisory Board's meetings, the review of reports to the Supervisory Board, the participation in the Annual General Meeting, and regular training. Thereby, it is to be considered that the time expenditure also depends on the membership of one or several Supervisory Board committees.

## **Age limit and duration limit on the term of membership**

For the activities of the Supervisory Board of Fresenius SE & Co. KGaA, a balance between experience and new ways of thinking is important. Therefore, the Supervisory Board of Fresenius SE & Co. KGaA should have a balanced mix of experienced and new members. In this way, not only do different perspectives flow into the respective decision-making process, but a continuous transfer of knowledge is also promoted. As a rule, the Supervisory Board of Fresenius SE & Co. KGaA shall only include members who have not yet reached the age of 75 at the time of their election or appointment.

## **Requirements for the entire Supervisory Board**

### **Sector experience**

The Supervisory Board in its entirety needs to be familiar with the healthcare sector. An appropriate number of Supervisory Board members are to have in-depth knowledge and/or experience in the important sectors of the Company's operations:

- ▶ dialysis products, dialysis services, and Care Coordination
- ▶ essential medicines, medical products, and services for the critically and chronically ill
- ▶ operation of hospitals
- ▶ planning, construction, and management of health care institutions

The Supervisory Board is to include an appropriate number of members with management experience in the health-care sector.

### **Financial knowledge**

The Supervisory Board in its entirety needs to have financial knowledge, in particular in the fields of accounting, reporting, and auditing. In the future, at least one member needs to have expert knowledge in the fields of accounting and at least one other member needs to have expert knowledge in the field of auditing. The chair of the Audit Committee should be suitably expert in at least one of the two fields.

### **Sustainability**

The Supervisory Board in its entirety should have expertise in sustainability issues of importance to the Company, particularly with regard to environmental, social, and governance (ESG) aspects.

### **Knowledge of relevant legal issues as well as relevant regulatory and compliance matters**

The Supervisory Board in its entirety is to be familiar with the relevant legal issues, as well as relevant regulatory and compliance matters.

### **Experience in the field of digitalization**

The Supervisory Board in its entirety is to have the required understanding of the requirements of digitalization.

### **Internationality**

Fresenius is present in more than 100 countries. Therefore, the Supervisory Board in its entirety is to have knowledge

and experience in the regions important for Fresenius. The Supervisory Board is to include an appropriate number of members with, due to their origin or business experience, a particular relation to the international markets relevant for Fresenius.

### **Management experience**

The Supervisory Board is to include an appropriate number of members with experience in managing or supervising a medium-sized or large company.

### **Diversity and appropriate representation of women**

The Supervisory Board is to rely on as different as possible expert knowledge, skills, and experiences. Therefore, diversity is to be appropriately considered for its composition, and when making election proposals, in the Company's interest, attention should be paid to ensuring that the candidates' profiles reasonably complement each other.

At least 30% of the Supervisory Board are women and at least 30% are men. In general, the participation of women is a joint responsibility of the shareholder and employee sides. For nominations, both the shareholder and employee sides will consider, to the extent possible and until equal representation is achieved, whether the proportion of women can be increased with qualified female candidates. Please note that the responsibility for electing employee representatives is with the European Works Council. Therefore, the Supervisory Board cannot provide a recommendation.

## DIVERSITY CONCEPT

A diversity concept applies for the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA. The concept is outlined below. The objectives of the diversity concept, the way in which they are implemented, and the results achieved in the fiscal year are also explained.

Diversity enables us to look at matters from different perspectives and against the background of different experiences. Fresenius seeks diversity in the Management Board of Fresenius Management SE as well as in the Supervisory Board of Fresenius SE & Co. KGaA in terms of age, gender, education, professional background, and international experience.

### Age

Finding a balance between expertise and novel approaches is important for the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA. Therefore, both the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA should have a balanced mix of experienced and new members, ensuring that different perspectives are taken into consideration in the decision-making processes and a continuous transfer of knowledge is fostered.

### Gender

Fresenius believes that a mix of women and men on both the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA is desirable. At least 30% of the Supervisory Board are women and at least 30% are men. In general, the participation of women is a joint responsibility of the shareholder and employee sides. For nominations, both the shareholder and employee sides will consider, to the extent possible and until equal representation is achieved, whether the proportion of women can be increased with qualified female candidates. Please note that the responsibility for electing employee representatives is with the European Works Council. Therefore, the Supervisory Board cannot provide a recommendation. Besides, qualification is the decisive criterion for filling board positions.

### Professional background

For each one of the Company's key business areas, one member of the Management Board of Fresenius Management SE shall have long-standing experience:

- ▶ dialysis products, dialysis services, and Care Coordination
- ▶ essential medicines, medical devices, and services for the critically and chronically ill
- ▶ operation of hospitals
- ▶ planning, construction, and management of healthcare institutions

In addition, one of the members shall have long-standing experience and expertise in finance and one in corporate governance, law, and compliance. This takes into account the special requirements of a capital-market-oriented company.

The Supervisory Board of Fresenius SE & Co. KGaA shall have a reasonable number of members experienced in the management or supervision of a medium-sized or large company. A reasonable number of Supervisory Board members should have leadership experience in the healthcare industry. In the previous fiscal year, at least one member of the Supervisory Board had to have expertise in accounting or auditing. In the future, at least one member must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing.

### International experience

Fresenius is present in more than 100 countries. Against this background, the majority of the members of the Management Board of Fresenius Management SE are expected to have international experience in at least one of the markets relevant to Fresenius, based on their background, professional training, or career.

An appropriate number of members of the Supervisory Board of Fresenius SE & Co. KGaA should also have a special connection to international markets relevant to Fresenius as a result of their origin or business experience.

► [Corporate Governance Declaration](#) | Further information on Corporate Governance

## Implementation of objectives and the competence profile

In the opinion of the Supervisory Board, it meets the objectives for its composition and fulfills both the competence profile and the diversity concept. The Supervisory Board members also meet the personal and professional requirements deemed necessary.

In particular, the Supervisory Board members as a whole are familiar with the sector in which the Company operates. In addition, the Supervisory Board has the knowledge, skills, and experience essential to the company, including in production and profitability, digitalization and transformation, innovation and strategy development, and human resources and leadership. The Supervisory Board also has knowledge and experience in the business areas that are important for the Company. These include, in particular, dialysis products and dialysis care, medical devices and services for critically and chronically ill patients, operation of hospitals, and planning, construction and management of healthcare facilities.

The Supervisory Board's expertise in sustainability issues of importance to the Company enables it to monitor significant sustainability issues, particularly with regard to environmental, social, and governance (ESG) aspects, in both corporate planning and strategic direction.

The diverse composition of the Supervisory Board ensures appropriate consideration of diversity in line with the diversity concept. Numerous Supervisory Board mem-

bers have international experience. In fiscal year 2022, the Supervisory Board comprised five female members and seven male members. This corresponds to a gender ratio of 42% to 58% of Supervisory Board members. The shareholder representatives' side is made up of two women and four men, and the employee representatives' side of the Supervisory Board is made up of three women and three men.

In the opinion of the Supervisory Board, all Supervisory Board members are independent. The resolved age limit and length of membership of the Supervisory Board will be taken into account at the time of the Supervisory Board's election proposals to the Annual General Meeting.

With Ms. Susanne Zeidler as Chair of the Audit Committee and Mr. Wolfgang Kirsch and Dr. Christoph Zindel, three members of the Audit Committee have expertise in the field of accounting. This includes special knowledge and experience in the application of accounting principles and internal control and risk management systems. Accounting also includes sustainability reporting and its auditing.

With Ms. Susanne Zeidler as Chair of the Audit Committee, Wolfgang Kirsch, and Dr. Christoph Zindel, three members of the Audit Committee also have expertise in the field of auditing. This includes in particular knowledge and experience in auditing, including sustainability reporting and its auditing.

Ms. Susanne Zeidler has acquired the necessary expertise due to her many years of work as an auditor. She was able to deepen this expertise during her many years as a

member of the Executive Board and Chief Financial Officer of a listed stock corporation.

Mr. Wolfgang Kirsch gained his expertise in the fields of accounting and auditing through his many years of work in the banking sector and his membership of the Board of Management of a financial institution, of which he was Chairman.

Dr. Christoph Zindel has the necessary expertise in the fields of accounting and auditing due to his many years of management activities, including his membership of the board of a listed stock corporation. As a member of the executive board of a listed stock corporation responsible for sustainability, he also has expertise in sustainability reporting and its auditing.

The status of implementation of the competence profile is disclosed in the form of the following qualification matrix, with the implementation of the diversity concept for the Supervisory Board included herein:

The evaluation for the creation of the skills matrix was carried out on the basis of an individual self-assessment by the members of the Supervisory Board using uniform definitions and examples. If, in the opinion of the Supervisory Board, individual competencies contained in the Supervisory Board's competency profile are no longer available to a sufficient extent in the future, the Supervisory Board will take this into account when making election proposals to the Annual General Meeting.

## ► Corporate Governance Declaration | Further information on Corporate Governance

	Wolfgang Kirsch	Prof. Dr. med. D. Michael Albrecht	Dr. Frank Appel	Stefanie Balling	Bernd Behlert	Michael Diekmann	Grit Genster	Dr. Heinrich Hiesinger	Konrad Kölbl	Frauke Lehmann	Prof. Dr. med. Iris Löw-Friedrich	Oscar Romero de Paco	Dr. Dieter Schenk	Susanne Zeidler	Dr. Christoph Zindel	
KGaA Duration of membership and function	Member since 2021	2011	–	2016	2018	2015	2020	–	2007	2016	2016	2016	–	2022	2022	
	Term until 2025	2025	–	2025	2025	2025	2025	–	2025	2025	2025	2025	–	2025	2025	
	Function	Chair	Member	–	Member	Member	Deputy Chair	Deputy Chair	–	Member	Member	Member	–	Member	Member	
FMSE Duration of membership and function	Member since 2021	–	2021	–	–	2015	–	2020	–	–	–	–	–	1998	2021	–
	Term until 2025	–	2025	–	–	2025	–	2025	–	–	–	–	–	2025	2025	–
	Function	Chair	–	Member	–	Member	–	Member	–	–	–	–	–	Deputy Chair	Member	–
Personal fit	Independence*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
	No Overboarding*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	Male	Male	Male	Female	Male	Male	Female	Male	Male	Female	Female	Male	Female	Male	Male
	Year of birth	1955	1949	1961	1968	1958	1954	1973	1960	1959	1963	1960	1974	1952	1961	1961
	Nationality	German	German	German	German	German	German	German	Austrian	German	German	Spanish	German	German	German	German
	International experience	1-2 years	1-2 years	More than 6 years	None	None	More than 6 years	None	More than 6 years	None	None	3-5 years	3-5 years	1-2 years	None	Business graduate, auditor, tax consultant
																Medical professional
Professional competence	Professional background	Business graduate	Medical professional	Chemist, neurobiologist	Commercial business	Engineering technician	Legal professional	Commercial business	Engineer	Skilled worker	Nurse	Medical professional	Skilled worker	Lawyer, tax consultant	Business graduate, auditor, tax consultant	Medical professional
	Change Management	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Innovation	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓
	Leadership & management experience	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Quality	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓
	Increase profitability/ organic growth	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Strategy development and -implementation	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Healthcare Competence	Sector experience (Healthcare)	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓
	Dialysis products & services	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✗	✓✓	✓✓	✗	✓✓	✓✓	✓✓
	Hospital supplies & services	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Hospital projects & services	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓
	Hospital operations	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓
Finance expertise	Financial expertise	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓
	Financial expert (accounting) according to sec. 100 para. 5 Stock Cooperation Act (AktG)	✓✓	✗	✓✓	✗	✗	✓✓	✗	✓✓	✗	✗	✓✓	✗	✓✓	✓✓	✓✓
	Financial expert (annual audit) according to sec. 100 para. 5 Stock Cooperation Act (AktG)	✓✓	✗	✓✓	✗	✗	✓✓	✗	✓✓	✗	✗	✓✓	✗	✓✓	✓✓	✓✓
Functional competencies	Digitalization	✓	✓	✓✓	✗	✗	✓✓	✗	✓✓	✓✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓
	ESG & sustainability	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Marketing	✓✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓	✓✓	✓	✓✓	✓	✓✓	✗	✓✓
	M & A / Integration	✓✓	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Human resources	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Production	✗	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✗	✓✓	✓✓	✓✓	✗	✓✓
	Legal & Compliance, Corporate Governance	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Risk management	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
	Transformation	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✗	✓✓	✓✓
Committee membership	Human Resources Committee (FMSE)	Chair	–	–	–	–	–	✓	–	–	–	–	–	✓	–	–
	Nomination Committee (KGaA)	Chair	–	–	–	–	–	✓	–	–	–	–	–	✓	–	–
	Audit Committee (KGaA)	✓	–	–	–	–	–	–	✓	–	–	–	–	Chair	✓	✓
	Joint Committee (FMSE & KGaA)	✓	–	–	–	–	–	✓	–	–	–	–	–	Chair	✓	–

\* In light of the German Corporate Governance Code ✓✓ Special competence ✓ General competence ✗ Not specified

## RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The general partner, represented by its Management Board, manages the Company's business with the due care and diligence of a prudent and conscientious company director in compliance with the provisions of the law, the articles of association, the rules of procedure for the Management Board, the resolutions passed by the full Management Board, and the Supervisory Board of the general partner. The basic rules of corporate conduct, partly extending beyond the requirements of law, are defined in the **Fresenius Code of Conduct**. It defines the framework of our rules and specifies the key principles for our conduct within the Company and in our relations with external partners and the public. We have published the Fresenius Code of Conduct on our website at [www.fresenius.com/compliance](http://www.fresenius.com/compliance). In addition, all Fresenius business segments have implemented their own Codes of Conduct. They cover the specifics of their businesses and reflect the values of the Fresenius Code of Conduct.

## COMPLIANCE MANAGEMENT SYSTEMS

For Fresenius, compliance means doing the right thing. Because our core ethical values go beyond regulatory requirements, it means acting not only in accordance with the law, but also with applicable industry codes, internal policies, and our values. Compliance is part of our corporate culture and, consequently, our daily work.

Each of our business segments has appointed a **Chief Compliance Officer**, or a dedicated Compliance function, responsible for overseeing the development, implementation,

and monitoring of the Compliance Management System (CMS) of the business segment. Furthermore, in line with the business structure and organization, the business segments have established compliance responsibilities at the respective organizational levels. The respective compliance organization supports management and employees in all compliance-related principles.

Our **Compliance Management Systems** are designed to achieve the implementation of and adherence to our rules within the Company. We have implemented risk-based Compliance Management Systems in all our business segments and at Fresenius SE & Co. KGaA's corporate level. They comprise three pillars: Prevent, Detect, and Respond. Emphasis is placed on actively preventing any acts of non-compliance before they occur. Such systems consider the markets Fresenius is operating in. They are tailored to the specific requirements of each business segment.

Essential **measures for prevention** include comprehensive risk recording and risk assessment, effective policies as well as adequate and effective procedures, regular training, and continuous advice. Through objective indicators, we try to detect potential compliance risks early on. To this end, we have implemented tools for early risk detection and internal control structures, e.g., for cash and bank transactions, and monitor these measures regularly in workshops and internal audits.

We take even potential misconduct seriously. This is why Fresenius employees who are aware of potential misconduct, can contact their superior or the responsible compliance function or report a potential compliance case anonymously through whistleblowing systems or dedicated e-mail addresses. Most whistleblowing systems are open

not only to employees, but also to third parties, such as customers, suppliers, and other partners, via the corporate website in many languages.

Any illegal actions or violations of the rules may harm the individual and Fresenius. We do not tolerate non-compliance. If a violation of applicable regulations is detected, we will take the necessary actions to remediate the violation and prevent any recurrence. We also take all reports as an opportunity to review our company processes for possible improvements.

Further information on compliance and the Compliance Management Systems can be found on pages 101 ff. of our Group Non-financial Report.

## RISK MANAGEMENT AND CONTROL SYSTEM

In our view, responsible risk management is a crucial element of good corporate governance. Fresenius has a systematic risk management and control system that allows the Management Board to identify risks and market trends at an early stage and to react promptly to relevant changes in our risk profile. It consists of the following elements:

- internal control system,
- early warning system for risks,
- steering of financial, operational, and strategic risks,
- quality management systems,
- compliance management systems,
- reporting on legal risks, and
- risk assessment in investment and acquisition processes.

► **Corporate Governance Declaration** | Further information on Corporate Governance

The well-being of our patients is important to us. Our risk management and control system, as well as efficiently designed processes, help to enhance the Company's performance. Our early risk detection system is reviewed as part of the annual audit of the financial statements. The auditor assesses whether the monitoring system set up by the Management Board is suitable for the early identification of risks that could jeopardize the Company's existence. The risk management and control systems are regularly reviewed by the Management Board and the Internal Audit department. The quality and effectiveness of our risk management and control system is the responsibility of the Management Board and is regularly monitored by the Audit Committee of the Supervisory Board and audited by Internal Audit. Findings from these audits are incorporated into the ongoing development of the risk management and control system.

Further information is available on page 19 of the Report of the Supervisory Board.

In line with the German Corporate Governance Code, our risk management and control system also covers the sustainability-related objectives anchored in our corporate strategy to the extent that this is not already required by law. This includes the processes and systems for recording and processing sustainability-related data. Further information (including the description of the main features of the overall internal control system and risk management system recommended by the Code and the statement on the appropriateness and effectiveness of these systems also recommended by the Code) can be found in the Group Management Report on pages 85 ff.

The Internal Audit department supports the Management Board as an independent function outside the Company's day-to-day operations. The department assesses internal processes from an objective viewpoint and with the necessary distance. Their goal is to create added value for Fresenius, and thus to help achieve organizational goals through improved internal controls, optimized business processes, and efficiency increases. Results from internal audits are analyzed both by the business segments and by the compliance organization to continuously improve preventive measures, for example to prevent corruption.

Fresenius Medical Care AG & Co. KGaA has its own internal risk management and control system.

### **GERMAN CORPORATE GOVERNANCE CODE AND DECLARATION OF CONFORMITY**

The German Corporate Governance Code aims to provide more transparency for investors with regard to existing regulations covering the management and monitoring of companies. Our value-enhancing strategies, as well as the majority of the guidelines, recommendations, and suggestions for **responsible management** contained in the Code, have been basic components of our activities for many years. Extensive information on Corporate Governance can be found on our website at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

The Management Board of the general partner of Fresenius SE & Co. KGaA, Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA have issued the required **Declaration of Conformity** pursuant to Section 161 of the AktG and have made it available to shareholders on the website of the Company:

### **"Declaration by the Management Board of the General Partner of Fresenius SE & Co. KGaA, Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA on the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (Aktiengesetz)"**

The Management Board of the General Partner of Fresenius SE & Co. KGaA, Fresenius Management SE (hereafter the Management Board) and the Supervisory Board of Fresenius SE & Co. KGaA declare that since the issuance of the previous Declaration of Conformity in December 2021, the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice and Consumer Protection (Bundesministerium der Justiz und für Verbraucherschutz) in the official section of the Federal Gazette (Bundesanzeiger) (hereafter the Code) in the version of December 16, 2019 and April 28, 2022 have been met and that the Code will also be met in the future.

Only the following recommendation of the Code has not been and will not be met as explained in the following:

► **Code recommendation C.5:  
protection against overboarding**

Pursuant to Code recommendation C.5, a member of the Management Board of a listed company shall not be a member of more than two Supervisory Boards in listed non-group companies or hold comparable positions and shall not chair the Supervisory Board of a listed non-group company.

Prof. Dr. med. Iris Löw-Friedrich is a member of the Supervisory Board of Fresenius SE & Co. KGaA and elected Chairwoman of the Supervisory Board of Evtac SE. She also serves on the Executive Committee of UCB S.A. as Chief Medical Officer and Executive Vice President Development and Medical Practices. Even if this Committee does not formally correspond to the Management Board of a Stock Corporation or SE, it is nevertheless comparable with such a Board, so that a deviation from Code recommendation C.5 is declared in this respect on a precautionary basis.

Prof. Dr. med. Iris Löw-Friedrich always had sufficient time to fulfill her mandate as a member of the Supervisory Board of Fresenius SE & Co. KGaA to the extent required. Prof. Dr. med. Löw-Friedrich plausibly demonstrated that this will continue to be the case in the future.

Fresenius complies with all suggestions of the Code.

Bad Homburg v. d. H., December 2022

Management Board of the General Partner of Fresenius SE & Co. KGaA, of Fresenius Management SE, and Supervisory Board of Fresenius SE & Co. KGaA"

This declaration and declarations from the past five years are published on our website, see  
[www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

## FURTHER INFORMATION ON CORPORATE GOVERNANCE

### DIVERSITY

The Management Board takes diversity into account when filling executive positions. At Fresenius, the individual's qualifications are the paramount consideration in all hiring and promotion decisions. This means that women and men with comparable qualifications and suitability have the same career opportunities. Fresenius will continue to consistently act upon this principle – in compliance with the obligations arising from the Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (FüPoG I) and the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Leadership Positions in the Private Sector and the Public Sector (FüPoG II):

For the Supervisory Board of Fresenius SE & Co. KGaA, the law requires a quota of at least 30% women and 30% men. These mandatory quotas were again met in 2022.

The legally stipulated targets for the Management Board do not apply to Fresenius Management SE or to Fresenius SE & Co. KGaA. Due to its legal form, Fresenius SE & Co. KGaA does not have a Management Board. Fresenius Management SE is not listed on the stock exchange and is also not subject to co-determination.

In accordance with the legal requirements, the Management Board specifies composition of the two management levels directly below the Management Board as follows:

The first management level includes all Senior Vice Presidents and Vice Presidents who have an employment contract with Fresenius SE & Co. KGaA and who report directly to a Member of the Management Board. Through a decision effective January 1, 2021 the Management Board has set a target, which has to be met by December 31, 2025, and calls for a proportion of women of 30.0% at the first management level.

The second management level includes all Vice Presidents who have an employment contract with Fresenius SE & Co. KGaA and who report directly to a member of the first management level. Through the decision effective January 1, 2021, the Management Board has set a target, which has to be met by December 31, 2025, and calls for a proportion of women of 30.0% at the second management level.

The Management Board believes that inclusion in the company-wide long-term incentive programs is a strong indicator that an individual holds a leading executive position. The proportion of women in this group of our top 1,800 executives was approximately 34% as of December 31, 2022.

Further information on diversity, as well as personnel development and personnel management, is included in the Group Management Report on page 46 and in the Group Non-financial Report on pages 147 ff.

## DISCLOSURES ON DIRECTORS' DEALINGS / MANAGERS' TRANSACTIONS AND SHAREHOLDINGS IN 2022

According to the provisions of Art. 19 Market Abuse Regulation (MAR) regarding managers' transactions, persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the Company of transactions conducted on their own account relating to the shares or debt instruments of Fresenius SE & Co. KGaA or to derivatives or other financial instruments linked thereto. Managers' transactions in 2022 are disclosed on our website at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

None of the Management or Supervisory Board members of the general partner or of the Supervisory Board of Fresenius SE & Co. KGaA directly or indirectly holds more than 1% of the shares issued by Fresenius or any related financial instruments.

The members of the Management and Supervisory Boards of Fresenius Management SE and the members of the Supervisory Board of Fresenius SE & Co. KGaA together hold 0.096% of the shares of Fresenius SE & Co. KGaA outstanding as of December 31, 2022, in the form of shares or related financial instruments and stock options under the Fresenius SE & Co. KGaA stock option plans. 0.09% are held by members of the Management Board of Fresenius Management SE, 0.007% by members of the Supervisory Board of Fresenius Management SE, and 0.005% by members of

the Supervisory Board of Fresenius SE & Co. KGaA. Due to the fact that some persons are members of both Supervisory Boards, the amount of shares or related financial instruments and stock options held by the Boards of Fresenius SE & Co. KGaA and Fresenius Management SE in total can be smaller than the cumulative holdings of the three Boards as reported herein.

There were no notifications that the shareholdings of members of the Management and Supervisory Boards had reached, exceeded, or fallen below the reporting thresholds stipulated in the German Securities Trading Act.

## TRANSPARENCY AND COMMUNICATION

Fresenius adheres to all recommendations of the Code. Transparency is guaranteed by continuous communication with the public. In that way, we are able to validate and deepen the trust given to us. Of particular importance to us is the **equal treatment** of all recipients. To ensure that all market participants receive the same information at the same time, we post all important publications on our website at [www.fresenius.com](http://www.fresenius.com). We report in detail on investor relations activities on page 23 of the Annual Report.

## FINANCIAL ACCOUNTING AND REPORTING

Fresenius, as a publicly traded company based in a member country of the European Union, has to prepare and publish its consolidated financial statements, as required, in accordance with International Financial Reporting Standards (IFRS) pursuant to Section 315e of the German Commercial Code (HGB).

According to the Audit Regulation (EU) No. 537/2014 there is an obligation for regular external rotation of the auditor and the Group auditor. For Fresenius SE & Co. KGaA, such external rotation took place for fiscal year 2020. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was elected as auditor for the fiscal year 2022 by the Annual General Meeting 2022. The leading auditor Dr. Bernd Roesel, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has been responsible for the audit of the consolidated financial statements since 2020.

## COMPENSATION REPORT

### 1. INTRODUCTION

The compensation report summarizes the main elements of the compensation system for the members of the Management Board of Fresenius Management SE as the general partner of Fresenius SE & Co. KGaA and has been prepared jointly by the Management Board and the Supervisory Board of the Company. The contents of the compensation report comply with the regulatory requirements of the German Stock Corporation Act (AktG) (Section 162 AktG) as well as with the recommendations and suggestions of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022. In addition to disclosing the amount and structure of the compensation, the compensation report sets out how the compensation components comply with the relevant compensation system and how the compensation promotes the long-term development of the Company. To ensure comprehensive transparency, the compensation report also contains additional disclosures and explanations that go considerably beyond the statutory requirements. Furthermore, the compensation report describes the main elements of Supervisory Board compensation and discloses their amount.

Fresenius SE & Co. KGaA has published the compensation report on its website ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)). The compensation system of the Management Board and the compensation system of the Supervisory Board are also available on the Company's website ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)).

Clear, comprehensible, and transparent reporting is of great importance to both the Management Board and the Supervisory Board of the Company. For this reason, Fresenius SE & Co. KGaA voluntarily commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft with a substantive audit of the disclosures in the compensation report, above and beyond the legally required formal review in accordance with Section 162 (3) AktG for the presence of the disclosures. The note regarding the audit is attached to the compensation report.

### 2. REVIEW OF THE FISCAL YEAR 2022 FROM A COMPENSATION PERSPECTIVE

The compensation report 2021 was submitted to the Annual General Meeting of Fresenius SE & Co. KGaA for consent on May 13, 2022, in accordance with Section 120a (4) AktG, and approved with 90.47% of the votes cast. The very good voting result encourages the belief of the Management Board and the Supervisory Board that comprehensible and transparent reporting is in place. Within fiscal year 2022, the Company has implemented additional improvements to meet the expectations of investors and the public as well as established market practice even more closely.

Moreover, in fiscal year 2022, the Supervisory Board of Fresenius Management SE intensively addressed the revision of the existing compensation system for the Management Board and resolved on December 1, 2022, with effect from January 1, 2023, a revised Compensation System 2023+. On May 17, 2023, it will be submitted to the Annual General Meeting of Fresenius SE & Co. KGaA for approval in accordance with Section 120a (1) AktG.

Apart from meeting regulatory requirements primarily by adapting the long-term variable compensation, the aim of the revision of the compensation system for the Management Board was to provide even more effective incentives to achieve the long-term and sustainable goals of the corporate strategy.

The compensation of the Management Board is directly linked to its performance (pay for performance) and is considerably aligned with the Company's success through the high proportion of variable compensation. Furthermore, the Supervisory Board of Fresenius Management SE has integrated for the first time, as part of the Compensation System 2023+, sustainability targets, also known as ESG – Environmental, Social, Governance – into the long-term variable compensation of the Management Board.

Regarding the variable compensation in fiscal year 2022, the difficult macroeconomic environment had a negative impact on business development. This included increased uncertainties, inflation-related cost increases, staff shortages, supply chain disruptions, continued impact of the COVID-19 pandemic, and increased energy costs, which had a direct

impact on customer and patient behavior. In this difficult macroeconomic environment, the Fresenius Group had to lower its Group revenue guidance once and its Group earnings guidance twice. Though fundamentally sound and oriented to long-term growth, the Group's market environment is currently exposed to strong macroeconomic headwinds, which are impacting business operations and increasing the cost base. Increased emphasis is therefore being placed on structural productivity and corresponding programs are being implemented in all business segments and at Group level.

In 2022, the relevant financial targets for the short-term variable compensation were achieved as follows:

#### STI 2022 TARGET ACHIEVEMENT

#### FINANCIAL PERFORMANCE TARGETS

	Target value € in millions	Actual value € in millions	Target achievement in %
<b>Net income (before special items)</b>			
Fresenius Group	1,909	1,661	35.12%
Fresenius Kabi	719	735	105.74%
Fresenius Helios	777	763	91.48%
Fresenius Vamed	97	0	0.00%
<b>Revenue</b>			
Fresenius Group	39,404	38,692	81.93%
Fresenius Kabi	7,307	7,340	102.28%
Fresenius Helios	11,508	11,681	107.53%
Fresenius Vamed	2,628	2,341	0.00%

Target achievement for non-financial targets (ESG) was 100%.

The financial and non-financial targets at Group and business segment level are presented in detail in chapter 3.3.2, Variable components.

At the end of fiscal year 2022, the measurement period of the grant 2019 according to the Long Term Incentive Plan (LTIP) 2018 expired as well. For the two performance targets, growth rate of adjusted Group net income and relative total shareholder return based on the STOXX® Europe 600 Health Care Index, the target achievement was 0%.

#### LTIP 2018 – GRANT 2019

#### TARGET ACHIEVEMENT

	Target value	Actual value	Target achievement in %
Average growth of adjusted Group net income (in %)	8%	-9.9%	0%
Relative total shareholder return (percentile ranking)	50.	14.	0%

Moreover, four changes within the Management Board of Fresenius Management SE took place in fiscal year 2022. Mr. Stephan Sturm left the Management Board of Fresenius Management SE prematurely effective September 30, 2022, resigning from his position as Chairman of the Management Board. The member of the Management Board of Fresenius Management SE responsible for the business segment Fresenius Kabi, Mr. Michael Sen, was appointed Chairman of the Management Board with effect from October 1, 2022. Mr. Michael Sen will also temporarily continue to head Fresenius Kabi Aktiengesellschaft as Chairman of the Management Board until his successor has been appointed.

Ms. Rachel Empey stepped down from the Management Board of Fresenius Management SE early, effective August 31, 2022, and Ms. Sara Hennicken was appointed as a member of the Management Board of Fresenius Management SE for three years, effective September 1, 2022.

In addition, Mr. Rice Powell resigned from the Management Board of Fresenius Management SE as of the end of September 30, 2022. He also resigned from the Management Board of Fresenius Medical Care Management AG with regard to the age limit applicable to the Management Board of Fresenius Medical Care Management AG upon termination of his appointment at the end of fiscal year 2022. Prior to this, he had resigned as Chairman of the Management Board of Fresenius Medical Care Management AG with effect as of the end of September 30, 2022.

Dr. Carla Kriwet was a member and Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG from October 1, 2022 until December 5, 2022 and was also a member of the Management Board of Fresenius Management SE during this period. Since December 6, 2022, Ms. Helen Giza, Chief Financial Officer and until then Deputy Chairwoman of the Management Board of Fresenius Medical Care Management AG since May 16, 2022, has been the Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG. In this position, she has also been a member of the Management Board of Fresenius Management SE since December 6, 2022.

### 3. COMPENSATION OF THE MANAGEMENT BOARD

#### 3.1 COMPENSATION GOVERNANCE

The Supervisory Board of Fresenius Management SE is responsible for determining the compensation of each Management Board member as well as for determining, reviewing, and implementing the compensation system. The Supervisory Board of Fresenius Management SE is assisted in this task by its Human Resources Committee, which is also responsible for the tasks of a Compensation Committee. In the past fiscal year, the Human Resources Committee of Fresenius Management SE was composed of Mr. Wolfgang Kirsch, Dr. Dieter Schenk, and Mr. Michael Diekmann. The Human Resources Committee makes recommendations to the Supervisory Board of Fresenius Management SE, which are discussed and – where necessary – decided on by the Supervisory Board.

With regard to the requirements of the German Stock Corporation Act and the GCGC, the Supervisory Board of Fresenius Management SE regularly reviews the appropriateness and customary practice of the compensation of the members of the Management Board. In the course of determining the amount of the total target compensation, care is taken to ensure that the respective compensation is in an appropriate relationship to the duties and performance of the Management Board member as well as to the performance of the Company, that it supports the long-term and sustainable development of Fresenius SE & Co. KGaA, and

that it does not exceed the usual compensation without special reasons. For this purpose, both external and internal comparative analyses are carried out. In addition, the total compensation contractually agreed with the individual members of the Management Board takes into account the interest of the Company to retain the members of the Management Board at the Company or to attract new potential talents for the Management Board.

In order to assess the appropriateness of the compensation system and the individual compensation of the Management Board members, the Supervisory Board of Fresenius Management SE regularly conducts a review of the respective amount and structure of the compensation by means of a horizontal analysis (external comparative analysis). The respective amount of the total target compensation and the underlying compensation components contractually agreed with the individual Management Board members are compared with the compensation data of other DAX companies.

When determining the compensation system and the compensation of the Management Board members, the Supervisory Board of Fresenius Management SE additionally conducts a vertical review (internal comparative analysis) with respect to the compensation levels of the Company's employees. For this purpose, the ratios between the average compensation of the Management Board, the average compensation of the senior management of the Company, and that of the total workforce are determined. Senior

management is defined as all employees who report to a Management Board member in a position of Vice President and above. When conducting the vertical review, the Supervisory Board of Fresenius Management SE also considers the development of the compensation levels over time. Most recently in fiscal year 2022, upon revision of the long-term variable compensation, the Supervisory Board of Fresenius Management SE examined and further developed the compensation system underlying the service agreements (Compensation System 2023+).

For the Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG, who is also a Management Board member of Fresenius Management SE, the compensation system for the members of the Management Board of Fresenius Medical Care Management AG applies in deviation therefrom.

In general, the Supervisory Board of Fresenius Management SE has the right to temporarily deviate from the compensation system if this is necessary in the interest of the Company's long-term well-being. In the past fiscal year, the Supervisory Board of Fresenius Management SE did not make use of this right.

In addition, under the Compensation System 2021+, the Supervisory Board of Fresenius Management SE is not entitled to grant special payments for outstanding performance to the Management Board members (also known as "Ermessenstantieme").

### 3.2 OVERVIEW OF THE COMPENSATION SYSTEM

#### Principles of the compensation system

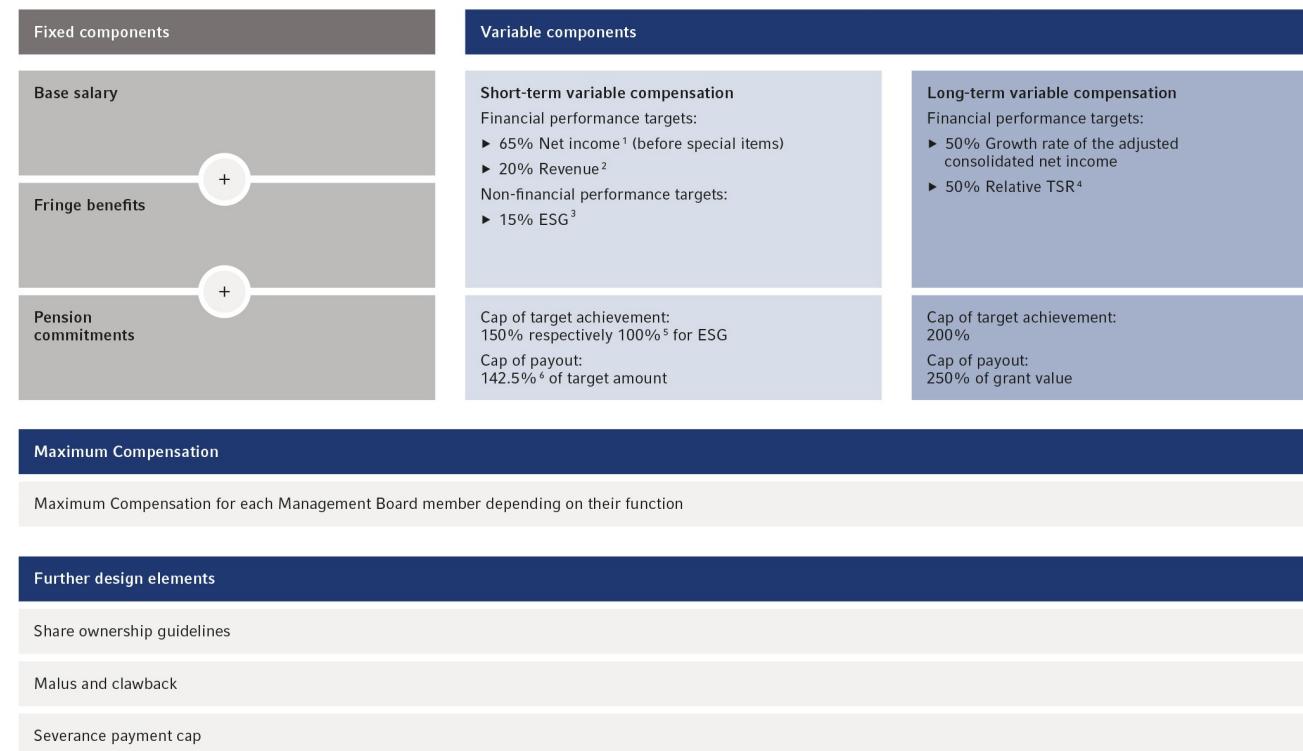
The Compensation System 2021+ for the members of the Management Board makes a significant contribution to promoting the business strategy and the long-term, sustainable development of Fresenius SE & Co. KGaA. It

provides effective incentives for the achievement of the strategic goals as well as for the long-term value creation of the Company, taking into account the interests of patients, shareholders, employees, and other stakeholders. The Compensation System 2021+ is based on the following principles:

<b>Link to strategy</b>	The Compensation System 2021+ for the Management Board members promotes the execution of Fresenius's global strategy. In particular, the long-term and sustainable development of Fresenius is taken into account.
<b>Alignment with shareholders' interests</b>	With the aim of achieving cost effective and profitable growth and taking into account total shareholder return, the Compensation System 2021+ is aligned with shareholders' interests. Feedback from many investors has been considered in the design of the system and the link to the development of Company value has been enforced.
<b>Simple structure</b>	The Compensation System 2021+ is comprehensible and not complex.
<b>Long-term orientation</b>	The compensation components and the long-term-oriented compensation structure promote long-term and sustainable value creation.
<b>Rewarding financial performance and sustainability</b>	The performance targets reflect the Company's strategy and enforce the Company's commitment to environmental, social, and governance (ESG) aspects.
<b>Cooperation across business segments</b>	Performance targets at Group as well as on business segment level are defined for the Management Board members. By measuring performance at the Group level, close cooperation across the Company's business segments is promoted.
<b>Good corporate governance</b>	The Compensation System 2021+ is designed to comply with the recommendations set out in the German Corporate Governance Code in the version dated April 28, 2022.
<b>Current market best practice</b>	The Compensation System 2021+ is based on current market best practice.
<b>Alignment with performance</b>	The Compensation System 2021+ is significantly aligned to the Company's success due to its high proportion of variable compensation.

The following illustration shows the compensation components and the further design elements of the Compensation System 2021+, which are described in more detail below:

#### COMPENSATION SYSTEM 2021+



<sup>1</sup> Net income of the Group or the business segments

<sup>2</sup> Sales of the Group or the business segments

<sup>3</sup> Environmental, Social, Governance. The degree of fulfillment within each of the four business segments is weighted at 25% each, overall target achievement is identical for all Management Board members.

<sup>4</sup> Total Shareholder Return

<sup>5</sup> ESG cap at 100% for fiscal years 2021 and 2022, 150% from fiscal year 2023 onwards

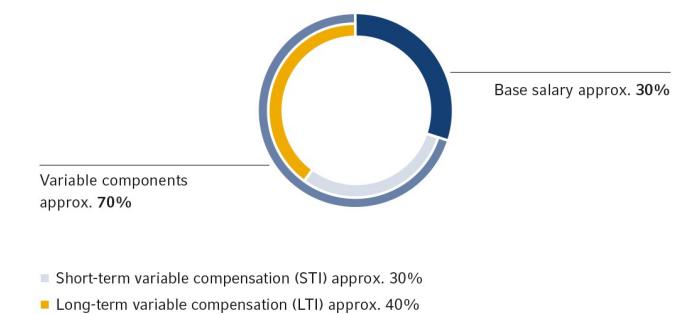
<sup>6</sup> Payout cap at 142.5% for fiscal years 2021 and 2022, 150% from fiscal year 2023 onwards

To promote the sustainable and long-term development of the Company, the variable compensation components in the Compensation System 2021+ are granted predominately on a long-term basis. Accordingly, the grant value of the Long-Term Incentive always exceeds the target amount of the Short-Term Incentive for each fiscal year.

Under the Long-Term Incentive, performance is measured over a period of four years. The compensation under the Long-Term Incentive is available to Management Board members after a period of at least four years.

The general compensation structure of the target direct compensation (sum of base salary p.a., target Short-Term Incentive (STI) amount p.a., and grant value under the Long-Term Incentive (LTI) p.a.) for a full fiscal year consists of approximately 30% each of the base salary and the Short-Term Incentive as well as of approximately 40% of the Long-Term Incentive.

#### GENERAL COMPENSATION STRUCTURE



Consequently, approximately 70% of the target direct compensation comprises performance-related variable compensation components. The approximately 40% share of the Long-Term Incentive (approximately 57% of the variable components) reflects the long-term orientation of the compensation structure.

### Maximum compensation

The Compensation System 2021+ provides for an overall annual maximum compensation amount (Maximum Compensation) for each Management Board member. These Maximum Compensation amounts limit the payouts to a Management Board member from the compensation contractually agreed for a fiscal year, irrespective of the dates of the payouts. The Maximum Compensation comprises base salary (payment in the fiscal year), the Short-Term Incentive (payment in the following fiscal year), and the Long-Term Incentive (payment according to plan conditions in later fiscal years), as well as all other fringe benefits and compensation (payment in the fiscal year). The pension commitment that is part of the fixed compensation components is also included in the calculation of the Maximum Compensation with the amount of the service cost incurred in the fiscal year. The Maximum Compensation amount for Management Board members can be below the sum of the potentially achievable payouts from the individual compensation components contractually agreed for a fiscal year. If the calculated payout for a Management Board

member is higher than the respective Maximum Compensation, the amounts accruing under the Long-Term Incentive are reduced accordingly until the Maximum Compensation is no longer exceeded.

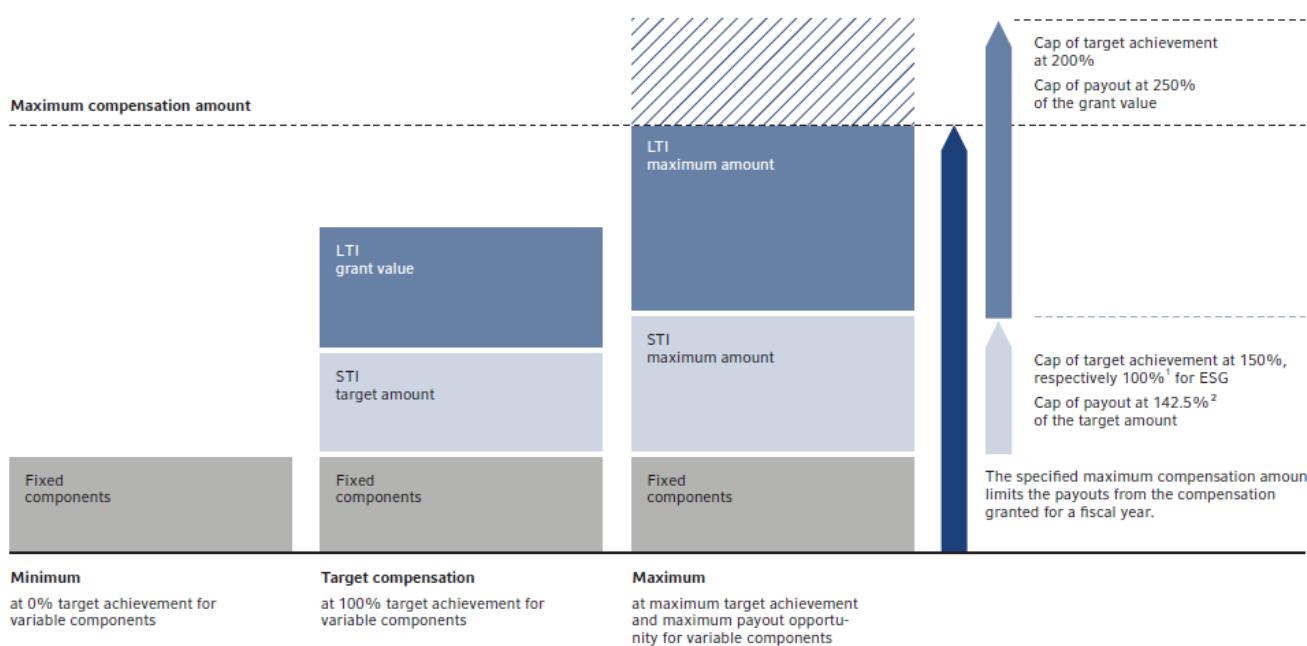
The Maximum Compensation in the Compensation System 2021+ is set at €10 million for the Chairman of the Management Board and €6.5 million for all other Management Board members (except for the Chief Executive Officer of Fresenius Medical Care Management AG). Compliance with the Maximum Compensation is reviewed annually. Compliance with the Maximum Compensation can only be finally determined once all contractually agreed compensation components of the Compensation System 2021+ for a fiscal year have been paid out. Thus, the Supervisory Board of Fresenius Management SE will review the final payout amount against the background of the Maximum Compensation 2021 for the first time in 2025 after the end of the first measurement period for the long-term variable compensation under the Compensation System 2021+.

The previously applicable compensation system also provided for limitation possibilities. Since fiscal year 2018, the Management Board service agreements of Fresenius Management SE included an allocation cap (excluding service cost) of €9 million for the Chairman of the Management Board and €6 million for all other Management Board members (except for the Chief Executive Officer of

Fresenius Medical Care Management AG). The compliance with the Maximum Compensation also takes place on an annual basis.

With regard to the total compensation (Maximum Compensation) contractually agreed with the Chief Executive Officer of Fresenius Medical Care Management AG, the compensation system for the members of the Management Board of Fresenius Medical Care Management AG, which was amended with effect as of January 1, 2020, stipulates a maximum amount of approximately €12 million (or US\$13.4 million). In view of the resignation as Chairman of the Management Board of Fresenius Medical Care Management AG of Mr. Rice Powell effective September 30, 2022, the maximum compensation of Mr. Rice Powell for fiscal year 2022 was reduced by mutual agreement from approximately US\$13.4 million to approximately US\$12 million. In addition, the caps for short-term and long-term variable compensation provided for in the compensation system applicable to the members of the Management Board of Fresenius Medical Care Management AG apply to him and to Ms. Helen Giza.

The compliance with the Maximum Compensation for fiscal year 2020 for the Chief Executive Officer of Fresenius Medical Care Management AG can be reviewed for the first time in 2023 as soon as the vesting period for the long-term variable compensation allocated in 2020 has expired and the amount to be paid out has been determined.

**MAXIMUM COMPENSATION**<sup>1</sup> ESG cap at 100% for fiscal years 2021 and 2022, 150% from fiscal year 2023 onwards<sup>2</sup> Payout cap at 142.5% for fiscal years 2021 and 2022, 150% from fiscal year 2023 onwards**3.3 COMPENSATION COMPONENTS IN DETAIL****3.3.1 FIXED COMPONENTS****Base salary**

The base salary, which is usually agreed upon for a full year, is paid in accordance with the local payroll customs applicable to the respective member of the Management Board. For the Chief Executive Officer of Fresenius Medical Care Management AG in Germany, the base salary is typically paid in 12 monthly installments. In the United States, it is usually paid in biweekly installments.

**Fringe benefits**

Fringe benefits are granted based on the individual service agreements and can fundamentally include: the private use of company cars, special payments such as housing, rent, and relocation payments, costs for the operation of security alarm systems, and contributions to pension insurance (with the exception of the pension commitments described hereinafter), as well as contributions for accident, health, and nursing care insurance, other insurance policies, and tax equalization compensation due to different tax rates in Germany and, as the case may be, the country in which the Management Board member is personally taxable. Fringe benefits can be of one-time or recurring nature.

In order to attract qualified candidates for the Management Board, the Supervisory Board of Fresenius Management SE may complement the compensation of first-time Management Board members in an appropriate and market-compliant manner with an entry bonus (sign-on bonus), e.g., to compensate for forfeited compensation from previous employment or service agreements. The Supervisory Board of Fresenius Management SE may also grant reimbursements for fees, charges, and other costs in connection with or related to a change in the regular place of work of Management Board members.

Fresenius SE & Co. KGaA furthermore undertook to indemnify the Management Board members, to the legally permitted extent, against any claims that may be asserted against them in the course of their service for the Company and its affiliated Group companies to the extent that such claims exceed their liability under German law. To cover such obligations, the Company took out Directors' & Officers' liability insurance, the deductible complying with the requirements of the Stock Corporation Act. The indemnification covers the period during which the respective member of the Management Board holds office as well as any claims in this regard after termination of the service on the Management Board.

## Pension commitments

### Defined benefit pension commitments

Management Board members appointed to the Management Board prior to January 1, 2020, were granted a contractual pension commitment in the form of a defined benefit scheme. Under this defined benefit scheme, pension commitments provide for pension and survivor benefits (Hinterbliebenenversorgung) as of the time of conclusively ending active work or in case of occupational disability or incapacity to work (Beruf- oder Erwerbsunfähigkeit). The amount of these benefits is calculated by reference to the amount of the contractually agreed pensionable income of the Management Board member. Until the start of their pension, this is adjusted annually based on the development of the consumer price index (as of January 1, 2022, for the first time). The pension amount is calculated as 30% of the contractually agreed pensionable income and increases by 1.5 percentage points for each full year of service as a Management Board member, up to a maximum of 45%. In deviation from this, the Management Board member responsible for the business segment Fresenius Vamed is entitled to an increase of 1.2 percentage points for each full year of service as a Management Board member, up to a maximum of 40%.

### Defined contribution pension commitments

Management Board members appointed to the Management Board as of January 1, 2020 or later are granted a pension commitment within the framework of a defined contribution plan. This is promised at the beginning of the service agreement with a waiting period of the first three years regarding the granting of benefits. Under such a defined contribution plan, the respective Management Board member receives an annual contribution amounting to 40% of the base salary, which determines the future capital amount. After reaching the retirement age under the defined contribution plan, payments can be made either as a one-off payment or optionally in 10 annual installments. An annuity or pension payment is not provided. The defined contribution plan may provide for survivors' benefits (Hinterbliebenenversorgung) and benefits after the occurrence of a full or partial reduction in earning capacity (Erwerbsminderung). The implementation of the defined contribution plan is carried out in the form of external financing as a defined contribution plan with a reinsurance policy. This provides for covering the risks of death and occupational disability as early as the first appointment period from the start of service and not just starting from non-forfeiture (after the expiry of three years since the start of service).

### 3.3.2 VARIABLE COMPONENTS

#### 3.3.2.1 SHORT-TERM INCENTIVE

##### Overview

Under the Compensation System 2021+, the Management Board members are entitled to receive a Short-Term Incentive, which may result in a cash payment. The Short-Term Incentive for the Management Board members reflects the success of the Company in the relevant fiscal year. The

Short-Term Incentive is linked to the achievement of financial and non-financial performance targets, balancing growth, profitability, and sustainability aspects.

The respective target amount for the Short-Term Incentive (i.e., the amount paid out if the target is reached to 100%) is as a percentage of the respective base salary of a Management Board member individually agreed upon. In case of appointments to the Management Board during a fiscal year, the respective target amount will be prorated.

#### SHORT-TERM VARIABLE COMPENSATION



<sup>1</sup> For Management Board members with business segment responsibility, the key financial figures are measured equally at Group and on business segment level.

<sup>2</sup> The degree of fulfillment within each of the four business segments is weighted at 25% each; overall target achievement is identical for all Management Board members.

<sup>3</sup> Payout cap at 142.5% for fiscal years 2021 and 2022, 150% from fiscal year 2023 onwards

Target	Weight	Background and link to strategy
<b>Net income (before special items)</b>	65%	Group or business segment net income serves as a primary steering parameter for profitability. To enable a better comparison of operating performance over several periods, the net income figures are adjusted for special items where necessary.
<b>Revenue</b>	20%	As part of the growth strategy, the development of revenue at Group and business segment level, especially organic revenue growth, is of central importance.
<b>ESG targets</b>	15%	The ESG targets reflect the Company's commitment and strategy with regard to environmental, social, and governance aspects. The ESG targets are designed to achieve significantly improved ESG performance with reported and audited metrics that reflect Fresenius' strategy.

### Performance targets

The Short-Term Incentive is measured based on the achievement of three performance targets: 65% relates to Group or business segment net income (before special items), 20% to Group or business segment revenue, and 15% to the achievement of sustainability criteria (ESG targets).

The financial performance targets reflect the key performance indicators of the Company and support the Company's strategy of achieving sustainable and profitable growth. The non-financial performance targets underline the Company's commitment to implementing its global sustainability strategy. Sustainable actions are an integral part of the corporate strategy and ensure the future viability from a social and economic perspective.

### Adjustment of the performance targets

The financial figures underlying the financial performance targets can be adjusted for certain effects, in particular effects from significant acquisitions, divestments, restructuring measures, and changes in accounting principles. In addition, the Supervisory Board of Fresenius Management SE can also adjust for one-time material special items for which the Management Board is not responsible, which have not been budgeted for, and which are therefore not included in the calculation of the target values.

In fiscal year 2022, the Supervisory Board of Fresenius Management SE made an adjustment to the net income regarding the non-recurring expenses from the cost and efficiency program, the income from revaluation of the

contingent biosimilars purchase price liabilities, transaction costs, and impacts related to the war in Ukraine and hyper-inflation in Turkey:

€ in millions	Fresenius Group	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
<b>Net income, reported (including special items)</b>	<b>1,372</b>	<b>576</b>	<b>766</b>	<b>-18</b>
Adjustments:				
Expenses associated with the Fresenius cost and efficiency program	260	157	0	3
Income from revaluation of biosimilars contingent purchase price liabilities	-2	-2	-	-
Transaction costs mAbxience, Ivenix	27	27	-	-
Impacts related to the war in Ukraine	43	15	-	16
Hyperinflation Turkey	9	7	-	-
Remeasurement Humacyte investment	24	-	-	-
Net gain related to InterWell Health	-12	-	-	-
Retroactive duties mAbxience, Ivenix	8	-	-	-
Currency conversion (at budget rates)	-103	-76	-3	-1
<b>Net income, adjusted</b>	<b>1,661</b>	<b>735</b>	<b>763</b>	<b>0</b>

Revenue was adjusted by the Supervisory Board of Fresenius Management SE in fiscal year 2022 as follows:

€ in millions	Fresenius Group	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
<b>Revenue, reported (including special items)</b>	<b>40,840</b>	<b>7,850</b>	<b>11,716</b>	<b>2,359</b>
Adjustments:				
Ivenix, mAbxience	-60	-60	-	-
Currency conversion (at budget rates)	-2,088	-450	-35	-18
<b>Revenue, adjusted</b>	<b>38,692</b>	<b>7,340</b>	<b>11,681</b>	<b>2,341</b>

## Levels of performance measurement

In order to further enhance cooperation across the business segments and at the same time incentivize the Management Board members with respect to their individual responsibilities, some performance targets are measured at Group level, others at business segment level. For Management Board members who are responsible for a business segment (Mr. Michael Sen (up to September 30, 2022), Dr. Francesco De Meo, and Dr. Ernst Wastler), half of the net income and half of revenue are based on the corresponding key financial figures of the Group and the respective business segment. For Management Board members with Group responsibilities (Mr. Stephan Sturm, Mr. Michael Sen (since October 1, 2022), Dr. Sebastian Biedenkopf, and Ms. Rachel Empey and Ms. Sara Hennicken, respectively), net income and revenue refer to the corresponding key financial figures of the Group. By measuring the financial performance targets at Group as well as on a business segment level, the financial success of both the individual business segments and the Group is reflected.

The achievement of sustainability targets is measured at Group level to ensure close cooperation across the Company's business segments in the field of sustainability. The non-financial performance targets relate to ESG focus topics such as quality, employees, innovation, compliance, and environment. Targets are defined annually for each ESG focus topic. The overall ESG target achievement is identical for all Management Board members.

## Performance target setting and determination of target achievement

### Financial performance targets

At the beginning of fiscal year 2022, the Supervisory Board of Fresenius Management SE set concrete target values for the financial performance targets, taking into account the market and competitive environment, the budget, and the strategic growth targets.

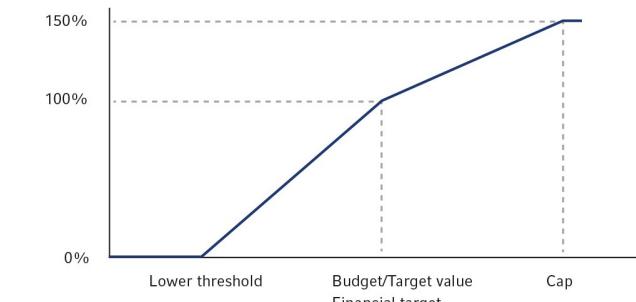
After the end of the past fiscal year, the Supervisory Board of Fresenius Management SE determined whether and to what extent the financial performance targets had been achieved.

These were based on the following target achievement curve:

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### TARGET ACHIEVEMENT CURVE FOR FINANCIAL TARGETS

Target achievement



The target achievement is deemed to be 0% if the lower threshold is not reached. If the cap is exceeded, the target is deemed to have been reached by 150% (cap). If the achieved financial indicators are between the respective values for target achievement of 0% and 100% or 100% and 150%, the target achievement is determined by linear interpolation.

## Financial performance targets for fiscal year 2022

For the financial performance targets, the Supervisory Board of Fresenius Management SE has set the following lower and upper thresholds as well as target values at Group and business segment level for fiscal year 2022. At the end of fiscal year 2022, the targets were achieved as follows:

### STI 2022 TARGET ACHIEVEMENT

#### FINANCIAL PERFORMANCE TARGETS

	Lower threshold € in millions	Target value € in millions	Upper threshold € in millions	Actual value € in millions	Target achievement in %
<b>Net income (before special items)</b>					
Fresenius Group	1,527	1,909	2,291	1,661	35.12%
Fresenius Kabi	575	719	863	735	105.74%
Fresenius Helios	622	777	932	763	91.48%
Fresenius Vamed	78	97	116	0	0.00%
<b>Revenue</b>					
Fresenius Group	35,464	39,404	43,344	38,692	81.93%
Fresenius Kabi	6,576	7,307	8,038	7,340	102.28%
Fresenius Helios	10,357	11,508	12,659	11,681	107.53%
Fresenius Vamed	2,365	2,628	2,891	2,341	0.00%

## Non-financial performance targets

For fiscal years 2021 and 2022, the Supervisory Board of Fresenius Management SE has set three ESG targets for each of the five ESG focus topics quality, employees, innovation, compliance, and environment. They are derived from the Company's materiality analysis and qualitatively measured using a customized ESG scoring method. This is available on the Company's website ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)). The ESG targets are identical for all Management Board members except for the Chief Executive Officer of Fresenius Medical Care Management AG. The extent to which the ESG targets are met is determined for the business segments Fresenius Kabi, Fresenius Helios,

and Fresenius Vamed. For each of the three ESG targets, a score of 0 or 1 point per focus topic, i.e., a total of 5 points per ESG target, can be achieved; partial achievement (e.g., 0.5 points) is not possible. The resulting 0 to 15 points per business segment will be included in the overall ESG target achievement for Fresenius SE & Co. KGaA with a weighting of 25% each.

For Fresenius Medical Care Management AG, the target achievement is based on the achievement of targets within the framework of the company's global sustainability program, which is also part of the compensation system of the members of the Management Board of the company. The

resulting target achievement is translated to calculate the overall target achievement. At Fresenius Medical Care Management AG, the global sustainability program allows a target achievement between 0% and 120%, or between 0 to 28 points and 56 points for the 2022 sustainability target. The degree of target achievement of these sustainability criteria is evaluated in a first step using a predefined questionnaire. For each question, 0 points, 0.25 points, 0.5 points, 0.75 points or 1 point can be achieved depending on the degree of implementation. Based on the evaluation of the questionnaire, the score for each sustainability criterion is determined in a second step. The score for each sustainability criterion can also be 0 points, 0.25 points,

0.5 points, 0.75 points or 1 point. To calculate the achieved score for each sustainability criterion, the average of the points over the number of questions per sustainability criterion is calculated. If the thus-calculated average deviates from the aforementioned scores, it is rounded down to the next lower score. For example, a score of 0.45 points would lead to a score of 0.25 points for a sustainability criterion.

To determine the total score for the sustainability target, the sum of the points achieved for the 56 sustainability criteria is calculated.

In the event that all ESG targets in the four business segments are met, the overall ESG target achievement for fiscal years 2021 and 2022 is limited to 100% (cap); over-achievement is not possible.

## **Non-financial performance targets for fiscal year 2022**

With the ESG targets, the Company creates a basis for ESG performance measurement through operationalization of the sustainability strategy by means of transparent key performance indicators (KPIs). To this end, for each of the five focus topics, the following three ESG targets have been defined, with each focus topic being measured in a qualitative way using the ESG scoring method.

Based on the corporate sustainability strategy, the Supervisory Board specified the following three equally weighted ESG targets for fiscal year 2022:

### ESG TARGETS

- |   |   |
|---|---|
| <b>Rollout and quarterly reporting</b>                | <ul style="list-style-type: none"> <li>▶ Rollout of the developed concept and implementation of the management approach and target reporting processes per ESG focus area (quality, people, innovation, compliance, and environment) at business segment level</li> <li>▶ Establishment of quarterly reporting</li> </ul> |
| <b>Definition of short-term and long-term targets</b> | <ul style="list-style-type: none"> <li>▶ Development of the short- and long-term performance targets per ESG focus area/ESG target</li> <li>▶ Alignment of the performance targets of the business segments with the performance targets of the Group</li> </ul>  |
| <b>Strategic communication</b>                        | <ul style="list-style-type: none"> <li>▶ Development of a capital market narrative</li> <li>▶ Sharpening/developing an ESG narrative for the capital market in line with the new ESG strategy</li> <li>▶ Integration of the ESG narrative into the Group's sustainability narrative</li> </ul>                            |

For fiscal year 2022, the total target achievement for the non-financial performance targets, which consists of the equally weighted target achievements for each business segment, was as follows:

#### STI 2022 TARGET ACHIEVEMENT

##### NON-FINANCIAL PERFORMANCE TARGETS

	Target value in points	Actual value in points
<b>Target 1: Rollout and quarterly reporting</b>		
Fresenius Kabi	5	5
Fresenius Helios	5	5
Fresenius Vamed	5	5
<b>Target 2: Definition of short-term and long-term targets</b>		
Fresenius Kabi	5	5
Fresenius Helios	5	5
Fresenius Vamed	5	5
<b>Target 3: Strategic communication</b>		
Fresenius Kabi	5	5
Fresenius Helios	5	5
Fresenius Vamed	5	5
<b>Overall target achievement</b>		
Fresenius Medical Care (translation from the FME global sustainability program <sup>1</sup> )	15	15
Fresenius Kabi	15	15
Fresenius Helios	15	15
Fresenius Vamed	15	15
<b>Overall target achievement in points (25% weighting each)</b>	<b>15</b>	
<b>Overall target achievement in %</b>		<b>100%</b>

<sup>1</sup> For Fresenius Medical Care Management AG, the target achievement is based on the achievement of targets within the framework of the company's global sustainability program, which is also part of the compensation system of the members of the Management Board of the company. The resulting target achievement is translated to calculate the overall target achievement. At Fresenius Medical Care Management AG, the global sustainability program allows a target achievement between 0% and 120%, or between 0 to 28 points and 56 points for the 2022 sustainability target.

#### Overall target achievement for fiscal year 2022

The degree of the overall target achievement is determined by the weighted arithmetic mean of the respective achievement of each financial and non-financial target. Multiplying the degree of respective overall target achievement by the target amounts of the Short-Term Incentive results in the final Short-Term Incentive amount. Subject to approval by

the Supervisory Board of Fresenius Management SE, the final Short-Term Incentive amount will be paid out to the respective Management Board member in cash. Since the overall target achievement for fiscal years 2021 and 2022 is capped at 142.5%, the payout amount of the Short-Term Incentive for fiscal years 2021 and 2022 is also capped to 142.5% of the respective target amount.

When determining the degree of target achievement, the Supervisory Board of Fresenius Management SE – in accordance with the corresponding recommendation of the GCGC in the version dated April 28, 2022 – may take into consideration that certain extraordinary economic, tax, or similar impacts are not related to the performance of the Management Board member. In fiscal year 2022, the Supervisory Board of Fresenius Management SE did not make use of this option.

For the financial and non-financial performance targets, the following target amounts were set for the members of the Management Board in office as of December 31, 2022, and the following target achievements were determined for fiscal year 2022:

## STI 2022 OVERALL TARGET ACHIEVEMENT

	Target amount € in thousands	Net income (before special items)		Revenue		ESG targets		Weighted overall target achievement in %	Payout amount € in thousands
		Weighting in %	Target achievement in %	Weighting in %	Target achievement in %	Weighting in %	Target achievement in %		
Michael Sen (Chairman of the Management Board since October 1, 2022)	400	65% Group	35.12%	20% Group	81.93%		100.00%	54.21%	217
Dr. Sebastian Biedenkopf	600		35.12%		81.93%		100.00%	54.21%	325
Sara Hennicken (since September 1, 2022)	200		35.12%		81.93%		100.00%	54.21%	108
Dr. Francesco De Meo	1,050	32.5% Group	35.12%	10% Group	81.93%	15%	100.00%	75.09%	788
		32.5% Helios	91.48%	10% Helios	107.53%				
Michael Sen (CEO Fresenius Kabi up to September 30, 2022)	788	32.5% Group	35.12%	10% Group	81.93%		100.00%	79.20%	624
		32.5% Kabi	105.74%	10% Kabi	102.28%				
Dr. Ernst Wastler	850	32.5% Group	35.12%	10% Group	81.93%		100.00%	34.61%	294
		32.5% Vamed	0.00%	10% Vamed	0.00%				

For Ms. Helen Giza, the overall target achievement for the short-term variable compensation for fiscal year 2022 according to the compensation system applicable to the members of the Management Board of Fresenius Medical Care Management AG (FME STI 2022) is as follows:

## FME STI 2022

## OVERALL TARGET ACHIEVEMENT

	Target amount € in thousands	Net income (40%)		Revenue (20%)		Operating income (20%)		Sustainability (20%)	Weighted overall target achievement in %	Payout amount € in thousands
		Target achievement (in %)								
Helen Giza (since December 6, 2022)	128	0.00%	66.36%	0.00%	120%	37.27%				48

### 3.3.2.2 LONG-TERM INCENTIVE Allocation for fiscal year 2022

#### Overview

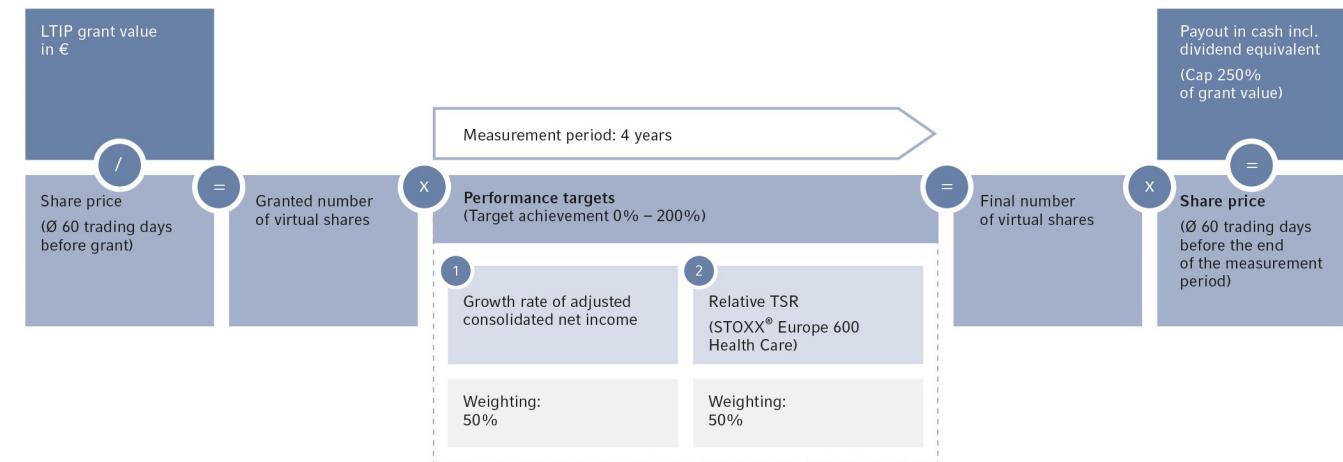
Under the Compensation System 2021+, the Management Board members are entitled to receive a long-term variable compensation in the form of performance shares with a measurement period of four years. Performance shares are virtual cash-settled payment instruments not backed by equity and are non-certificated. A payout depends on the achievement of two equally weighted performance targets and on the development of the share price of the Company.

#### Grant values

The grant value of the Long-Term Incentive for each Management Board member is defined by the Supervisory Board of Fresenius Management SE and corresponds to a percentage of the base salary, as stipulated in the individual service agreement.

In order to determine the number of performance shares to be allocated to the respective Management Board member, the respective grant value is divided by the value per performance share in accordance with IFRS 2 and considering the average share price of the Company over a period of 60 stock exchange trading days prior to the respective grant date. The final number of performance shares depends on the achievement of predefined targets, which are set by the Supervisory Board of Fresenius Management SE prior to the beginning of the respective measurement period.

#### LONG-TERM VARIABLE COMPENSATION



For fiscal year 2022, the allocations under the LTIP 2018 are as follows:

#### LTIP 2018 – GRANT 2022

	Grant value € in thousands	Share price (average 60 trading days before grant) in €	Granted number of performance shares	Maximum number of possible performance shares (200% target achievement)	Maximum possible payout amount (250% grant value) € in thousands
Michael Sen (Chairman of the Management Board since October 1, 2022)	1,794	26.30	68,203	136,406	4,484
Dr. Sebastian Biedenkopf	800	26.30	30,418	60,836	2,000
Dr. Francesco De Meo	1,523	26.30	57,890	115,780	3,806
Sara Hennicken (since September 1, 2022)	267	26.30	10,139	20,278	667
Dr. Ernst Wastler	1,300	26.30	49,430	98,860	3,250

For Ms. Helen Giza, an allocation of 32,279 performance shares results under the Management Board Long Term Incentive Plan 2020 of Fresenius Medical Care Management AG in accordance with the applicable compensation system for the members of the Management Board of Fresenius Medical Care Management AG, of which 2,839 performance shares are attributable on a pro rata basis to the 26 days in fiscal year 2022 when Ms. Helen Giza was Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG and member of the Management Board of Fresenius Management SE.

#### Performance targets

The Long-Term Incentive is measured on the basis of the achievement of two equally weighted financial performance targets: adjusted net income growth and relative total shareholder return (relative TSR). These performance targets have been chosen as they reflect the Company's strategic priorities of increasing profitability, long-term sustainable growth, and the development of the Company's value. At the same time, they include a relative comparison with competitors and thus ensure that the interests of shareholders are adequately taken into account.

The performance targets under the Long-Term Incentive are among the most important key figures of the Company and support the implementation of the Company's long-term strategy. In order to ensure that all decision makers pursue uniform goals, the Long-Term Incentive for the Management Board and senior management is determined according to uniform targets and a uniform system.

Target	Weight	Background and link to strategy
Adjusted net income growth	50%	At Group level, the growth of adjusted net income serves as a steering parameter for internal management. The growth of adjusted net income reflects the long-term profitability of the Group.
Relative TSR	50%	Relative TSR as a performance target sets incentives to outperform the peer companies and, above all, takes into account the long-term development of Company value and the requirements of our shareholders.

The adjusted net income growth is calculated at constant exchange rates. The underlying financial figures of the financial performance targets are adjusted for effects defined in advance, such as the effects of certain acquisitions and

divestments and changes in IFRS accounting standards, to ensure comparability of these financial figures with respect to the operational performance.

## Performance target setting and determination of target achievement

Prior to the beginning of the respective measurement period of an allocation, the Supervisory Board of Fresenius Management SE defines target values for each performance target that lead to a target achievement of 0% (lower threshold), 100% (target value), and 200% (cap). In setting the target values, the Supervisory Board of Fresenius Management SE considers the strategic growth targets and the market as well as the competitive environment.

The performance target of adjusted net income growth is deemed to have been achieved to 100% if this is at least 8% p.a. on average over the four-year measurement period. If the growth rate is 5% p.a. or less, the target achievement is 0%. If the growth rate is between 5% p.a.

and 8% p.a., the degree of target achievement is between 0% and 100%, and if the growth rate is between 8% p.a. and 20% p.a., the degree of target achievement is between 100% and 200%. Intermediate values are calculated by linear interpolation.

For the relative TSR target, 100% target achievement is reached if the total shareholder return of Fresenius SE & Co. KGaA compared to the total shareholder return of the other companies in the STOXX® Europe 600 Health Care Index is at the median of the peer companies over the four-year measurement period, i.e., exactly in the middle (50th percentile) of the ranking. If the rank is equal to or below the 25th percentile, the degree of target achievement is 0%. If the rank is between the 25th and the 50th percentile, the degree of target achievement is between 0% and 100%,

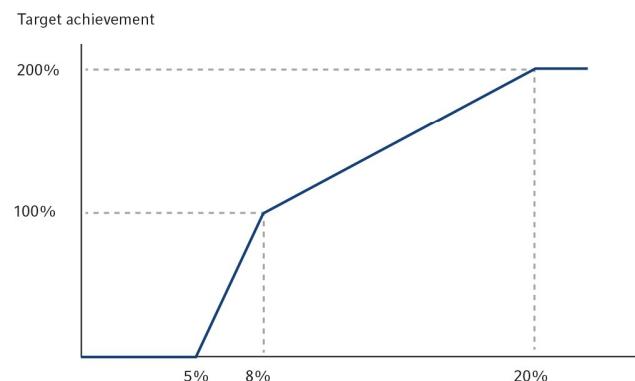
and if the rank is between the 50th and the 75th percentile, the degree of target achievement is between 100% and 200%. Intermediate values are also calculated by linear interpolation here.

At the end of the respective measurement period, the Supervisory Board of Fresenius Management SE determines the overall target achievement for the granted Long-Term Incentive. For this purpose, the extent to which the two performance targets have been achieved is determined and included with equal weighting in the determination of the overall target achievement.

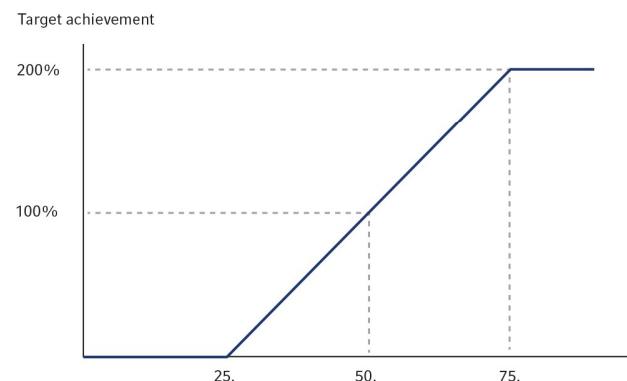
The final number of performance shares is determined for each Management Board member on the basis of the overall target achievement and can increase or decrease over the measurement period compared to the number at the time of the grant. A total loss as well as (at the most) doubling of the granted performance shares if 200% target achievement is reached (cap) is possible. After the final determination of the overall target achievement, the final number of performance shares is multiplied by the average price of the Company's shares over the last 60 stock exchange trading days prior to the end of the respective measurement period (four years after the date of the respective grant) plus the sum of the dividends per share paid in the meantime by Fresenius SE & Co. KGaA, in order to calculate the corresponding amount for the payment from the final performance shares. The payout is limited to 250% of the respective grant value. Payment is also conditional on the absence of a compliance violation and the continuation of the service or employment relationship.

### TARGET ACHIEVEMENT CURVES FOR FINANCIAL TARGETS

ADJUSTED NET INCOME GROWTH



RELATIVE TSR



In determining the overall target achievement, the Supervisory Board of Fresenius Management SE may – following the corresponding recommendation of the GCGC in the version dated April 28, 2022 – determine that certain extraordinary economic, tax, or other effects are to be disregarded in full or in part in accordance with the plan conditions. In this case, the Supervisory Board of Fresenius Management SE can correct the calculated overall target achievement accordingly, i.e., increase or decrease it. This also applies in the event that capital measures (e.g., capital increase, spin-off, or stock split) are conducted. The Supervisory Board of Fresenius Management SE did not make use of this possibility in 2022.

### **Overall target achievement of the LTIP 2018 for fiscal years 2018 to 2021 and 2019 to 2022**

In fiscal years 2021 and 2022, the measurement period of the grant 2018 and 2019, respectively, ended in accordance with the LTIP 2018.

The average growth of adjusted Group net income for fiscal year 2021 and the previous three years was 1.4%. Therefore, a target achievement of 0% was derived. For the relative TSR, the percentile rank at the end of the four-year measurement period was 13. Hence, the target achievement is 0% for the relative TSR, too.

The average growth of adjusted Group net income for fiscal year 2022 and the previous three years was -9.9%. Therefore, a target achievement of 0% was derived. For the relative TSR, the percentile rank at the end of the four-year measurement period was 14. Hence, the target achievement is 0% for the relative TSR, too.

The following tables show the target and actual value as well as the target achievement for the grants 2018 and 2019 for the two performance targets growth rate of adjusted Group net income and relative TSR based on the STOXX® Europe 600 Health Care index:

#### **LTIP 2018 – GRANT 2018**

##### **TARGET ACHIEVEMENT**

	Lower threshold	Target value	Upper threshold	Actual value	Target achievement (in %)
Average growth of adjusted Group net income (in %)	5%	8%	20%	1.4%	0%
Relative total shareholder return (percentile ranking)	25.	50.	75.	13.	0%

#### **LTIP 2018 – GRANT 2019**

##### **TARGET ACHIEVEMENT**

	Lower threshold	Target value	Upper threshold	Actual value	Target achievement (in %)
Average growth of adjusted Group net income (in %)	5%	8%	20%	-9.9%	0%
Relative total shareholder return (percentile ranking)	25.	50.	75.	14.	0%

For the Management Board members in office as of December 31, 2022 who received allocations from the LTIP 2018, the following grant values were determined for fiscal years 2018 and 2019. Due to the overall target achievement of 0% in both tranches, no payment was made from the grant 2018 in fiscal year 2022 and no payment will be made from the grant 2019 in fiscal year 2023.

## LTIP 2018 – GRANT 2018

## OVERALL TARGET ACHIEVEMENT

	Grant value € in thousands	Share price (average 60 trading days before grant) in €	Granted number of performance shares	Overall target achievement (in %)	Final number of performance shares
Dr. Francesco De Meo	1,300	67.45	19,274	0%	-
Dr. Ernst Wastler	1,300	67.45	19,274	0%	-

## LTIP 2018 – GRANT 2019

## OVERALL TARGET ACHIEVEMENT

	Grant value € in thousands	Share price (average 60 trading days before grant) in €	Granted number of performance shares	Overall target achievement (in %)	Final number of performance shares
Dr. Francesco De Meo	1,300	45.36	28,660	0%	-
Dr. Ernst Wastler	1,300	45.36	28,660	0%	-

## Commitments and payouts under the LTIP 2013

Until the end of fiscal year 2017, benefits under the LTIP 2013 of Fresenius SE & Co. KGaA were allocated as a component with long-term incentive effect, which resulted in a payout in fiscal year 2022 and may result in a payout in the future. The benefits consisted on the one hand of share-based compensation with cash settlement (phantom stocks) and, on the other hand of stock options on the basis of the Stock Option Plan 2013 of Fresenius SE & Co. KGaA. Based on the LTIP 2013, both members of the Management Board and other executives were allocated stock options and phantom stocks. In accordance with the division of powers under the Stock Corporation Act, grants to members of the Management Board were made by the Supervisory Board of Fresenius Management SE and grants to other executives were made by the Management Board. The number of stock options and phantom stocks for Management Board members to be granted was determined by the Supervisory Board's own due discretion, provided that generally all Management Board members received the same amount of stock options and phantom stocks, with the exception of the Chairman of the Management Board, who received twice the respective amount of stock options and phantom stocks. At the time of the grant, the participants in LTIP 2013 had the right to choose whether they wished to receive stock options and phantom stocks in a ratio of 75 : 25, or in a ratio of 50 : 50.

Exercise of the stock options and the phantom stocks allocated under LTIP 2013 of Fresenius SE & Co. KGaA is subject to several conditions, such as expiry of a four-year waiting period, observance of blackout periods, achievement of the specified performance target, and continuance

of the service or employment relationship. The vested stock options can be exercised within a period of four years. The vested phantom stocks are settled on March 1 of the year following the end of the waiting period. The amount of the cash settlement pursuant to the Phantom Stock Plan 2013 is based on the volume-weighted average share price of Fresenius SE & Co. KGaA during the three months preceding the exercise date.

The respective performance target has been reached if the adjusted consolidated net income of the Company (net income attributable to the shareholders of the Company) has increased by a minimum of 8% per year in comparison to the previous year within the waiting period, after adjustment for foreign currency effects. The performance target has also been achieved if the average annual growth rate of the adjusted consolidated net income of the Company during the four-year waiting period is at least 8%, adjusted for foreign currency effects. If, with respect to one or more of the four reference periods within the waiting period, neither the adjusted consolidated net income of the Company has increased by a minimum of 8% per year in comparison to the previous year, after adjustment for foreign currency effects, nor the average annual growth rate of the adjusted consolidated net income of the Company during the four-year waiting period is at least 8%, adjusted for foreign currency effects, the respective granted stock options and phantom stocks are forfeited on a pro rata basis according to the proportion of the performance target that has not been achieved within the waiting period, i.e., by one fourth, by two fourths, by three fourths, or completely. If a member of the Management Board leaves the Company, the stock options and phantom stocks are forfeited as a matter of principle.

Furthermore, through fiscal year 2017, the then acting members of the Management Board, with the exception of Ms. Rachel Empey and Mr. Rice Powell, were granted an entitlement to further share-based compensation with cash settlement (further phantom stocks) in the equivalent value of €100 thousand per Management Board member. With regard to the performance target and waiting period, the same conditions that pertain to the phantom stocks allocated under LTIP 2013 apply to them.

## Payments under the LTIP 2013 for fiscal years 2017 to 2020

In fiscal year 2021, the waiting period of the phantom stocks of grant 2017 under the LTIP 2013 as well as that of the additional phantom stocks allocated in 2017 ended. The payment was made in fiscal year 2022 after the end of the vesting period. The following target achievement resulted from the Company's adjusted Group net income performance target:

LTIP 2013 – GRANT 2017

TARGET ACHIEVEMENT

	Target value	Actual value
Average annual growth of adjusted Group net income of the past four years (in %)	8%	3.80%

As the target value of 8% during the four-year waiting period was reached in one year, a payout of 25% of the allocated phantom stocks of the grant 2017 was made in 2022.

## Development and status of commitments of further LTIP grants

At the end of fiscal year 2022, the members of the Management Board held performance shares and stock options from different programs from the past.

The following table gives an overview of the outstanding allocated performance shares in fiscal year 2022:

	Grant date	Vesting date	Grant date fair value € in thousands	Granted number of performance shares	Overall target achievement (if final)	Number of performance shares as of December 31, 2022
<b>Current members of the Management Board</b>						
<b>Michael Sen</b> <b>(Chairman of the Management Board since October 1, 2022)</b>						
Grant 2021 (LTIP 2018)	Sept. 13, 2021	Sept. 13, 2025	1,058	23,633	n.a.	23,633
Grant 2022 (LTIP 2018)	Sept. 12, 2022	Sept. 12, 2026	1,794	68,203	n.a.	68,203
<b>Total</b>				<b>91,836</b>		<b>91,836</b>
<b>Dr. Sebastian Biedenkopf</b>						
Grant 2021 (LTIP 2018)	Sept. 13, 2021	Sept. 13, 2025	800	17,877	n.a.	17,877
Grant 2022 (LTIP 2018)	Sept. 12, 2022	Sept. 12, 2026	800	30,418	n.a.	30,418
<b>Total</b>				<b>48,295</b>		<b>48,295</b>
<b>Dr. Francesco De Meo</b>						
Grant 2019 (LTIP 2018)	Sept. 9, 2019	Sept. 9, 2023	1,300	28,660	0%	-
Grant 2020 (LTIP 2018)	Sept. 14, 2020	Sept. 14, 2024	1,300	30,967	n.a.	30,967
Grant 2021 (LTIP 2018)	Sept. 13, 2021	Sept. 13, 2025	1,450	32,402	n.a.	32,402
Grant 2022 (LTIP 2018)	Sept. 12, 2022	Sept. 12, 2026	1,523	57,890	n.a.	57,890
<b>Total</b>				<b>149,919</b>		<b>121,259</b>
<b>Helen Giza (since December 6, 2022)<sup>1</sup></b>						
Grant 2022 (MB LTIP 2020)	March 1, 2022	March 1, 2025	1,688	32,279	n.a.	32,279
<b>Total</b>				<b>32,279</b>		<b>32,279</b>
<b>Sara Hennicken (since September 1, 2022)</b>						
Grant 2022 (LTIP 2018)	Sept. 12, 2022	Sept. 12, 2026	267	10,139	n.a.	10,139
<b>Total</b>				<b>10,139</b>		<b>10,139</b>
<b>Dr. Ernst Wastler</b>						
Grant 2019 (LTIP 2018)	Sept. 9, 2019	Sept. 9, 2023	1,300	28,660	0%	-
Grant 2020 (LTIP 2018)	Sept. 14, 2020	Sept. 14, 2024	1,300	30,967	n.a.	30,967
Grant 2021 (LTIP 2018)	Sept. 13, 2021	Sept. 13, 2025	1,300	29,050	n.a.	29,050
Grant 2022 (LTIP 2018)	Sept. 12, 2022	Sept. 12, 2026	1,300	49,430	n.a.	49,430
<b>Total</b>				<b>138,107</b>		<b>109,447</b>

<sup>1</sup> Ms. Helen Giza holds performance shares under the programs of Fresenius Medical Care Management AG. Of the performance shares allocated hereunder in fiscal year 2022, 2,839 performance shares are attributable on a pro rata basis to the 26 days in fiscal year 2022 during which Ms. Helen Giza was Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG and member of the Management Board of Fresenius Management SE.

The following table shows the development and the status in 2022 of the stock options allocated in the past:

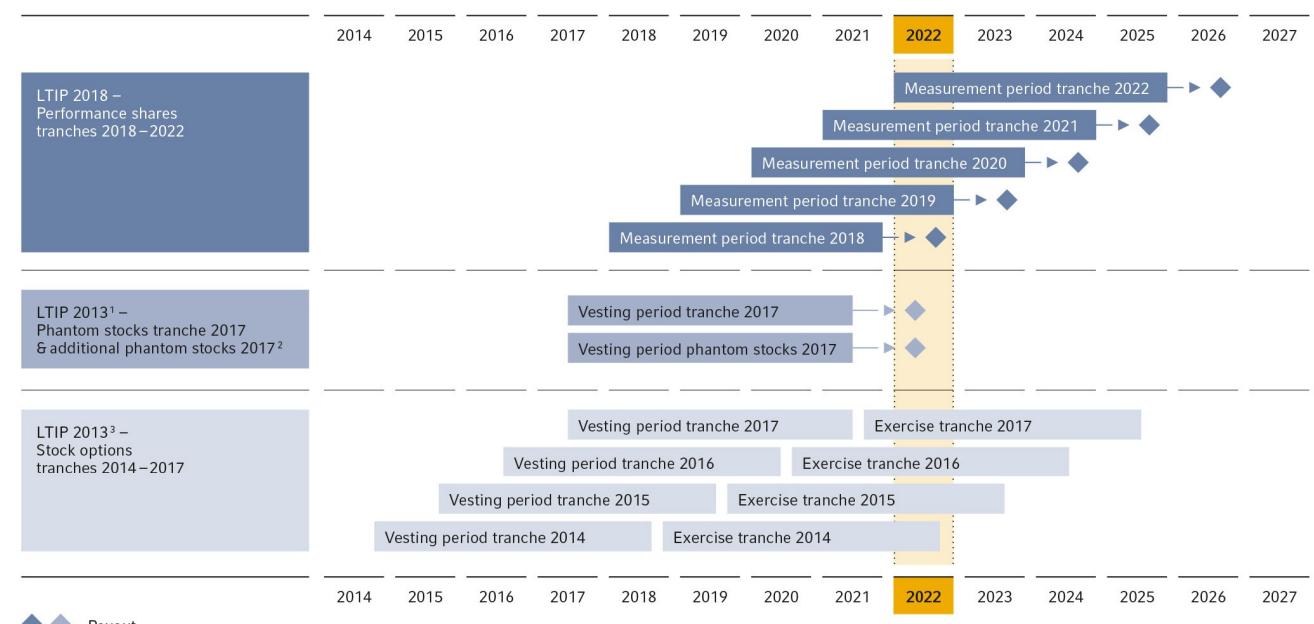
	Current members of the Management Board		Former members of the Management Board			Total/ arithmetic mean <sup>2</sup>
	Dr. Francesco De Meo	Dr. Ernst Wastler	Stephan Sturm	Rachel Empey	Rice Powell <sup>1</sup>	
Options outstanding on January 1, 2022						
Number	196,875	174,375	225,000	7,031	224,100	603,281
Average exercise price in €	58.27	57.97	60.44	64.69	67.97	59.07
Options exercised during the fiscal year						
Number	-	-	-	-	74,700	-
Average exercise price in €					49.93	
Average stock price in €					-	
Options forfeited during the fiscal year						
Number	45,000	45,000	45,000	7,031	-	142,031
Average exercise price in €	36.92	36.92	36.92	64.69		38.29
Options outstanding on December 31, 2022						
Number	151,875	129,375	180,000	-	149,400	461,250
Average exercise price in €	64.60	65.29	66.32		76.99	65.46
Average remaining life in years	1.2	1.4	1.5		0.5	1.4
Range of exercise prices in €	60.64 to 74.77	60.64 to 74.77	60.64 to 74.77		76.99	60.64 to 74.77
Exercisable options on December 31, 2022						
Number	151,875	129,375	180,000	-	149,400	461,250
Average exercise price in €	64.60	65.29	66.32		76.99	65.46

<sup>1</sup> Mr. Rice Powell holds stock options under the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011.

<sup>2</sup> Only stock options of Fresenius SE & Co. KGaA, excluding stock options of Mr. Rice Powell

The following graph provides an overview of the different allocations (annual grants) under the Long-Term Incentive plans described above and their respective time profiles:

#### TIME PROFILE OF ALLOCATED LTIP TRANCHES



<sup>1</sup> The LTIP 2013 was allocated partly in stock options and partly in phantom stocks.

<sup>2</sup> The members of the Management Board with the exception of Ms. Rachel Empey and Mr. Rice Powell were granted an entitlement to additional phantom stocks in the fiscal years 2016 and 2017. For the additionally allocated phantom stocks, the same conditions apply as for the phantom stocks of the LTIP 2013.

<sup>3</sup> The chart shows the tranches 2014 to 2017 of the LTIP 2013 in relation to the share allocated in stock options. The allocation took place in July of the respective years. All tranches of the LTIP 2013 have completed the vesting period since July 2021. The exercise periods of the individual tranches end after four years in each case.

Mr. Stephan Sturm, who left the Company in fiscal year 2022, was granted performance shares for fiscal year 2022 under the LTIP 2018 with a target amount of €2,765 thousand. Stock options and phantom stocks already granted under the LTIP 2013 and performance shares already granted under the LTIP 2018 will be retained on the agreed terms.

Ms. Rachel Empey was not granted any performance shares under the LTIP 2018 for fiscal year 2022 as a result of her exit. With regard to the stock options and phantom stocks already granted under the LTIP 2013 and the performance shares already granted under the LTIP 2018, the respective plan conditions apply to her.

### 3.4 SHARE OWNERSHIP GUIDELINES

In addition to the Long-Term Incentive, the Compensation System 2021+ provides for share ownership guidelines (SOG) in order to further strengthen the long-term alignment with the interests of shareholders and to promote the sustainable development of the Group. They consider international market practice and the expectations of our shareholders.

Under these guidelines, the Management Board members are obliged to invest an amount equal to the gross amount of an annual base salary in shares of

Fresenius SE & Co. KGaA. The Management Board members are obliged to hold these shares permanently until two years after resignation from the Management Board. For a Management Board member, the investment in shares of the Company shall be built up cumulatively from the second year of service onwards at the latest, each year with one quarter of the gross amount of an annual base salary. The share ownership guideline must be met in full at the latest after the fifth year as a Management Board member. The share ownership guidelines continue to apply if the first appointment to the Management Board is for three years

and the Management Board member is not reappointed thereafter. Shares already voluntarily acquired before January 1, 2021 by a member of the Management Board since the beginning of the (first) contractual term as a member of the Management Board of Fresenius Management SE or its legal predecessor will be taken into account for the fulfillment of the SOG target.

Management Board members can sell their shares at the earliest after the end of the mandatory retention period of two years after resignation from the Management Board.

The following table shows the status of compliance with the share ownership guidelines as of December 31, 2022:

#### SHARE OWNERSHIP GUIDELINES

	Required in % of the gross amount of the annual base salary	€ in thousands	Status quo € in thousands	in % of the SOG target	End of acquisition phase including subsequent purchase obligation
Michael Sen <sup>1</sup> (Chairman of the Management Board since October 1, 2022)	100%	1,050	265.09	25.25%	April 11, 2027
Dr. Sebastian Biedenkopf	100%	600	149.97	25.00%	November 30, 2025
Dr. Francesco De Meo <sup>2</sup>	100%	1,000	500.00	50.00%	December 31, 2025
Dr. Ernst Wastler	100%	850	427.54	50.30%	December 31, 2024

<sup>1</sup> Voluntary share purchase in fiscal year 2022; increase in annual base salary to €1,600 thousand as of October 1, 2022 leads to subsequent purchase obligation and extension after acquisition phase by one year for the amount of subsequent purchase obligation

<sup>2</sup> Increase in annual base salary to €1,050 thousand as of January 1, 2022 leads to subsequent purchase obligation and extension after acquisition phase by one year for the amount of subsequent purchase obligation

Ms. Sara Hennicken was in her first year of service on the Management Board in fiscal year 2022. Her acquisition phase for the share ownership guidelines does not begin until her second year of service on the Management Board.

In the context of his exit on September 30, 2022, the SOG target was set with Mr. Stephan Sturm for the shares already acquired in the amount of €1,601 thousand. Mr. Stephan Sturm has fulfilled 100% of his shareholding obligation, which ends at the end of September 30, 2024.

For Ms. Rachel Empey, due to her exit on August 31, 2022, the SOG target decreased pro rata temporis and amounts to a total of €354 thousand. Ms. Rachel Empey has fulfilled 100% of her shareholding obligation, which ends at the end of August 31, 2024.

In deviation from this, the Chief Executive Officer of Fresenius Medical Care Management AG is required to invest in shares of Fresenius Medical Care AG & Co. KGaA as part of the long-term variable compensation provided

under the compensation system applicable to the members of the Management Board of Fresenius Medical Care Management AG effective January 1, 2020.

### 3.5 MALUS/CLAWBACK

Under the Compensation System 2021+, the Supervisory Board of Fresenius Management SE is entitled to withhold (malus) or reclaim (clawback) variable compensation components in the event of material violations of internal Company

guidelines, statutory and contractual obligations, and in the event of incorrect consolidated financial statements, taking into account the particularities of the individual case.

Material violations include non-compliance with material provisions of the internal Code of Conduct, grossly negligent or unethical conduct, and significant violations of the duties of care as defined by Section 93 AktG. In the event of incorrect consolidated financial statements, it is possible to reclaim variable compensation that has already been paid out if, after payment, it emerges that the audited and approved consolidated financial statements on which the calculation of the amount to be paid out was based were incorrect and, on the basis of corrected consolidated financial statements, a lower or no payment amount of variable compensation would have been owed. The obligation of the Management Board member to pay damages to the Company pursuant to Section 93 (2) AktG remains unaffected by these provisions.

In the past fiscal year, the Supervisory Board of Fresenius Management SE and the Supervisory Board of Fresenius Medical Care Management AG did not withhold or reclaim variable compensation components.

### **3.6 COMPENSATION-RELATED TRANSACTIONS**

#### **3.6.1 BENEFITS FROM THIRD PARTIES**

In the past fiscal year, no benefits were granted or assured to any member of the Management Board by a third party with regard to their activities as a member of the Management Board. The Chief Executive Officer of Fresenius Medical Care Management AG receives his/her compensation exclusively from Fresenius Medical Care Management AG in accordance with the compensation system applicable to the members of the Management Board of Fresenius Medical Care Management AG.

Any compensation granted to Management Board members for Supervisory Board mandates in subsidiaries of the Fresenius Group is offset against the Management Board member's compensation. If the Supervisory Board

of Fresenius Management SE resolves to deduct any compensation, in full or in part, granted to Management Board members for any activity in Supervisory Boards outside the Fresenius Group from the compensation of the Management Board member concerned, this will be made transparent.

#### **3.6.2 COMMITMENTS IN THE EVENT OF TERMINATION**

##### **Company pension scheme**

As previously described under chapter 3.3.1, there is an individual contractual defined benefit pension commitment for Dr. Francesco De Meo based on his service agreement with the general partner of Fresenius SE & Co. KGaA.

Dr. Ernst Wastler has a defined benefit pension commitment from VAMED Aktiengesellschaft, Vienna; Fresenius SE & Co. KGaA has issued a guarantee for the commitment thereunder.

The defined benefit pension commitments for the Management Board members in office as of December 31 of the fiscal year in accordance with IAS 19 are as follows:

#### **DEFINED BENEFIT PENSION COMMITMENTS**

€ in thousands	Pensionable assessment basis	Pension commitment		
		As of January 1, 2022	Additions 2022	As of December 31, 2022
Dr. Francesco De Meo	695	5,039	-1,029	4,010
Dr. Ernst Wastler	654	6,901	-1,498	5,403
<b>Total</b>		<b>11,940</b>	<b>-2,527</b>	<b>9,413</b>

Mr. Michael Sen, Dr. Sebastian Biedenkopf, and Ms. Sara Hennicken have received a pension commitment in the form of a defined contribution pension commitment as described above under chapter 3.3.1.

Ms. Helen Giza has received a defined benefit pension commitment from Fresenius Medical Care Management AG. Furthermore, during fiscal year 2022, she participated in the U.S.-based 401(k) Savings Plan. This plan generally enables employees in the United States to invest a limited portion of their gross income into retirement plans.

The 2022 insurance contributions and the obligations as of December 31, 2022 are as follows:

#### DEFINED CONTRIBUTION PENSION COMMITMENTS

€ in thousands	Insurance contribution 2022	Present value as of December 31, 2022
Michael Sen (Chairman of the Management Board since October 1, 2022)	475	737
Dr. Sebastian Biedenkopf	240	436
Sara Hennicken (since September 1, 2022)	80	56
Helen Giza <sup>1</sup> (since December 6, 2022)	1,245	1,180
<b>Total</b>	<b>2,040</b>	<b>2,409</b>

<sup>1</sup> The figure for Ms. Helen Giza also includes the 2022 insurance contribution accrued prior to her appointment as Chief Executive Officer of Fresenius Medical Care Management AG and her membership in the Management Board of Fresenius Management SE. For the 26 days in fiscal year 2022 during which she was Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG and member of the Management Board of Fresenius Management SE, the pro rata insurance contribution amounts to €89 thousand.

The Management Board member Mr. Stephan Sturm, who left the Company on September 30, 2022, and the Management Board member Ms. Rachel Empey, who left the Company on August 31, 2022, have each acquired a non-forfeitable right to a company pension under a defined benefit

plan of Fresenius Management SE, the amount of which was determined at the time of their exit. Accordingly, Mr. Stephan Sturm is entitled to a company pension of €539 thousand p.a. from the age of 63. From the age of 63, Ms. Rachel Empey is entitled to a company pension of €69 thousand p.a., which will be dynamically adjusted in the period between the exit from the Management Board and the start of retirement. The pension will be index-linked at 1% p.a. for the portion of the entitlement relating to periods of service from January 1, 2018.

In fiscal year 2022, €2,389 thousand were expensed or accrued for Mr. Stephan Sturm and €504 thousand for Ms. Rachel Empey. As of December 31, 2022, the resulting pension commitments for Mr. Stephan Sturm amount to €9,511 thousand and for Ms. Rachel Empey to €832 thousand.

The Management Board member Mr. Rice Powell, who left the Management Board as of September 30, was granted a defined benefit pension commitment by Fresenius Medical Care Management AG. He also has non-forfeitable rights from participation in pension plans for employees of Fresenius Medical Care North America. Furthermore, he participated in the U.S.-based 401(k) Savings Plan described above in fiscal year 2022. No expense was incurred for Mr. Rice Powell in fiscal year 2022. As of December 31, 2022, the resulting pension commitments for Mr. Rice Powell amount to €13,571 thousand.

Against the background of her early retirement as a member of the Management Board of Fresenius Medical Care Management AG at the end of December 5, 2022, there is no pension commitment for Dr. Carla Kriwet.

#### Severance regulations

The service agreements of the Management Board members are limited to a maximum of five years in accordance with Section 84 (1) AktG and provide for a severance payment cap. Accordingly, payments to a Management Board member in the event of early termination of a Management Board appointment, including fringe benefits, are limited to two years of compensation, but not exceeding the compensation for the remaining term of the service agreement. If the Company terminates the service agreement for cause on grounds attributable to the relevant Management Board member according to Section 626 of the German Civil Code (BGB), no severance payment will be due. For the calculation of the severance payment cap, the total compensation within the meaning of Section 285 No. 9 lit. a HGB of the past fiscal year and the expected total compensation for the fiscal year in which the termination occurs are used (whereby only the fixed compensation components are taken into account for the calculation of the relevant annual compensation of the Chief Executive Officer of Fresenius Medical Care Management AG).

#### Post-contractual non-competition clause

A post-contractual non-competition clause has been agreed with all Management Board members for a period of up to two years. If such a post-contractual non-competition clause becomes applicable, the Management Board members may receive compensation for each year of the non-competition clause amounting to up to half of the amount arising from the sum of the base salary, the target amount of the Short-Term Incentive, and the last grant value of the

**Long-Term Incentive.** Any payments under a post-contractual non-competition clause are to be offset against any severance payments and benefits under the Company pension scheme. For the Chief Executive Officer of Fresenius Medical Care Management AG, the compensation amount is half of the annual base salary.

#### Change of control

The service agreements of the Management Board members do not contain any provisions in the event of a change of control.

#### Continued payments in the event of illness

All members of the Management Board have individual contractual commitments for the continuation of their compensation in the event of sickness for a maximum period of 12 months, provided that, after 6 months of sickness-related absence, any insurance benefits that may be paid are to be deducted from such continued compensation. In the event of death of a member of the Management Board, the surviving dependents will receive 3 monthly payments after the month in which the death occurred, at most, however, until the expiry of the respective service agreement.

#### Other agreements

In the event of regular termination of his employment, Dr. Ernst Wastler is entitled to a severance payment based on contractual agreements with VAMED Aktiengesellschaft, Vienna. The severance payment stipulates entitlement to a payment that depends on the length of service and amounts to a maximum of one year's gross compensation (within the meaning of Section 23 of the Austrian Salaried Employees

Act). If his service ends due to death, the severance payment amounts to half of the amount. In certain cases, it is waived in the event of premature termination of his service. Dr. Wastler's pension entitlement is suspended for the period for which severance payment is granted. With regard to the severance payment entitlement of Dr. Ernst Wastler, a severance payment provision of €1,113 thousand (IFRS DBO (defined benefit obligation)) is in place as of December 31 of the fiscal year. The additions to the pension liability in fiscal year 2022 amounted to €36 thousand.

#### Commitments for Management Board members terminating their appointment in fiscal year 2022

Mr. Stephan Sturm was paid a severance payment of €9,645 thousand as a result of his exit on September 30, 2022, which also serves as payment under the post-contractual non-competition clause from January 1, 2023 to December 31, 2024. The severance payment cap provided for in recommendation G.13 of the GCGC in the version of April 28, 2022 was not exceeded.

A post-contractual non-competition agreement was concluded with Ms. Rachel Empey in connection with her exit on August 31, 2022, for a period of 12 months, and a payment of €125 thousand per month for the duration of the non-competition agreement was allocated.

Mr. Rice Powell resigned from the Management Board of Fresenius Management SE as of September 30, 2022 and remained a member of the Management Board of Fresenius Medical Care Management AG until the end of the fiscal year. The Supervisory Board of Fresenius Medical Care Management AG has agreed with Mr. Rice Powell, in

view of his exit from the Management Board of Fresenius Medical Care Management AG, that the short-term and long-term variable compensation components granted to him until the end of the fiscal year are exercisable and payable in accordance with the respective plan conditions and the targets and due dates agreed therein. As of January 1, 2023, Mr. Rice Powell is entitled to a retirement pension in accordance with the defined benefit pension commitment described above. A one-year post-contractual non-competition agreement was entered into with Mr. Rice Powell for the period from January 1, 2023 to December 31, 2023. The payment Mr. Rice Powell will receive for the post-contractual non-competition agreement amounts to US\$1,060 thousand (€994 thousand) and is to be offset against his pension. The Supervisory Board of Fresenius Medical Care Management AG has further agreed with Mr. Rice Powell that he will be available as a consultant to the Management Board of Fresenius Medical Care Management AG for the period from January 1, 2023 to December 31, 2023 and will receive a consulting fee of up to US\$25 thousand (€23 thousand) per month, as well as reasonable reimbursement of expenses, if any.

With Dr. Carla Kriwet, the Supervisory Board of Fresenius Medical Care Management AG has agreed, in the context of her exit as of December 5, 2022, that her service contract ends at the end of fiscal year 2022. Dr. Carla Kriwet was entitled to payment of her base salary until that date. In addition, Dr. Carla Kriwet is entitled to the short-term variable compensation for fiscal year 2022 in accordance with the plan conditions applicable to her and the targets agreed therein. The entitlement agreed with Dr. Carla Kriwet

on conclusion of her service agreement to payments of up to €1,300 thousand (gross) for forfeited compensation benefits from a previous employment relationship remains unaffected; corresponding payments may be due in March 2024 and March 2025. Dr. Carla Kriwet has no entitlement to the long-term variable compensation allocated to her in the fiscal year and no entitlement to pension payments. It

has been agreed with Dr. Carla Kriwet that she is entitled to a severance payment amounting to her annual base salary of €1,800 thousand. A post-contractual non-competition clause was agreed with Dr. Carla Kriwet for the period from December 6, 2022 to December 5, 2024. The payment Dr. Carla Kriwet will receive for the post-contractual non-competition agreement amounts to €1,800 thousand.

Dr. Carla Kriwet is entitled to the use of her company car for the period until December 5, 2024. Furthermore, Dr. Carla Kriwet has been promised the assumption of legal costs in connection with her exit from the Management Board of Fresenius Medical Care Management AG.

### 3.7 INDIVIDUALIZED DISCLOSURE OF MANAGEMENT BOARD COMPENSATION FOR FISCAL YEARS 2022 AND 2021

In the following tables, the total target compensation of the members of the current Management Board set for fiscal years 2022 and 2021 is individually disclosed. For the short- and long-term variable compensation, the target or allocation value will be disclosed on the assumption of 100% target achievement.

#### TARGET COMPENSATION

€ in thousands	Michael Sen <sup>1</sup>		Dr. Sebastian Biedenkopf		Dr. Francesco De Meo	
	2022	2021	Management Board member, responsible for Human Resources (Labor Relations), Risk Management, and Legal	Board member since December 1, 2020	2022	2021
Base salary	1,188	755	600	600	1,050	1,000
Fringe benefits	59	44	75	66	31	67
<b>Sum fixed compensation</b>	<b>1,247</b>	<b>799</b>	<b>675</b>	<b>666</b>	<b>1,081</b>	<b>1,067</b>
<b>Short-term variable compensation</b>	<b>1,188</b>	<b>755</b>	<b>600</b>	<b>600</b>	<b>1,050</b>	<b>1,000</b>
STI 2021	-	755	-	600	-	1,000
STI 2022	1,188	-	600	-	1,050	-
<b>Long-term variable compensation</b>	<b>1,794</b>	<b>1,058</b>	<b>800</b>	<b>800</b>	<b>1,523</b>	<b>1,450</b>
Performance shares (LTIP 2018)						
Grant 2021	-	1,058	-	800	-	1,450
Grant 2022	1,794	-	800	-	1,523	-
<b>Sum variable compensation</b>	<b>2,982</b>	<b>1,813</b>	<b>1,400</b>	<b>1,400</b>	<b>2,573</b>	<b>2,450</b>
<b>Sum fixed and variable compensation</b>	<b>4,229</b>	<b>2,612</b>	<b>2,075</b>	<b>2,066</b>	<b>3,654</b>	<b>3,517</b>
Service cost	475	302	240	240	352	278
<b>Total target compensation</b>	<b>4,704</b>	<b>2,914</b>	<b>2,315</b>	<b>2,306</b>	<b>4,006</b>	<b>3,795</b>

<sup>1</sup> Due to his service as an ordinary member of the Management Board during fiscal year 2021 and his appointment as Chairman of the Management Board during fiscal year 2022, there is no comparability of Mr. Michael Sen's compensation between fiscal years 2021 and 2022.

## TARGET COMPENSATION

€ in thousands	Helen Giza		Sara Hennicken		Dr. Ernst Wastler <sup>2</sup>	
	CEO Fresenius Medical Care	Board member since December 6, 2022	Chief Financial Officer	Board member since September 1, 2022	CEO Fresenius Vamed	Board member since January 1, 2008
Base salary	122	-	200	-	850	850
Fringe benefits	3	-	39	-	72	74
<b>Sum fixed compensation</b>	<b>125</b>	<b>-</b>	<b>239</b>	<b>-</b>	<b>922</b>	<b>924</b>
<b>Short-term variable compensation</b>	<b>128</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>850</b>	<b>850</b>
STI 2021	-	-	-	-	-	850
STI 2022	128	-	200	-	850	-
<b>Long-term variable compensation<sup>1</sup></b>	<b>164</b>	<b>-</b>	<b>267</b>	<b>-</b>	<b>1,300</b>	<b>1,300</b>
Performance shares (LTIP 2018)						
Grant 2021	-	-	-	-	-	1,300
Grant 2022	-	-	267	-	1,300	-
<b>Sum variable compensation</b>	<b>292</b>	<b>-</b>	<b>467</b>	<b>-</b>	<b>2,150</b>	<b>2,150</b>
<b>Sum fixed and variable compensation</b>	<b>417</b>	<b>-</b>	<b>706</b>	<b>-</b>	<b>3,072</b>	<b>3,074</b>
Service cost	89	-	80	-	-	22
<b>Total target compensation</b>	<b>506</b>	<b>-</b>	<b>786</b>	<b>-</b>	<b>3,072</b>	<b>3,096</b>

<sup>1</sup> Ms. Helen Giza was granted share-based compensation from the Management Board Long Term Incentive Plan 2020 of Fresenius Medical Care Management AG on a pro rata temporis basis for the 26 days in fiscal year 2022 during which she was Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG and member of the Management Board of Fresenius Management SE.

<sup>2</sup> In fiscal year 2021, Dr. Ernst Wastler received a one-time payment from a direct commitment in the amount of €259,741. In accordance with the service agreement, this amount was paid in the month in which Dr. Ernst Wastler reached the age of 63.

In addition to the target compensation, the compensation awarded and due in the fiscal year is disclosed and explained in accordance with the requirements of Section 162 AktG. For fiscal year 2022, the short- and long-term variable compensation is reported in such a way that the respective performance has been completed or the vesting period has been fully completed by the end of fiscal year 2022 and the

vesting conditions are met. This enables a comprehensive presentation of the connection between the business results of fiscal year 2022 and the resulting compensation.

Thus, the compensation awarded and due in fiscal year 2022 comprises the base salary and fringe benefits paid in fiscal year 2022. The variable compensation is the short-term variable compensation for fiscal year 2022 (payment in fiscal year 2023) and the long-term variable compensation

the measurement period or waiting period of which ended in fiscal year 2022 and the vesting conditions of which have been met.

In addition, the pension expenses (current service cost) for the pension commitments incurred in fiscal year 2022 are disclosed.

The method of disclosure described above was applied analogously for fiscal year 2021.

## COMPENSATION AWARDED AND DUE

	Michael Sen				Dr. Sebastian Biedenkopf			
	Chairman of the Management Board (since October 1, 2022)		Board member since April 12, 2021		Management Board member, responsible for Human Resources (Labor Relations), Risk Management, and Legal		Board member since December 1, 2020	
	2022	2021	2022	2021	€ in thousands	in %	€ in thousands	in %
Base salary	1,188	755	600	600	€ in thousands	in %	€ in thousands	in %
Fringe benefits	59	44	75	66				
<b>Total fixed compensation</b>	<b>1,247</b>	<b>60%</b>	<b>799</b>	<b>51%</b>	<b>675</b>	<b>68%</b>	<b>666</b>	<b>52%</b>
Short-term incentive	841	773	325	611				
<b>Long-term incentive</b>	-	-	-	-				
Postponed short-term incentive	-	-	-	-				
Phantom stocks (LTIP 2013)								
Grant 2016	-	-	-	-				
Grant 2017	-	-	-	-				
Further phantom stocks								
Grant 2016	-	-	-	-				
Grant 2017	-	-	-	-				
<b>Total variable compensation</b>	<b>841</b>	<b>40%</b>	<b>773</b>	<b>49%</b>	<b>325</b>	<b>33%</b>	<b>611</b>	<b>48%</b>
<b>Total in accordance with Section 162 (1) sentence 2 no. 1 AktG</b>	<b>2,088</b>		<b>1,572</b>		<b>1,000</b>		<b>1,277</b>	
Service cost	475	302	240	240				
<b>Total including service cost</b>	<b>2,563</b>		<b>1,874</b>		<b>1,240</b>		<b>1,517</b>	

## COMPENSATION AWARDED AND DUE

	Dr. Francesco De Meo				Helen Giza			
	CEO Fresenius Helios				CEO Fresenius Medical Care			
	Board member since January 1, 2008				Board member since December 6, 2022			
	2022	2021			2022	2021		
	€ in thousands	in %	€ in thousands	in %	€ in thousands	in %	€ in thousands	in %
Base salary	1,050		1,000		122		-	
Fringe benefits	31		67		3		-	
<b>Total fixed compensation</b>	<b>1,081</b>	<b>53%</b>	<b>1,067</b>	<b>43%</b>	<b>125</b>	<b>72%</b>	-	
Short-term incentive	788		1,052		48		-	
<b>Long-term incentive<sup>1</sup></b>	<b>157</b>		<b>372</b>		-		-	
Postponed short-term incentive <sup>2</sup>	103		115		-		-	
Performance shares (LTIP 2018)								
Grant 2018	-		-		-		-	
Phantom stocks (LTIP 2013)								
Grant 2016	-		199		-		-	
Grant 2017	41		-		-		-	
Further phantom stocks								
Grant 2016	-		58		-		-	
Grant 2017	13		-		-		-	
<b>Total variable compensation</b>	<b>945</b>	<b>47%</b>	<b>1,424</b>	<b>57%</b>	<b>48</b>	<b>28%</b>	-	
<b>Total in accordance with Section 162 (1) sentence 2 no. 1 AktG</b>	<b>2,026</b>		<b>2,491</b>		<b>173</b>		-	
Service cost	352		278		89		-	
<b>Total including service cost</b>	<b>2,378</b>		<b>2,769</b>		<b>262</b>		-	

<sup>1</sup> Ms. Helen Giza did not receive any share-based compensation from Fresenius Medical Care Management AG's relevant programs in the fiscal year.

<sup>2</sup> The Supervisory Board may determine that the one-year variable compensation, which is generally payable annually, be converted (pro rata) into a variable compensation component based on a multi-year assessment basis that also takes into account any negative development within the assessment period.

## COMPENSATION AWARDED AND DUE

	Sara Hennicken Chief Financial Officer Board member since September 1, 2022				Dr. Ernst Wastler CEO Fresenius Vamed Board member since January 1, 2008			
	2022		2021		2022		2021	
	€ in thousands	in %	€ in thousands	in %	€ in thousands	in %	€ in thousands	in %
Base salary	200		-		850		850	
Fringe benefits <sup>1</sup>	39		-		72		334	
<b>Total fixed compensation</b>	<b>239</b>	<b>69%</b>	<b>-</b>		<b>922</b>	<b>73%</b>	<b>1,184</b>	<b>51%</b>
Short-term incentive	108		-		294		883	
<b>Long-term incentive</b>	<b>-</b>		<b>-</b>		<b>54</b>		<b>257</b>	
Postponed short-term incentive	-		-		-		-	
Performance shares (LTIP 2018)								
Grant 2018	-		-		-		-	
Phantom stocks (LTIP 2013)								
Grant 2016	-		-		-		199	
Grant 2017	-		-		41		-	
Further phantom stocks								
Grant 2016	-		-		-		58	
Grant 2017	-		-		13		-	
<b>Total variable compensation</b>	<b>108</b>	<b>31%</b>	<b>-</b>		<b>348</b>	<b>27%</b>	<b>1,140</b>	<b>49%</b>
<b>Total in accordance with Section 162 (1) sentence 2 no. 1 AktG</b>	<b>347</b>		<b>-</b>		<b>1,270</b>		<b>2,324</b>	
Service cost	80		-		-		22	
<b>Total including service cost</b>	<b>427</b>		<b>-</b>		<b>1,270</b>		<b>2,346</b>	

<sup>1</sup> In fiscal year 2021, the fringe benefits of Dr. Ernst Wastler include a one-time payment from a direct commitment in the amount of €259,741. In accordance with the service agreement, this amount was paid in the month in which Dr. Ernst Wastler reached the age of 63.

### 3.8 COMPENSATION OF FORMER MANAGEMENT BOARD MEMBERS

In addition to the severance payment described in chapter 3.6.2, Mr. Stephan Sturm was awarded a base salary of €1,600 thousand and short-term variable compensation of €867 thousand for fiscal year 2022 for the period from January 1, 2022 to the end of his service contract on December 31, 2022. As part of the long-term variable compensation, phantom stocks (LTIP 2013) from the 2017 grant in the amount of €82 thousand and additional phantom stocks from the 2017 grant (LTIP 2013) in the amount of €13 thousand were paid to him in fiscal year 2022. The calculation of target achievement was conducted in line with the descriptions in chapters 3.3.2.1, Short-term incentive, and 3.3.2.2, Long-term incentive. Until December 31, 2022, Mr. Stephan Sturm received fringe benefits in the form of, among other things, subsidies for life, pension, health, and accident insurance, cost coverage for the operation of security alarm systems, and one-time legal consulting fees in a total amount of €55 thousand. A total of €2,617 thousand was awarded to Mr. Stephan Sturm in fiscal year 2022, or €12,262 thousand, taking into account the severance payment described under chapter 3.6.2, Commitments in the event of termination, of which 92% was fixed compensation and 8% was variable compensation.

In addition to the post-contractual non-competition payment described in chapter 3.6.2, Ms. Rachel Empey was awarded a base salary of €567 thousand and short-term variable compensation of €307 thousand for fiscal year 2022 on a pro rata basis for the period from January 1 to August 31, 2022. As part of the long-term variable compensation, phantom stocks (LTIP 2013) from the 2017 grant in the amount of €16 thousand were paid to her in fiscal year 2022. The calculation of target achievement was in line with the descriptions in chapters 3.3.2.1, Short-term incentive, and 3.3.2.2, Long-term incentive. In fiscal year 2022, Ms. Rachel Empey received pro rata fringe benefits in the form of contributions to pension, health and accident insurance, cost coverage for the operation of security alarm systems, and private use of a company car, in a total amount of €28 thousand. A total of €918 thousand was awarded pro rata temporis to Ms. Rachel Empey for the period from January 1 to August 31, 2022, or €1,418 thousand taking into account the payment described under 3.6.2, Commitments in the event of termination, of which 77% was awarded as fixed compensation and 23% as variable compensation.

Mr. Rice Powell was awarded a base salary in the amount of €2,013 thousand and short-term variable compensation for fiscal year 2022 in the amount of €788 thousand for the period from January 1, 2022 until the expiration of his service agreement with Fresenius Medical Care Management AG on December 31, 2022. The amount awarded for the short-term variable compensation is calculated on the basis of a target amount of €2,114 thousand and a weighted total target achievement of 37.27% in line with the descriptions in chapter 3.3.2.1, Short-term incentive, regarding the FME STI 2022. As part of the long-term variable compensation of Fresenius Medical Care Management AG, the grant 2018 of the Share Based Award and the grant 2018 of the Long Term Incentive Plan 2016 in the amount of €1,642 thousand was paid out in fiscal year 2022. The payout amount is based on a grant amount of €977 thousand, a number of virtual shares granted of 15,003, and a final share price of €60.34 for the Share Based Awards, and a fair value at grant of €1,413 thousand, a number of performance shares granted of 17,548, an overall target achievement of 81%, a final number of performance shares of 14,214, and a final share price of €45.27 for the Long Term Incentive Plan 2016.

Mr. Rice Powell received fringe benefits in the fiscal year in the form of, among other things, subsidies for life, long-term care, health, and accident insurance, tax equalization payments, reimbursement of rental costs, and private use of a company car in a total amount of €215 thousand. A total of €4,658 thousand was awarded to Mr. Rice Powell for the period from January 1 to December 31, 2022, of which 48% was fixed compensation and 52% variable compensation.

In addition to the severance payment described in chapter 3.6.2, Dr. Carla Kriwet was awarded payments on her base salary of €450 thousand for the period from October 1, 2022 until the expiry of her service agreement with Fresenius Medical Care Management AG on December 31, 2022. For her willingness to take up her post as Chief Executive Officer of the Management Board of Fresenius Medical Care Management AG early on October 1, 2022 rather than on January 1, 2023, Dr. Carla Kriwet received an inaugural bonus of €100 thousand. In addition, Dr. Carla Kriwet received a payment of €600 thousand for forfeited compensation benefits from a previous service relationship. In accordance with the applicable plan conditions, Dr. Carla Kriwet was awarded short-term variable compensation for fiscal year 2022 in the amount of €176 thousand. The payout amount for the short-term variable compensation is calculated on the basis of a target amount of €473 thousand

and a weighted overall target achievement of 37.27% as presented in chapter 3.3.2.1, Short-term incentive, for the FME STI 2022. In addition, Dr. Carla Kriwet was awarded pro rata fringe benefits in the form of contributions to long-term care, health, and accident insurance, and private use of a company car, and one-off payment of legal consultancy costs totaling €47 thousand in fiscal year 2022. The total compensation of €3,173 thousand awarded to Dr. Carla Kriwet in fiscal year consists of 94% fixed compensation components and 6% short-term variable compensation components.

Mr. Mats Henriksson, who left the Management Board in fiscal year 2021, was paid out phantom stocks (LTIP 2013) of the 2017 grant in the amount of €54 thousand as part of the long-term variable compensation in fiscal year 2022.

Dr. Jürgen Götz received a compensation payment of €303 thousand for the period from January 1 to June 30, 2022 due to the post-contractual non-competition clause applicable after his exit from the Management Board as of June 30, 2020.

Furthermore, in fiscal year 2022, €1,232 thousand was paid to four former members of the Management Board who retired before 2013, mainly as part of pension commitments.

For 11 former members of the Management Board, there is a pension obligation in accordance with IAS 19 in the amount of €49,346 thousand in fiscal year 2022.

## 4. COMPENSATION OF THE SUPERVISORY BOARD

### 4.1 COMPENSATION GOVERNANCE

The Supervisory Board of the Company advises and supervises the business activities conducted by the Management Board of the general partner and performs the other duties assigned to it by law and by the articles of association. It is involved in strategy and planning as well as in all matters of fundamental importance for the Company. In view of these responsible duties, the members of the Supervisory Board of the Company receive appropriate remuneration that also takes sufficient account of the time demands of the position of the Supervisory Board member. In addition, a Supervisory Board remuneration that is also in line with the market environment ensures that the Company will continue to attract qualified candidates to its Supervisory Board in the future. In this way, the fair remuneration of the members of the Supervisory Board contributes to promoting the business strategy and long-term development of Fresenius SE & Co. KGaA.

This aspiration is met through the remuneration for the members of the Supervisory Board governed in Section 13 of the articles of association of Fresenius SE & Co. KGaA. Furthermore, the remuneration is in line with the suggestions of the GCGC in the version dated April 28, 2022.

The remuneration of the members of the Supervisory Board was proposed for resolution to the Annual General Meeting of the Company on May 21, 2021 with a corresponding amendment in Section 13 of the articles of association and approved with an approval rate of 98.86%. The new compensation system has been effective since January 1, 2021.

## 4.2 COMPENSATION SYSTEM

The members of the Supervisory Board of the Company are remunerated on the basis of Section 13 of the articles of association. A resolution on the remuneration of the members of the Supervisory Board is passed by the Annual General Meeting at least every four years on the basis of a proposal by the general partner and the Supervisory Board. The members of the Supervisory Board of the Company receive a fixed remuneration, fringe benefits (consisting of refund of expenses and insurance cover), and, if they perform any duties on the Audit Committee of the Supervisory Board of the Company, remuneration for their duties on this committee. The relative share of fixed remuneration is always 100%.

As fixed remuneration, each member of the Supervisory Board of the Company shall receive an amount of €180 thousand annually for each full fiscal year, payable after the end of the fiscal year. The Chairman of the Supervisory Board of the Company shall receive two and a half times, and his deputies one and a half times, the remuneration of a Supervisory Board member.

For membership in the Audit Committee of the Supervisory Board of the Company, a member shall receive additional remuneration of €40 thousand for each full fiscal year, while the Chairperson of the Audit Committee shall receive twice this amount.

If a fiscal year does not encompass a full calendar year, or if a member of the Supervisory Board of the Company is a member of the Supervisory Board for only a portion of the fiscal year, the remuneration shall be paid on a pro rata temporis basis. This shall apply accordingly to membership of the Audit Committee of the Supervisory Board of the Company.

The members of the Supervisory Board of the Company shall be refunded expenses incurred when exercising their functions. Fresenius SE & Co. KGaA shall provide members of its Supervisory Board with insurance cover to an appropriate extent for exercising Supervisory Board activities. As for the Management Board, Fresenius SE & Co. KGaA has also taken out Directors' & Officers' liability insurance for the Supervisory Board of Fresenius Management SE and the Supervisory Board of the Company. This insurance covers the legal defense costs of a member of a representative body in the event of a claim and, if applicable, any damages to be paid within the scope of the existing coverage sums.

If a member of the Supervisory Board of the Company is at the same time a member of the Supervisory Board of the general partner, Fresenius Management SE, and receives remuneration for their services on the Supervisory Board of Fresenius Management SE, the remuneration for their activities as a member of the Supervisory Board of the Company shall be reduced by half. The same applies with

regard to the additional part of the remuneration for the Chairman of the Supervisory Board of the Company, provided he is simultaneously the Chairman of the Supervisory Board of Fresenius Management SE; this applies accordingly to his deputies to the extent they are simultaneously deputies of the Chairman of the Supervisory Board of Fresenius Management SE. If a deputy of the Chairman of the Supervisory Board of the Company is at the same time the Chairman of the Supervisory Board of Fresenius Management SE, they shall not receive any additional remuneration for their service as Deputy Chairman of the Supervisory Board of the Company. According to Section 7 of the articles of association of Fresenius SE & Co. KGaA, the remuneration of the Supervisory Board of Fresenius Management SE will be charged to Fresenius SE & Co. KGaA.

Fresenius Management SE, with the consent of its Supervisory Board, entered into a consultancy agreement with Dr. Gerd Krick on July 17, 2021, with a term of three years, to ensure that the comprehensive knowledge and experience of Dr. Gerd Krick regarding the Fresenius Group is still available after his retirement from the Supervisory Board of the Company and from the Supervisory Board of Fresenius Management SE on May 21, 2021. For his consulting activities, Dr. Gerd Krick receives an annual fee in the amount of €200 thousand plus any applicable value added tax. Under the terms of the consulting agreement, Dr. Gerd Krick has agreed to a comprehensive non-competition clause.

#### 4.3 INDIVIDUALIZED DISCLOSURE OF SUPERVISORY BOARD COMPENSATION FOR FISCAL YEARS 2022 AND 2021

The amount of compensation awarded and due for the fulfilment of service in fiscal years 2022 and 2021, including compensation for committee services for the members of the Supervisory Board of the Company and Fresenius Management SE (excluding expenses and reimbursements) is as follows:

##### COMPENSATION OF THE SUPERVISORY BOARD

€ in thousands	Fixed compensation				Compensation for committee services				Total compensation	
	Fresenius SE & Co. KGaA 2022	Fresenius SE & Co. KGaA 2021	Fresenius Management SE 2022	Fresenius Management SE 2021	Fresenius SE & Co. KGaA 2022	Fresenius SE & Co. KGaA 2021	Fresenius Management SE 2022	Fresenius Management SE 2021	2022	2021
Wolfgang Kirsch	225	138	255	238	40	25	40	25	560	426
Michael Diekmann	180	180	120	120	-	-	20	20	320	320
Grit Genster	270	270	-	-	40	40	-	-	310	310
Dr. Dieter Schenk	-	-	300	300	-	-	20	20	320	320
Prof. Dr. med. D. Michael Albrecht	180	180	-	-	-	-	-	-	180	180
Dr. Frank Appel (since May 21, 2021)	-	-	210	129	-	-	-	-	210	129
Stefanie Balling	180	180	-	-	-	-	-	-	180	180
Bernd Behlert	180	180	-	-	-	-	-	-	180	180
Dr. Heinrich Hiesinger	-	-	210	210	-	-	-	-	210	210
Konrad Kölbl	180	180	-	-	40	40	-	-	220	220
Frauke Lehmann	180	180	-	-	-	-	-	-	180	180
Prof. Dr. med. Iris Löw-Friedrich	180	180	-	-	-	-	-	-	180	180
Klaus-Peter Müller (up to May 13, 2022)	66	145	-	47	29	80	-	-	95	272
Oscar Romero De Paco	180	180	-	-	-	-	-	-	180	180
Hauke Stars (up to January 31, 2022)	15	180	-	-	3	40	-	-	18	220
Susanne Zeidler (since May 21, 2021)	80	-	130	129	60	-	-	-	270	129
Dr. Christoph Zindel (since May 13, 2022)	114	-	-	-	25	-	-	-	139	-
<b>Total</b>	<b>2,210</b>	<b>2,173</b>	<b>1,225</b>	<b>1,173</b>	<b>237</b>	<b>225</b>	<b>80</b>	<b>65</b>	<b>3,752</b>	<b>3,636</b>

## 5. COMPARATIVE PRESENTATION OF THE COMPENSATION DEVELOPMENT OF THE MANAGEMENT BOARD MEMBERS AND THE SUPERVISORY BOARD MEMBERS IN RELATION TO THE COMPENSATION OF THE OVERALL WORKFORCE AND TO THE EARNINGS DEVELOPMENT OF THE COMPANY

The development of the compensation awarded and due to the members of the Management Board and both Supervisory Boards according to Section 162 AktG, the earnings development of the Company, and the development of the average compensation of the workforce will be presented in the following comparative table for the five-year period 2018 to 2022.

For the comparative presentation of the earnings development of the Company, Group revenue and Group net income (before special items) will be shown, which are key

performance indicators for the steering of the Group and the variable compensation of the Management Board. In addition, according to the regulatory requirements, net income of Fresenius SE & Co. KGaA pursuant to HGB will be presented.

It should be noted that the compensation data refers to the compensation awarded and due pursuant to Section 162 AktG. This refers to payments made from the Long-Term Incentive to compensation components allocated in previous fiscal years. Therefore, a meaningful comparison of the compensation awarded in the fiscal year and the earnings development of the Company in the same fiscal year is only possible to a limited extent.

The comparative presentation of the development of the compensation of the workforce includes all employees of the Fresenius Group on a full-time equivalent (FTE) basis.

## ANNUAL COMPARISON OF COMPENSATION AWARDED AND DUE

		2022	2021	2020	2019	2018
Revenue	€ in millions	40,840	37,520	36,277	35,409	33,530
	Annual change in %	+9%	+3%	+2%	+6%	-1%
Group net income <sup>1</sup>	€ in millions	1,729	1,867	1,796	1,879	1,871
	Annual change in %	-7%	+4%	-4%	0%	+3%
Net income of Fresenius SE & Co. KGaA pursuant to HGB	€ in millions	401	503	603	580	489
	Annual change in %	-20%	-17%	+4%	+19%	-11%
Average employee compensation <sup>2</sup>	€ in thousands	50	45	45	45	44
	Annual change in %	+11%	0%	0%	+2%	-2%
<b>Current members of the Management Board</b>						
Michael Sen (Chairman of the Management Board since October 1, 2022) (Management Board member since April 12, 2021)	€ in thousands	2,088	1,572	-	-	-
	Annual change in %	+33%	n.a.	n.a.	n.a.	n.a.
Dr. Sebastian Biedenkopf (Management Board member since December 1, 2020)	€ in thousands	1,000	1,277	54	-	-
	Annual change in %	-22%	+2,265%	n.a.	n.a.	n.a.
Dr. Francesco De Meo (Management Board member since January 1, 2008)	€ in thousands	2,026	2,491	2,565	2,719	3,035
	Annual change in %	-19%	-3%	-6%	-10%	+23%
Helen Giza (Management Board member since December 6, 2022)	€ in thousands	173	-	-	-	-
	Annual change in %	n.a.	n.a.	n.a.	n.a.	n.a.
Sara Hennicken (Management Board member since September 1, 2022)	€ in thousands	347	-	-	-	-
	Annual change in %	n.a.	n.a.	n.a.	n.a.	n.a.
Dr. Ernst Wastler (Management Board member since January 1, 2008)	€ in thousands	1,270	2,324	2,027	2,212	2,497
	Annual change in %	-45%	+15%	-8%	-11%	+45%
<b>Former members of the Management Board</b>						
Dr. Carla Kriwet (Management Board member up to December 5, 2022)	€ in thousands	3,173	-	-	-	-
	Annual change in %	n.a.	n.a.	n.a.	n.a.	n.a.
Stephan Sturm (Management Board member up to September 30, 2022)	€ in thousands	12,262	3,654	3,653	3,675	4,035
	Annual change in %	+236%	0%	-1%	-9%	+20%
Rice Powell (Management Board member up to September 30, 2022)	€ in thousands	4,658	5,424	7,642	4,060	4,082
	Annual change in %	-14%	-29%	+88%	-1%	+3%
Rachel Empey (Management Board member up to August 31, 2022)	€ in thousands	1,418	1,783	1,699	1,610	1,643
	Annual change in %	-20%	+5%	+6%	-2%	+172%
Mats Henriksson (Management Board member up to March 16, 2021)	€ in thousands	54	7,457	2,726	2,797	3,088
	Annual change in %	-99%	+174%	-3%	-9%	+46%
Dr. Jürgen Götz (Management Board member up to June 30, 2020)	€ in thousands	303	621	1,399	2,159	2,446
	Annual change in %	-51%	-56%	-35%	-12%	+40%

<sup>1</sup> Before special items<sup>2</sup> Average of wages and salaries of all Group employees on FTE basis

## ANNUAL COMPARISON OF COMPENSATION AWARDED AND DUE

		2022	2021	2020	2019	2018
<b>Current members of the Supervisory Boards</b>						
Wolfgang Kirsch (Supervisory Board member since January 1, 2020)	€ in thousands	560	426	150	-	-
	Annual change in %	+31%	+184%	n.a.	n.a.	n.a.
Michael Diekmann (Supervisory Board member since May 20, 2015)	€ in thousands	320	320	235	315	375
	Annual change in %	0%	+36%	-25%	-16%	-17%
Grit Genster (Supervisory Board member since May 1, 2020)	€ in thousands	310	310	159	-	-
	Annual change in %	0%	+95%	n.a.	n.a.	n.a.
Dr. Dieter Schenk (Supervisory Board member since March 11, 2010)	€ in thousands	320	320	235	325	385
	Annual change in %	0%	+36%	-28%	-16%	-16%
Prof. Dr. med. D. Michael Albrecht (Supervisory Board member since January 28, 2011)	€ in thousands	180	180	150	240	300
	Annual change in %	0%	+20%	-38%	-20%	0%
Dr. Frank Appel (Supervisory Board member since May 21, 2021)	€ in thousands	210	129	-	-	-
	Annual change in %	+63%	n.a.	n.a.	n.a.	n.a.
Stefanie Balling (Supervisory Board member since May 13, 2016)	€ in thousands	180	180	150	240	300
	Annual change in %	0%	+20%	-38%	-20%	0%
Bernd Behlert (Supervisory Board member since September 1, 2018)	€ in thousands	180	180	150	240	100
	Annual change in %	0%	+20%	-38%	+140%	n.a.
Dr. Heinrich Hiesinger (Supervisory Board member since July 1, 2020)	€ in thousands	210	210	75	-	-
	Annual change in %	0%	+180%	n.a.	n.a.	n.a.
Konrad Kölbl (Supervisory Board member since July 16, 2007)	€ in thousands	220	220	170	260	320
	Annual change in %	0%	+29%	-35%	-19%	+3%
Frauke Lehmann (Supervisory Board member since May 13, 2016)	€ in thousands	180	180	150	240	300
	Annual change in %	0%	+20%	-38%	-20%	0%
Prof. Dr. med. Iris Löw-Friedrich (Supervisory Board member since May 13, 2016)	€ in thousands	180	180	150	240	300
	Annual change in %	0%	+20%	-38%	-20%	0%
Oscar Romero de Paco (Supervisory Board member since May 13, 2016)	€ in thousands	180	180	150	240	300
	Annual change in %	0%	+20%	-38%	-20%	0%
Susanne Zeidler (Supervisory Board member since May 21, 2021)	€ in thousands	270	129	-	-	-
	Annual change in %	+109%	n.a.	n.a.	n.a.	n.a.
Dr. Christoph Zindel (Supervisory Board member since May 13, 2022)	€ in thousands	139	-	-	-	-
	Annual change in %	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Former members of the Supervisory Boards</b>						
Dr. Gerd Krick (Supervisory Board member since May 28, 2003 up to May 21, 2021)	€ in thousands	200	219	490	580	640
	Annual change in %	-9%	-55%	-16%	-9%	+1%
Klaus-Peter Müller (Supervisory Board member since May 21, 2008 up to May 13, 2022)	€ in thousands	95	272	190	280	340
	Annual change in %	-65%	+43%	-32%	-18%	+6%
Hauke Stars (Supervisory Board member since May 13, 2016 up to January 31, 2022)	€ in thousands	18	220	170	260	320
	Annual change in %	-92%	+29%	-35%	-19%	+3%

## AUDITOR'S REPORT

### TO FRESENIUS SE & CO. KGAA, BAD HOMBURG V.D.H.

We have audited the remuneration report of Fresenius SE & Co. KGaA, Bad Homburg v.d.H., for the financial year from January 1 to December 31, 2022, including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

### RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and the supervisory board of Fresenius SE & Co. KGaA are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and

perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### AUDIT OPINION

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2022, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

## REFERENCE TO AN OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT ACCORDING TO § 162 AKTG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

## RESTRICTION ON USE

We issue this auditor's report on the basis of the engagement agreed with Fresenius SE & Co. KGaA. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Frankfurt am Main, February 21, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft  
(Original German Version signed by:)

Dr. Ulrich Störk  
Wirtschaftsprüfer  
(German Public Auditor)

Dr. Bernd Roese  
Wirtschaftsprüfer  
(German Public Auditor)

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF INCOME

€ in millions	Note	2022	2021
Revenue	4	40,840	37,520
Costs of revenue		-30,115	-27,209
<b>Gross profit</b>		<b>10,725</b>	<b>10,311</b>
Selling expenses		-1,220	-1,059
General and administrative expenses	8	-5,524	-4,394
Other operating income	9	666	381
Other operating expenses	9	-459	-276
Research and development expenses	7	-867	-805
<b>Operating income (EBIT)</b>		<b>3,321</b>	<b>4,158</b>
Interest income	10	187	124
Interest expenses	10	-694	-630
<b>Income before income taxes</b>		<b>2,814</b>	<b>3,652</b>
Income taxes	11	-697	-833
<b>Net income</b>		<b>2,117</b>	<b>2,819</b>
Noncontrolling interests	12	745	1,001
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>		<b>1,372</b>	<b>1,818</b>
 <b>Earnings per share in €</b>	 14	 <b>2.44</b>	 <b>3.26</b>
<b>Fully diluted earnings per share in €</b>	<b>14</b>	<b>2.44</b>	<b>3.26</b>

The following notes are an integral part of the consolidated financial statements.

**FRESENIUS SE & CO. KGAA****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

€ in millions	Note	2022	2021
<b>Net income</b>		<b>2,117</b>	<b>2,819</b>
<b>Other comprehensive income (loss)</b>			
<b>Positions which will be reclassified into net income in subsequent years</b>			
Foreign currency translation	29, 32	1,143	1,475
Cash flow hedges	29, 32	23	-6
FVOCI debt instruments		-45	-10
Income taxes on positions which will be reclassified	29	6	8
<b>Positions which will not be reclassified into net income in subsequent years</b>			
Actuarial gains (losses) on defined benefit pension plans	26, 29	640	-15
Equity method investees - share of OCI		24	-23
FVOCI equity investments	32	9	-28
Income taxes on positions which will not be reclassified	29	-184	16
<b>Other comprehensive income, net</b>		<b>1,616</b>	<b>1,417</b>
<b>Total comprehensive income</b>		<b>3,733</b>	<b>4,236</b>
<b>Comprehensive income attributable to noncontrolling interests</b>		<b>1,486</b>	<b>1,718</b>
<b>Comprehensive income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>		<b>2,247</b>	<b>2,518</b>

The following notes are an integral part of the consolidated financial statements.

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**FRESENIUS SE & CO. KGAA****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****ASSETS**

as of December 31, € in millions	Note	2022	2021
Cash and cash equivalents	15	2,749	2,764
Trade accounts and other receivables, less allowances for expected credit losses	16	7,008	7,045
Accounts receivable from and loans to related parties		157	147
Inventories	17	4,833	4,218
Other current assets	18	3,532	3,287
<b>I. Total current assets</b>		<b>18,279</b>	<b>17,461</b>
Property, plant and equipment	19	12,919	12,569
Right-of-use assets	31	5,922	6,014
Goodwill	20	31,444	28,943
Other intangible assets	20	4,399	3,831
Other non-current assets	18	2,621	2,286
Deferred taxes	11	831	858
<b>II. Total non-current assets</b>		<b>58,136</b>	<b>54,501</b>
<b>Total assets</b>		<b>76,415</b>	<b>71,962</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

as of December 31, € in millions	Note	2022	2021
Trade accounts payable		2,070	2,039
Short-term accounts payable to related parties		94	92
Short-term provisions and other short-term liabilities	21, 22	8,242	7,915
Short-term debt	23	856	2,841
Short-term debt from related parties		11	8
Current portion of long-term debt	23	669	473
Current portion of lease liabilities	31	851	832
Current portion of bonds	24	649	618
Short-term liabilities for income taxes		216	244
<b>A. Total short-term liabilities</b>		<b>13,658</b>	<b>15,062</b>
Long-term debt, less current portion	23	2,166	2,127
Lease liabilities, less current portion	31	5,741	5,758
Bonds, less current portion	24	16,329	14,016
Convertible bonds	25	491	482
Long-term provisions and other long-term liabilities	21, 22	2,802	1,788
Pension liabilities	26	1,099	1,675
Long-term liabilities for income taxes		242	251
Deferred taxes	11	1,669	1,515
<b>B. Total long-term liabilities</b>		<b>30,539</b>	<b>27,612</b>
<b>I. Total liabilities</b>		<b>44,197</b>	<b>42,674</b>
<b>A. Noncontrolling interests</b>	27	<b>11,803</b>	<b>10,290</b>
Subscribed capital	28	563	558
Capital reserve	28	4,323	4,026
Other reserves	28	15,122	14,860
Accumulated other comprehensive income (loss)	29	407	-446
<b>B. Total Fresenius SE &amp; Co. KGaA shareholders' equity</b>		<b>20,415</b>	<b>18,998</b>
<b>II. Total shareholders' equity</b>		<b>32,218</b>	<b>29,288</b>
<b>Total liabilities and shareholders' equity</b>		<b>76,415</b>	<b>71,962</b>

The following notes are an integral part of the consolidated financial statements.

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS

January 1 to December 31, € in millions	Note	2022	2021
<b>Operating activities</b>			
Net income		2,117	2,819
<b>Adjustments to reconcile net income to cash and cash equivalents provided by operating activities</b>			
Depreciation and amortization	18, 19, 20, 31	2,973	2,667
Change in deferred taxes	11	-115	84
Gain/loss on sale of fixed assets and of investments and divestitures	2	-116	42
<b>Changes in assets and liabilities, net of amounts from businesses acquired or disposed of</b>			
Trade accounts and other receivables	16	85	87
Inventories	17	-472	-105
Other current and non-current assets	18	-360	-320
Accounts receivable from/payable to related parties		-4	-10
Trade accounts payable, provisions and other short-term and long-term liabilities	21, 22	140	-154
Liabilities for income taxes		-50	-32
<b>Net cash provided by operating activities</b>		<b>4,198</b>	<b>5,078</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment and capitalized development costs	19	-1,917	-2,047
Proceeds from sales of property, plant and equipment		140	30
Acquisitions and investments and purchases of intangible assets	2, 34	-977	-999
Proceeds from sale of investments and divestitures	2	147	199
<b>Net cash used in investing activities</b>		<b>-2,607</b>	<b>-2,817</b>

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS

January 1 to December 31, € in millions	Note	2022	2021
<b>Financing activities</b>			
Proceeds from short-term debt	23	698	3,279
Repayments of short-term debt	23	-2,655	-688
Proceeds from long-term debt	23	654	458
Repayments of long-term debt	23	-633	-3,028
Repayments of lease liabilities	31	-975	-880
Proceeds from the issuance of bonds	24	3,044	2,714
Repayments of liabilities from bonds	24	-912	-2,253
Proceeds from the Accounts Receivable Facility of Fresenius Medical Care	23	95	-
Proceeds from the exercise of stock options	36	20	38
Dividends paid		-890	-1,068
Change in noncontrolling interests, net	27	-50	-24
<b>Net cash used in financing activities</b>		<b>-1,604</b>	<b>-1,452</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>-2</b>	<b>118</b>
<b>Net decrease/increase in cash and cash equivalents</b>		<b>-15</b>	<b>927</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	15	<b>2,764</b>	<b>1,837</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	15	<b>2,749</b>	<b>2,764</b>

## ADDITIONAL INFORMATION ON PAYMENTS

THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

January 1 to December 31, € in millions	Note	2022	2021
Received interest		137	94
Paid interest		-610	-517
Income taxes paid		-850	-750

The following notes are an integral part of the consolidated financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Subscribed Capital			Reserves	
		Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
<b>As of December 31, 2020</b>		<b>557,541</b>	<b>557,541</b>	<b>557</b>	<b>3,992</b>	<b>13,535</b>
Proceeds from the exercise of stock options	36	961	961	1	33	
Compensation expense related to stock options	36				1	
Dividends paid	28					-491
Purchase of noncontrolling interests	27					
Put option liabilities	22, 32					-13
Transfer of cumulative gains/losses of equity investments	32					11
Comprehensive income (loss)						
Net income						1,818
Other comprehensive income (loss)						
Cash flow hedges	29, 32					
Change of FVOCI equity investments	29, 32					
Foreign currency translation	29, 32					
Actuarial gains on defined benefit pension plans	26, 29					
Fair value changes						
Comprehensive income (loss)						1,818
<b>As of December 31, 2021</b>		<b>558,502</b>	<b>558,502</b>	<b>558</b>	<b>4,026</b>	<b>14,860</b>
Proceeds from the exercise of stock options	36	-	-	-	6	
Dividends paid	28					-367
Scrip dividend	28	4,735	4,735	5	142	-147
Transactions with noncontrolling interests without loss of control	27					149
Noncontrolling interests due to changes in consolidation group	2, 27					-
Put option liabilities	22, 32					-618
Transfer of cumulative gains/losses of equity investments	32					22
Comprehensive income (loss)						
Net income						1,372
Other comprehensive income (loss)						
Cash flow hedges	29, 32					
Change of FVOCI equity investments	29, 32					
Foreign currency translation	29, 32					
Actuarial gains/losses on defined benefit pension plans	26, 29					
Fair value changes						
Comprehensive income (loss)						1,372
<b>As of December 31, 2022</b>		<b>563,237</b>	<b>563,237</b>	<b>563</b>	<b>4,323</b>	<b>15,122</b>

Consolidated statement of income | Consolidated statement of comprehensive income | Consolidated statement of financial position

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Accumulated other comprehensive income (loss)						Total Fresenius SE & Co. KGAA shareholders' equity € in millions	Noncontrolling interests € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions				
<b>As of December 31, 2020</b>	-704	-62	-405	9	27	16,949	9,074	26,023	
Proceeds from the exercise of stock options						34	4	38	
Compensation expense related to stock options						1	-	1	
Dividends paid						-491	-577	-1,068	
Purchase of noncontrolling interests						-	98	98	
Put option liabilities						-13	-27	-40	
Transfer of cumulative gains/losses of equity investments				-11		-	-	-	
Comprehensive income (loss)						1,818	1,001	2,819	
Net income									
Other comprehensive income (loss)									
Cash flow hedges		-4				-4	0	-4	
Change of FVOCI equity investments				-40		-40	20	-20	
Foreign currency translation	758		-7		1	752	727	1,479	
Actuarial gains on defined benefit pension plans			1			1	-8	-7	
Fair value changes					-9	-9	-22	-31	
Comprehensive income (loss)	758	-4	-6	-40	-8	2,518	1,718	4,236	
<b>As of December 31, 2021</b>	54	-66	-411	-42	19	18,998	10,290	29,288	
Proceeds from the exercise of stock options						6	14	20	
Dividends paid						-367	-614	-981	
Scrip dividend						-	-	-	
Transactions with noncontrolling interests without loss of control						149	380	529	
Noncontrolling interests due to changes in consolidation group						-	559	559	
Put option liabilities						-618	-312	-930	
Transfer of cumulative gains/losses of equity investments				-22		-	-	-	
Comprehensive income (loss)						1,372	745	2,117	
Net income									
Other comprehensive income (loss)									
Cash flow hedges		11				11	7	18	
Change of FVOCI equity investments				6		6	2	8	
Foreign currency translation	559	-1	-4	0	1	555	591	1,146	
Actuarial gains/losses on defined benefit pension plans			306			306	152	458	
Fair value changes					-3	-3	-11	-14	
Comprehensive income (loss)	559	10	302	6	-2	2,247	1,486	3,733	
<b>As of December 31, 2022</b>	613	-56	-109	-58	17	20,415	11,803	32,218	

The following notes are an integral part of the consolidated financial statements.

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED SEGMENT REPORTING

#### BY BUSINESS SEGMENT

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate			Fresenius Group		
	2022 <sup>1</sup>	2021 <sup>2</sup>	Growth	2022 <sup>3</sup>	2021 <sup>4</sup>	Growth	2022 <sup>5</sup>	2021 <sup>5</sup>	Growth	2022 <sup>6</sup>	2021 <sup>5</sup>	Growth	2022 <sup>7</sup>	2021 <sup>8</sup>	Growth	2022	2021	Growth
Revenue	19,398	17,619	10%	7,850	7,193	9%	11,716	10,891	8%	2,359	2,297	3%	-483	-480	-1%	40,840	37,520	9%
thereof contribution to consolidated revenue	19,332	17,570	10%	7,779	7,126	9%	11,690	10,862	8%	2,039	1,960	4%	0	2	-100%	40,840	37,520	9%
thereof intercompany revenue	66	49	35%	71	67	6%	26	29	-10%	320	337	-5%	-483	-482	0%	-	-	-
contribution to consolidated revenue	47%	47%		19%	19%		29%	29%		5%	5%		0%	0%		100%	100%	
EBITDA	3,518	3,501	0%	1,576	1,601	-2%	1,690	1,600	6%	118	191	-38%	-608	-68	--	6,294	6,825	-8%
Depreciation and amortization	1,701	1,586	7%	496	448	11%	505	473	7%	98	90	9%	173	70	147%	2,973	2,667	11%
EBIT	1,817	1,915	-5%	1,080	1,153	-6%	1,185	1,127	5%	20	101	-80%	-781	-138	--	3,321	4,158	-20%
Net interest	-292	-280	-4%	-59	-58	-2%	-182	-184	1%	-13	-10	-30%	39	26	50%	-507	-506	0%
Income taxes	-390	-367	-7%	-185	-259	29%	-220	-199	-11%	0	-20	100%	98	12	--	-697	-833	16%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	913	1,018	-10%	780	778	0%	766	728	5%	1	67	-99%	-1,088	-773	-41%	1,372	1,818	-25%
Operating cash flow	2,167	2,489	-13%	841	1,203	-30%	1,367	1,204	14%	-44	151	-129%	-133	31	--	4,198	5,078	-17%
Cash flow before acquisitions and dividends	1,480	1,660	-11%	323	659	-51%	813	637	28%	-25	72	-135%	-170	33	--	2,421	3,061	-21%

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED SEGMENT REPORTING

BY BUSINESS SEGMENT

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate			Fresenius Group		
	2022 <sup>1</sup>	2021 <sup>2</sup>	Growth	2022 <sup>3</sup>	2021 <sup>4</sup>	Growth	2022 <sup>5</sup>	2021 <sup>5</sup>	Growth	2022 <sup>6</sup>	2021 <sup>5</sup>	Growth	2022 <sup>7</sup>	2021 <sup>8</sup>	Growth	2022	2021	Growth
Total assets	35,754	34,367	4%	16,745	14,698	14%	21,337	20,891	2%	2,887	2,795	3%	-308	-789	61%	76,415	71,962	6%
Debt	13,213	13,320	-1%	4,195	4,159	1%	7,811	8,059	-3%	885	721	23%	1,659	896	85%	27,763	27,155	2%
Other operating liabilities	6,156	6,199	-1%	3,842	3,250	18%	3,424	3,176	8%	994	994	0%	349	385	-9%	14,765	14,004	5%
Capital expenditure, gross	724	854	-15%	509	532	-4%	560	568	-1%	79	80	-1%	14	-2	--	1,886	2,032	-7%
Acquisitions, gross/investments	746	628	19%	734	1	--	82	453	-82%	17	1	--	0	2	-100%	1,579	1,085	46%
Research and development expenses	222	221	0%	629	595	6%	3	3	0%	-	-	-	13	-14	193%	867	805	8%
Employees (per capita on balance sheet date)	128,044	130,251	-2%	42,063	41,397	2%	125,700	123,484	2%	20,184	19,721	2%	929	1,225	-24%	316,920	316,078	0%
Key figures																		
EBITDA margin	18.1%	19.9%		20.1%	22.3%		14.4%	14.7%		5.0%	8.3%					16.7% <sup>9</sup>	18.3% <sup>4</sup>	
EBIT margin	9.4%	10.9%		13.8%	16.0%		10.1%	10.3%		0.8%	4.4%					9.8% <sup>9</sup>	11.3% <sup>4</sup>	
Depreciation and amortization in % of revenue	8.8%	9.0%		6.3%	6.2%		4.3%	4.3%		4.2%	3.9%					7.3%	7.1%	
Operating cash flow in % of revenue	11.2%	14.1%		10.7%	16.7%		11.7%	11.1%		-1.9%	6.6%					10.3%	13.5%	
ROOA	5.3%	6.2%		7.9%	9.4%		6.0%	5.9%		0.8%	4.3%					5.7% <sup>10</sup>	6.5% <sup>11</sup>	

<sup>1</sup> Before costs related to FME25 program, impacts related to the war in Ukraine, hyperinflation Turkey, remeasurement Humacyte investment and net gain related to InterWell Health<sup>2</sup> Before costs related to FME25 program<sup>3</sup> Before revaluations of biosimilars contingent purchase price liabilities, expenses associated with the Fresenius cost and efficiency program, impacts related to the war in Ukraine, transaction costs mAbxience, Ivenix and hyperinflation Turkey<sup>4</sup> Before revaluations of biosimilars contingent purchase price liabilities and expenses associated with the Fresenius cost and efficiency program<sup>5</sup> Before expenses associated with the Fresenius cost and efficiency program<sup>6</sup> Before expenses associated with the Fresenius cost and efficiency program and impacts related to the war in Ukraine<sup>7</sup> After revaluations of biosimilars contingent purchase price liabilities, expenses associated with the Fresenius cost and efficiency program, impacts related to the war in Ukraine, transaction costs mAbxience, Ivenix, hyperinflation Turkey, retroactive duties, remeasurement Humacyte investment and net gain related to InterWell Health<sup>8</sup> After revaluations of biosimilars contingent purchase price liabilities and expenses associated with the Fresenius cost and efficiency program<sup>9</sup> Before revaluations of biosimilars contingent purchase price liabilities, expenses associated with the Fresenius cost and efficiency program, impacts related to the war in Ukraine, transaction costs mAbxience, Ivenix, hyperinflation Turkey, retroactive duties, remeasurement Humacyte investment and net gain related to InterWell Health<sup>10</sup> The underlying pro forma EBIT does not include revaluations of biosimilars contingent purchase price liabilities, expenses associated with the Fresenius cost and efficiency program, impacts related to the war in Ukraine, transaction costs mAbxience, Ivenix, hyperinflation Turkey, retroactive duties, remeasurement Humacyte investment and net gain related to InterWell Health.<sup>11</sup> The underlying pro forma EBIT does not include revaluations of biosimilars contingent purchase price liabilities and expenses associated with the Fresenius cost and efficiency program.

The consolidated segment reporting by business segment is an integral part of the notes.

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## FRESENIUS SE & CO. KGAA

### CONSOLIDATED SEGMENT REPORTING

BY REGION

€ in millions	Europe			North America			Asia-Pacific		
	2022	2021	Growth	2022	2021	Growth	2022	2021	Growth
Revenue	17,877	16,885	6%	16,106	14,354	12%	4,141	3,949	5%
contribution to consolidated revenue	44%	45%		40%	38%		10%	11%	
EBIT	413	873	-53%	1,899	2,198	-14%	782	861	-9%
Depreciation and amortization	1,154	1,073	8%	1,494	1,268	18%	219	227	-4%
Total assets	34,003	32,346	5%	34,470	31,787	8%	5,395	5,451	-1%
Capital expenditure, gross	1,071	1,154	-7%	588	635	-7%	119	141	-16%
Acquisitions, gross/investments	590	401	47%	901	652	38%	23	13	77%
Employees (per capita on balance sheet date)	181,017	180,122	0%	77,614	76,740	1%	26,833	27,145	-1%

€ in millions	Latin America			Africa			Fresenius Group		
	2022	2021	Growth	2022	2021	Growth	2022	2021	Growth
Revenue	2,182	1,830	19%	534	502	6%	40,840	37,520	9%
contribution to consolidated revenue	5%	5%		1%	1%		100%	100%	
EBIT	178	176	1%	49	50	-2%	3,321	4,158	-20%
Depreciation and amortization	94	88	7%	12	11	9%	2,973	2,667	11%
Total assets	2,252	2,082	8%	295	296	0%	76,415	71,962	6%
Capital expenditure, gross	97	86	13%	11	16	-31%	1,886	2,032	-7%
Acquisitions, gross/investments	65	18	--	0	1	-100%	1,579	1,085	46%
Employees (per capita on balance sheet date)	29,529	30,192	-2%	1,927	1,879	3%	316,920	316,078	0%

The consolidated segment reporting by region is an integral part of the notes.

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## GENERAL NOTES

### 1. PRINCIPLES

#### I. GROUP STRUCTURE

Fresenius is a global healthcare group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other healthcare facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the operating activities are organized amongst the following legally independent business segments in the fiscal year 2022:

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Helios
- Fresenius Vamed

Fresenius Medical Care offers services and products for patients with chronic kidney failure. As of December 31, 2022, Fresenius Medical Care treated 344,687 patients at 4,116 dialysis clinics. Dialyzers and dialysis machines are among the most important product lines. In addition, Fresenius Medical Care offers dialysis-related services.

Fresenius Kabi specializes in products for the therapy and care of critically and chronically ill patients. The portfolio includes biopharmaceuticals, clinical nutrition, MedTech products, intravenously administered generic drugs (generic IV drugs), and IV fluids.

Fresenius Helios is Europe's leading private hospital operator. Under the holding Helios Health, the company includes Helios Germany, Helios Spain (Quirónsalud), and the Eugin Group. At the end of 2022, Helios Germany operated a total of 87 hospitals, around 240 outpatient clinics, 6 prevention centers and 21 occupational health centers. In Spain, Quirónsalud operated 50 hospitals, around 100 outpatient centers, and around 300 occupational risk prevention centers at the end of 2022. In addition, Helios Spain is active in Latin America with 8 hospitals as well as a provider of medical diagnostics. The Eugin Group's network comprises 44 clinics and an additional 37 sites across 10 countries on 3 continents. Eugin offers a wide spectrum of state-of-the-art services in the field of fertility treatments.

Fresenius Vamed manages projects and provides services for hospitals as well as other healthcare facilities worldwide and is a leading post-acute care provider in Central Europe. The portfolio ranges along the entire value chain from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management. The services are aimed at various areas of healthcare, ranging from prevention and acute care to rehabilitation and nursing.

Fresenius SE & Co. KGaA owned 32.17% of the subscribed capital of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) at the end of the fiscal year 2022. Fresenius Medical Care Management AG, the general partner of FMC-AG & Co. KGaA, is a wholly owned subsidiary of Fresenius SE & Co. KGaA. Through this structure, Fresenius SE & Co. KGaA has rights that give Fresenius SE & Co. KGaA the ability to direct the relevant activities that significantly affect the earnings of FMC-AG & Co. KGaA. Therefore, FMC-AG & Co. KGaA is fully consolidated in the consolidated financial statements of the Fresenius Group.

Fresenius SE & Co. KGaA continued to hold 100% of the management companies of the business segments Fresenius Kabi (Fresenius Kabi AG) as well as Fresenius Helios and Fresenius Vamed (both held through Fresenius ProServe GmbH) on December 31, 2022. Through Fresenius ProServe GmbH, Fresenius SE & Co. KGaA holds 100% in Helios Kliniken GmbH and Helios Healthcare Spain S.L. (Quirónsalud), 100% in Helios Fertility Spain S.L.U. and Helios Healthcare USA, Inc. (Eugin group) as well as a 77% stake in VAMED Aktiengesellschaft. In addition, Fresenius SE & Co. KGaA consolidates companies with corporate holding functions regarding real estate, financing and insurance, as well as in Fresenius Digital Technology GmbH which provides intercompany services in the field of information technology.

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The reporting currency and functional currency of the Fresenius Group is the euro. In order to improve the clarity of presentation, amounts are generally presented in million euros. Amounts less than €1 million, after rounding, are marked with "0".

## II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union (EU), fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and applying Section 315e of the German Commercial Code (HGB). The consolidated financial statements of Fresenius SE & Co. KGaA at December 31, 2022 have been prepared and are published in accordance with the Standards and interpretations in effect on the reporting date, and endorsed in the EU, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC).

In order to improve the clarity of presentation, various items are aggregated in the consolidated statement of financial position and in the consolidated statement of income. These items are shown separately in the notes to provide useful information to the readers of the consolidated financial statements.

Moreover, the notes include information required by HGB according to Section 315e (1) HGB. The consolidated financial statements include a management report according to Section 315e HGB in conjunction with Section 315 HGB.

The consolidated statement of financial position contains all information required to be disclosed by International Accounting Standard (IAS) 1, Presentation of Financial Statements, and is classified on the basis of the liquidity of assets and liabilities. The consolidated statement of income is classified using the cost-of-sales accounting format.

The general partner of Fresenius SE & Co. KGaA is Fresenius Management SE. Fresenius Management SE prepares its own consolidated financial statements. The Else Kröner-Fresenius-Stiftung is the sole shareholder of Fresenius Management SE. The shareholder representatives elect in the Annual General Meeting of Fresenius Management SE its Supervisory Board.

At February 21, 2023, the Management Board of Fresenius Management SE authorized the consolidated financial statements for issue and passed it to the Supervisory Board of Fresenius SE & Co. KGaA. The Supervisory Board has to review and approve the consolidated financial statements.

## III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Principles of consolidation

The consolidated financial statements have been prepared using uniform accounting methods. Acquisitions of companies are accounted for applying the purchase method. Capital consolidation is performed at the date of acquisition. Initially, all identifiable assets and liabilities of subsidiaries as well as the noncontrolling interests are recognized at their fair values. The costs and acquired noncontrolling interests

are then compared and offset against the fair value of the assets acquired and liabilities assumed. Any remaining balance is recognized as goodwill and is tested at least once a year for impairment.

All intercompany revenues, expenses, income, receivables and payables as well as other intercompany financial obligations and contingent liabilities are eliminated. Profits and losses on items of property, plant and equipment and inventory acquired from other Group entities are also eliminated. Deferred tax assets and liabilities are recognized on temporary differences resulting from consolidation procedures.

Noncontrolling interests are the portion of equity of Group entities not attributable, directly or indirectly, to Fresenius SE & Co. KGaA and are recognized at fair value at the date of first consolidation using the full goodwill method. Profits and losses attributable to the noncontrolling interests are separately disclosed in the consolidated statement of income.

The Fresenius Group writes put options on certain non-controlling interests. A portion of these put options relate to dialysis clinics of Fresenius Medical Care in which nephrologists or nephrology groups own an equity interest. In addition, as part of the InterWell Health business combination and the acquisition of mAbxience, put options were granted to noncontrolling shareholders. The put options are settled in cash when exercised. The Fresenius Group

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records the put options in long-term provisions and other long-term liabilities as well as short-term provisions and other short-term liabilities at present value of the redemption amount at the date of the consolidated financial statements. The Fresenius Group, in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, paragraph 10, applies the present access method. According to the present access method, noncontrolling interests are recorded in equity when the risks and rewards of ownership reside with the noncontrolling interests holders. The initial recognition of the put option liability, as well as valuation differences, are recorded in equity with no impact to the consolidated statement of income.

### b) Composition of the Group

Besides Fresenius SE & Co. KGaA, the consolidated financial statements include all material subsidiaries according to IFRS 10, which Fresenius SE & Co. KGaA can control. Fresenius SE & Co. KGaA controls an entity if it has power over the entity. That is, Fresenius SE & Co. KGaA has existing rights that give Fresenius SE & Co. KGaA the current ability to direct the relevant activities, which are the activities that significantly affect the entity's return. In addition,

Fresenius SE & Co. KGaA is exposed to, or has rights to, variable returns from the involvement with the entity and Fresenius SE & Co. KGaA has the ability to use its power over the entity to affect the amount of Fresenius SE & Co. KGaA's return.

Generally, entities in which Fresenius SE & Co. KGaA, directly or indirectly, holds more than 20% and less than 50% of the voting rights and can exercise a significant influence over their financial and operating policies are considered associates. There are no investments in equity method investees that are individually material to the Fresenius Group. Fresenius Medical Care's investment in Vifor Fresenius Medical Care Renal Pharma Ltd. makes up a large portion of the equity method investees, however it is not individually material to the Fresenius Group. Associates are accounted for using the equity method. Investments that are not classified as associated companies are recorded at fair value.

The consolidated financial statements of 2022 included, in addition to Fresenius SE & Co. KGaA, 2,940 (2021: 2,926) consolidated companies and 113 (2021: 84) companies were accounted for under the equity method. In 2022, there were no material changes in the scope of consolidated entities, except for those mentioned in note 2, Acquisitions, divestitures and investments.

The complete list of the investments of Fresenius SE & Co. KGaA, registered office in 61352 Bad Homburg v. d. H., Else-Kröner-Straße 1, Germany, registered in the Commercial Register of the local court in Bad Homburg v. d. H. under B11852, will be submitted to the Federal Gazette and the companies register as well as published on the website of Fresenius SE & Co. KGaA ([www.fresenius.com/financial-reports-and-presentations](http://www.fresenius.com/financial-reports-and-presentations)).

For the fiscal year 2022, the following consolidated German subsidiaries of the Fresenius Group will apply the exemption provided in Sections 264 (3) and 264b, respectively, of the German Commercial Code (HGB):

Name of the company	Registered office
<b>Corporate</b>	
Fresenius Digital Technology GmbH	Bad Homburg v. d. H.
Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Friedberg KG	Bad Homburg v. d. H.
Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt St. Wendel KG	Bad Homburg v. d. H.
Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Schweinfurt KG	Bad Homburg v. d. H.
Fresenius ProServe GmbH	Bad Homburg v. d. H.
ProServe Krankenhaus Beteiligungs-gesellschaft mbH & Co. KG	München
<b>Fresenius Kabi</b>	
Fresenius HemoCare GmbH	Bad Homburg v. d. H.
Fresenius HemoCare Beteiligungs GmbH	Bad Homburg v. d. H.
Fresenius Kabi AG	Bad Homburg v. d. H.
Fresenius Kabi Deutschland GmbH	Bad Homburg v. d. H.
Fresenius Kabi Logistik GmbH	Friedberg
Fresenius Kabi MedTech Services GmbH	Alzenau
medi1one medical gmbh	Waiblingen

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Name of the company	Registered office
<b>Fresenius Helios</b>	
Gesundheitsmanagement Elbe-Fläming GmbH	Burg
Helios Agnes-Karll Krankenhaus GmbH	Bad Schwartau
Helios Aukamm-Klinik Wiesbaden GmbH	Wiesbaden
Helios Bördeklinik GmbH	Oschersleben
Helios Fachklinik Schleswig GmbH	Schleswig
Helios Fachklinik Vogelsang-Gommern GmbH	Gommern
Helios Fachkliniken Hildburghausen GmbH	Hildburghausen
Helios Frankenwaldklinik Kronach GmbH	Kronach
Helios Hanseklinikum Stralsund GmbH	Stralsund
Helios Health GmbH	Berlin
Helios Klinik Blankenhain GmbH	Blankenhain
Helios Klinik Bleicherode GmbH	Bleicherode
Helios Klinik für Herzchirurgie Karlsruhe GmbH	Karlsruhe
Helios Klinik Herzberg/Osterode GmbH	Herzberg am Harz
Helios Klinik Jerichower Land GmbH	Burg
Helios Klinik Leezen GmbH	Leezen
Helios Klinik Leisnig GmbH	Leisnig
Helios Klinik Lengerich GmbH	Lengerich
Helios Klinik Köthen GmbH	Köthen (Anhalt)
Helios Klinik Rottweil GmbH	Rottweil
Helios Klinik Schkeuditz GmbH	Schkeuditz
Helios Klinik Schleswig GmbH	Schleswig
Helios Klinik Wipperfürth GmbH	Wipperfürth
Helios Klinik Zerbst/Anhalt GmbH	Zerbst
Helios Kliniken GmbH	Berlin
Helios Kliniken Breisgau Hochschwarzwald GmbH	Müllheim
Helios Kliniken Mansfeld-Südharz GmbH	Sangerhausen
Helios Kliniken Mittelweser GmbH	Nienburg/Weser

Name of the company	Registered office
<b>Fresenius Helios</b>	
Helios Kliniken Taunus GmbH	Bad Schwalbach
Helios Klinikum Aue GmbH	Aue
Helios Klinikum Bad Saarow GmbH	Bad Saarow
Helios Klinikum Berlin-Buch GmbH	Berlin
Helios Klinikum Erfurt GmbH	Erfurt
Helios Klinikum Gifhorn GmbH	Gifhorn
Helios Klinikum Gotha GmbH	Gotha
Helios Klinikum Hildesheim GmbH	Hildesheim
Helios Klinikum Meiningen GmbH	Meiningen
Helios Klinikum Pirna GmbH	Pirna
Helios Klinikum Schwelm GmbH	Schwelm
Helios Klinikum Siegburg GmbH	Siegburg
Helios Klinikum Uelzen GmbH	Uelzen
Helios Klinikum Wuppertal GmbH	Wuppertal
Helios Park-Klinikum Leipzig GmbH	Leipzig
Helios Privatkliniken GmbH	Bad Homburg v. d. H.
Helios Reinigung GmbH	Berlin
Helios Spital Überlingen GmbH	Überlingen
Helios St. Elisabeth Klinik Oberhausen GmbH	Oberhausen
Helios St. Elisabeth-Krankenhaus Bad Kissingen GmbH	Bad Kissingen
Helios St. Marienberg Klinik Helmstedt GmbH	Helmstedt
Helios Versorgungszentren GmbH	Berlin
Helios Vogtland-Klinikum Plauen GmbH	Plauen
Helios Weißenitztal-Kliniken GmbH	Freital
Herzzentrum Leipzig GmbH	Leipzig
Kliniken Miltenberg-Erlenbach GmbH	Erlenbach
Medizinisches Versorgungszentrum am Helios Klinikum Bad Saarow GmbH	Bad Saarow
MVZ Campus Gifhorn GmbH	Gifhorn
Poliklinik am Helios Klinikum Buch GmbH	Berlin

### c) Classifications

Comparative information for certain items have been reclassified to conform with current year's presentation.

### d) Hyperinflationary accounting

Fresenius Group's subsidiaries operating in Argentina, Lebanon and Turkey apply IAS 29, Financial Reporting in Hyperinflationary Economies, due to inflation in those countries. For the fiscal year 2022, the application of IAS 29 resulted in an effect on net income attributable to shareholders of Fresenius SE & Co. KGaA of -€44 million (2021: -€18 million) included in other operating expenses. The hyperinflationary accounting effects of the initial application on the opening consolidated statement of financial position in the amount of €12 million are presented within accumulated other comprehensive income (loss) related to foreign currency translation, and ongoing re-translation effects of comparative amounts are recorded in other comprehensive income (loss) within the consolidated financial statements.

### e) Revenue recognition policy

Revenue is recognized in accordance with IFRS 15, Revenue from Contracts with Customers.

Revenues from services and products are billed according to the usual contract arrangements with customers, patients and related third parties. For services performed for patients, the transaction price is estimated based on either Fresenius Group's standard rates, rates determined under reimbursement arrangements or by government regulations. These arrangements are generally with third party

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payors, such as U.S. Medicare, U.S. Medicaid, German health insurance funds or commercial insurers. Amounts billed are recorded net of contractually agreed upon discounts or rebates to reflect the estimated amounts to be received from these payors. Estimates are determined on the basis of historical experience.

If the collection of the billed amount or a portion of the billed amount for services performed for patients is considered to be uncertain at the time services are performed, the Fresenius Group concludes that the consideration is variable (implicit price concession) and records the difference between the billed amount and the amount estimated to be collectible as a reduction to healthcare services revenue. Implicit price concessions include such items as amounts due from patients without adequate insurance coverage and patient co-payment and deductible amounts due from patients with healthcare coverage. The Fresenius Group determines implicit price concessions primarily upon past collection history.

Revenue from services is recognized on the date the service is performed. At this point of time, the payor is obliged to pay for the services performed.

Revenue from product sales is recognized when the customer obtains control of the product, either after possession is transferred or upon installation and provision of the necessary technical instructions or at another point in time that better defines transfer of control.

A portion of revenues is generated from contracts which on the one hand give the customer the right to use dialysis machines and on the other hand provide the customer with disposables and services. In this case, the transaction price is allocated in accordance with IFRS 15, and revenue is recognized separately for the lease and the non-lease components of the contract in accordance with IFRS 16 and IFRS 15, respectively.

Fresenius Vamed has performance obligations from long-term production contracts that are satisfied over time. Revenue is recognized according to progress towards completion. This progress towards completion of the performance obligation is measured based on the costs incurred in relation to expected total costs of fulfilling the contract, contractually defined milestones or performance completed to date whichever better reflects the progress towards completion of the performance obligation.

IFRS 15 does not apply to lease and insurance contracts. Revenue from leasing components and insurance contracts is determined according to IFRS 16 and IFRS 4, respectively.

Revenue is reported net of sales tax.

#### f) Government grants

The Fresenius Group primarily receives governmental funding for hospitals in Germany to finance buildings and medical equipment. Public sector grants are not recognized until there is reasonable assurance that the respective conditions are met and the grants will be received. Initially, the grant related to assets is recorded as a liability and as soon

as the asset is acquired, the grant is offset against the acquisition costs. Grants related to income are recognized in other operating income in the period in which the related costs are incurred. For information regarding COVID-19 related government grants, please see note 13, Impacts of the COVID-19 pandemic.

#### g) Research and development expenses

Research is the independent and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the technical and commercial implementation of research results and occurs before the start of the commercial production or use. The research and development phase of pharmaceutical products normally ends with the regulatory approval by the relevant authorities on the market of the particular country. Generally, a new pharmaceutical product is primarily approved in an established market, such as Europe, the United States, China and Japan.

Research expenses are expensed as incurred. Development expenses that meet all the criteria for the recognition of an intangible asset are capitalized (see note 1. III. n., Intangible assets with finite useful lives).

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## h) Impairment

The Fresenius Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets as well as other non-current assets for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the asset's recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use. The fair value less cost of disposal of an asset is estimated as its net realizable value. The value in use is the present value of future cash flows expected to be derived from the relevant asset. If it is not possible to estimate the future cash flows from the individual assets, impairment is tested on the basis of corresponding cash generating units.

Impairment losses, except impairment losses recognized on goodwill, are reversed if there are indications that the reasons for impairment no longer exist and there has been a change in the estimates used to determine the asset's recoverable amount. This reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized before.

Assets held for sale are reported at the lower of their carrying amount and fair value less costs to sell and depreciation is ceased.

## i) Capitalized interest

The Fresenius Group includes capitalized interest as part of the cost of the asset if it is directly attributable to the acquisition, construction or manufacture of qualifying assets. For the fiscal years 2022 and 2021, interest of €2 million and €7 million, respectively, based on an average interest rate of 4.20% and 2.40%, respectively, was recognized as a component of the cost of assets.

## j) Income taxes

Current taxes are calculated based on the earnings of the fiscal year and in accordance with local tax rules of the respective tax jurisdictions. Expected and executed additional tax payments and tax refunds for prior years are also taken into account.

Deferred tax assets and liabilities are recognized for the future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Furthermore, deferred taxes are recognized on certain consolidation adjustments which affect net income attributable to shareholders of Fresenius SE & Co. KGaA. Deferred tax assets also include claims for tax reductions which arise from the probable expected use of existing tax losses carryforwards. The recognition of deferred tax assets from net operating losses and their utilization is based on the budget planning of the Fresenius Group and implemented tax strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

A change in tax rate for the calculation of deferred tax assets and liabilities is recognized in the period the new laws are enacted or substantively enacted. The effects of the adjustment are generally recognized in the income statement. The effects of the adjustment are recognized in equity, if the temporary differences are related to items directly recognized in equity.

The realizability of the carrying amount of a deferred tax asset is reviewed at each date of the statement of financial position. In assessing the realizability of deferred tax assets, the Management considers to which extent it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences and tax loss carryforwards become deductible. The Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Deferred tax assets are recognized to the extent it is probable that sufficient taxable income will be available for the utilization of parts or of the entire deferred tax asset.

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The Fresenius Group recognizes assets and liabilities for uncertain tax treatments to the extent it is probable the tax will be recovered or that the tax will be payable, respectively. In North America and Germany, interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37. All other jurisdictions account for interest and penalties related to income taxes in accordance with local tax rules of the respective tax jurisdiction either under IAS 37 or as income tax expense under IAS 12.

The Fresenius Group is subject to ongoing and future tax audits in the United States, Germany and other jurisdictions. Different interpretations of tax laws, particularly due to the Fresenius Group's international activities, may lead to potential additional tax payments or tax refunds for prior years. To consider income tax liabilities or income tax receivables, Management's estimates are based on experiences with previous tax audits and local tax rules of the respective tax jurisdiction and the interpretation of such. Differences between actual results and Management's estimates or future changes in these estimates may have an impact on future tax payments or tax refunds. Estimates are revised in the period in which there is sufficient evidence to revise the assumptions.

#### k) Earnings per share

Basic earnings per share are computed by dividing net income attributable to shareholders of Fresenius SE & Co. KGaA by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share include the effect of all potentially dilutive instruments on ordinary shares that would have been outstanding during the fiscal year. The equity-settled awards granted under Fresenius' and Fresenius Medical Care's stock option plans can result in a dilutive effect.

#### l) Inventories

Inventories are comprised of all assets which are held for sale in the ordinary course of business (finished goods), in the process of production for such sale (work in process) or consumed in the production process or in the rendering of services (raw materials and purchased components).

Inventories are measured at the lower of acquisition and manufacturing cost (determined by using the average or first-in, first-out method) or net realizable value. Manufacturing costs are comprised of direct costs, production and material overhead, including depreciation charges.

#### m) Property, plant and equipment

Property, plant and equipment are stated at acquisition and manufacturing cost less accumulated depreciation. Repairs and maintenance costs are recognized in profit and loss as incurred. The costs for the replacement of components or the general overhaul of property, plant and equipment are recognized, if it is probable that future economic benefits will flow to the Fresenius Group and these costs can be measured reliably. Depreciation on property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 50 years for buildings and improvements (with a weighted average life of 16 years) and 2 to 15 years for machinery and equipment (with a weighted average life of 11 years).

#### n) Intangible assets with finite useful lives

Intangible assets with finite useful lives, such as patents, product and distribution rights, customer relationships, non-compete agreements, technology as well as licenses to manufacture, distribute and sell pharmaceutical drugs are recognized and reported apart from goodwill and are amortized using the straight-line method over their respective useful lives to their residual values and reviewed for impairment (see note 1. III. h, Impairment). Patient relationships however are not reported as separate intangible assets due to the missing contractual basis but are part of

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goodwill. The useful lives of patents, product and distribution rights range from 5 to 20 years, the average useful life is 13 years. The useful lives of customer relationships vary from 10 to 30 years, the average useful life is 18 years. Non-compete agreements with finite useful lives have useful lives ranging from 3 to 25 years with an average useful life of 7 years. Technology is amortized over a finite useful live of 15 years. Licenses to manufacture, distribute and sell pharmaceutical drugs are amortized over the contractual license period. All other intangible assets are amortized over their individual estimated useful lives between 3 and 15 years.

Losses in value of a lasting nature are recorded as an impairment and are reversed if there are indications that the reasons for impairment no longer exist and there has been a change in the estimates used to determine the asset's recoverable amount. This reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized before.

Development costs are capitalized as manufacturing costs when the recognition criteria are met.

Fresenius Medical Care's development costs are primarily development projects related to dialysis machines and peritoneal dialysis cyclers. Such costs are capitalized when Fresenius Medical Care's commitment to finalize the project has been formalized and approved by management,

the design input of the project or machine has been finalized and, based on experience with similar projects, Fresenius Medical Care has determined that technical feasibility has been achieved and future economic benefits are probable. The useful lives of capitalized development costs vary from 5 to 20 years, the average useful life is 7 years.

Fresenius Kabi capitalizes development costs as soon as the registration of a new product is very likely. This mainly applies if a product is already approved on an established market. Costs are amortized on a straight-line basis over the expected useful lives. In 2022, impairments were recorded (see note 7, Research and development expenses).

#### **o) Goodwill and other intangible assets with indefinite useful lives**

The Fresenius Group identified intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Group. The identified intangible assets with indefinite useful lives such as tradenames acquired in a purchase method business combination are recognized and reported apart from goodwill. They are recorded at fair value at acquisition.

Generally, adjustments made to the fair value of identifiable assets and liabilities subsequent to the final purchase price allocation are recognized immediately in the consolidated statement of income.

Goodwill and intangible assets with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment (impairment test).

To perform the annual impairment test of goodwill, the Fresenius Group identified several cash generating units (CGUs) and determined the carrying amount of each CGU by assigning the assets and liabilities, including corporate assets, the existing goodwill and intangible assets, to those CGUs. A CGU is usually defined one level below the segment level based on regions or the nature of the business activity.

Four CGUs were identified in the segments Fresenius Medical Care and Fresenius Kabi, respectively (Europe (Fresenius Medical Care: EMEA), Latin America, Asia-Pacific and North America). According to the organizational structure, the segment Fresenius Helios consists of three CGUs, Germany, Spain and Fertility. The segment Fresenius Vamed consists of two CGUs (Project business and Service business). At least once a year, the Fresenius Group compares the value in use of each CGU to the CGU's carrying amount. The recoverable amount as its value in use of a CGU is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount and the fair value less cost of disposal is not estimated to be higher than the value in use, the difference is recorded as an impairment of the carrying amount of the CGU goodwill.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Fresenius Group compares the recoverable amounts of the smallest identifiable group of assets that generate largely independent cash inflows with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

The annual impairment assessments have not resulted in any indications of impairment in 2022 and 2021.

In the fiscal year 2023, Fresenius Medical Care and Fresenius Kabi have each introduced a new global operating model as result of the new organizational structures. Thereafter, Fresenius Medical Care has reorganized the businesses into two global CGUs: Care Enablement and Care Delivery and Fresenius Kabi into four CGUs: Pharma GX & IV, Biopharma, Nutrition and MedTech.

#### p) Leases

A lease is defined as a contract that conveys the right to use an underlying asset for a period of time in exchange for consideration.

The Fresenius Group decided not to apply the guidance within IFRS 16 to leases with a total maximum term of twelve months (short-term leases) and leases for underlying assets

of low value. These leases are exempt from balance sheet recognition and lease payments will be recognized as expenses over the lease term.

IFRS 16 is not applied to leases of intangible assets.

#### Lease liabilities

Lease liabilities are recognized at the present value of the following payments:

- ▶ fixed lease payments (including in-substance fixed payments), less any lease incentives receivable,
- ▶ variable lease payments, that are linked to an index or interest rate,
- ▶ expected payments under residual value guarantees,
- ▶ the exercise price of purchase options, where exercise is reasonably certain,
- ▶ lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and
- ▶ penalty payments for the termination of a lease, if the lease term reflects the exercise of the respective termination option.

IFRS 16 requires the Fresenius Group to make judgments that affect the valuation of lease liabilities as well as right-of-use assets, including the determination of which contracts are within the scope of IFRS 16, identifying the contract lease term and determining the incremental borrowing rate.

With the "reasonably certain" assessments, the Fresenius Group determines if and which future costs based on extension and/or termination options have to be included in the lease liabilities. During these assessments, the Fresenius Group considers all relevant facts and circumstances that create an economic incentive for the Fresenius Group to exercise, or not to exercise, an option, including any expected changes in facts and circumstances (e.g., contract-, object-, entity- or market-specific factors) from the commencement date until the exercise date of the option. Additionally, the Fresenius Group's historical practice regarding the period over which it has typically used particular types of assets, and its economic reasons for doing so, is also relevant. Unrecognized extension options are shown as potential future cash outflows (see note 31, Leases).

Lease payments are discounted using the implicit interest rate underlying the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate of the lessee is used as the discount rate.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. Furthermore, lease liabilities may be remeasured due to lease modifications or reassessments of the lease.

The incremental borrowing rate is determined when the Fresenius Group initiates a lease contract or changes an existing lease. The interest rate is calculated based on the

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following components: available interest rate sampling points, group risk margins, shadow rating (credit risk) margins, country risk margins, handling margins and other risk margins.

For lease contracts that include both lease and non-lease components that are not separable from lease components, no allocation is performed. Each lease component and any associated non-lease components are accounted for as a single lease. If the lease contracts include the lease and non-lease costs separately, the lease contract costs are divided into lease and non-lease components.

#### Right-of-use assets

Right-of-use asset are stated at cost, which comprises of:

- ▶ lease liability amount,
- ▶ initial direct costs incurred when entering into the lease,
- ▶ (lease) payments before commencement date of the respective lease, and
- ▶ an estimate of costs to dismantle and remove the underlying asset,
- ▶ less any lease incentives received.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. Where a lease agreement includes a transfer of ownership at the end of the lease term or the

exercise of a purchase option is deemed reasonably certain, right-of-use assets are depreciated over the useful life of the underlying asset using the straight-line method. In addition, right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements.

Right-of-use assets from lease contracts are classified in accordance with the Fresenius Group's classification of property plant and equipment:

- ▶ Right-of-use assets: land
- ▶ Right-of-use assets: buildings and improvements
- ▶ Right-of-use assets: machinery and equipment

In addition to the right-of-use asset categories above, advanced payments on right-of-use assets are presented separately. Right-of-use assets from lease contracts and lease liabilities are presented separately from property, plant and equipment and other financial debt in the consolidated statement of financial position.

#### q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Purchases and sales of financial assets are recognized or derecognized on the trading date. Furthermore, the Fresenius Group does not make use of the fair value option, which allows financial liabilities to be classified at fair value

through profit or loss upon initial recognition. The Fresenius Group elects to represent changes in the fair value of selected equity investments that are not held for trading in other comprehensive income (loss).

Financial instruments are allocated to categories following the analysis of the business model and cash flow characteristics as required by IFRS 9, Financial Instruments. The following categories are relevant for the Fresenius Group: financial assets and liabilities measured at amortized cost, financial assets and liabilities measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive income (loss). The reconciliation of the categories to the positions in the consolidated statement of financial position is shown in tabular form in note 32, Financial instruments.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash funds and all short-term investments with maturities of up to three months. Short-term investments are highly liquid and readily convertible into known amounts of cash. The risk of changes in value is insignificant.

#### Trade accounts and other receivables

Trade accounts and other receivables are stated at their nominal value less lifetime expected credit losses.

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## Impairments

According to IFRS 9, impairments are recognized on the basis of expected credit losses (expected credit loss model). The Fresenius Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost, contract assets and lease receivables as well as for investments in debt instruments measured at fair value through other comprehensive income.

The Fresenius Group recognizes loss allowances for expected credit losses (allowance for doubtful accounts) mainly for trade accounts receivable and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instrument.

For trade accounts receivable, the Fresenius Group uses the simplified method which requires recognizing lifetime expected credit losses.

Expected credit losses on cash and cash equivalents are measured according to the general method based on IFRS 9. A significant increase in credit risk will be assessed based on available qualitative as well as quantitative information. Based on external credit ratings of the counterparties, the Fresenius Group considers that its cash and cash equivalents have a low credit risk.

The Fresenius Group does not expect any material credit losses from financial instruments that are measured according to the general approach.

The allowances are estimates comprised of customer and financial asset specific evaluations regarding payment history, current financial stability, and applicable future economic conditions.

Financial assets whose expected credit loss is not assessed individually are allocated to geographical regions. The impairment is generally assessed on the basis of regional macroeconomic indicators such as credit default swaps or scoring models.

Due to the number of transactions and geographical regions that the Fresenius Group operates in, the Fresenius Group's policy of determining when an individual expected credit loss is required considers the appropriate individual local facts and circumstances that apply to an account. While payment and collection practices vary significantly between countries and even agencies within one country, government payors usually represent low to moderate credit risks. It is the Fresenius Group's policy to determine when receivables should be classified as bad debt on a local basis taking into account local payment practices and local collection experience.

In case of objective evidence of a detrimental impact on the estimated future cash flows of a financial asset, the asset is considered to be credit impaired. This is generally the case after more than 360 days overdue, at the latest.

When a counterpart defaults, all financial assets against this counterpart are considered impaired. The definition of default is mainly based on payment practices specific to individual regions and businesses.

For further information regarding impairments, please see note 1. IV. c, Allowances for expected credit losses.

## Put option liabilities

The Fresenius Group, as option writer of existing put options, can be obligated to purchase noncontrolling interests held by third parties. If these put options were exercised, the Fresenius Group would be required to purchase all or part of the third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. Put option liabilities are recognized at the present value of the redemption amount. The exercise price of the option is generally based on fair value and, in certain limited instances, might contain a fixed floor price.

To estimate the present value of the redemption amount of the Fresenius Medical Care put option liabilities, the greater of net book value or a multiple of earnings, based on historical earnings, the development stage of the underlying business and other factors, is used. From time to time the Fresenius Group engages external valuation firms for the valuation of the put options of Fresenius Medical Care. The external valuation estimates the fair values using a

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combination of discounted cash flows and a multiple of earnings and/or revenue. Under those limited circumstances in which the put option might contain a fixed floor price, the external valuation firm may assist the Fresenius Group with the valuation by performing a Monte Carlo Simulation analysis to simulate the exercise price. The put option liabilities are discounted at a pre-tax discount rate which reflects the interest effects and current market assessments of the time value of money and the specific risk of the liability.

The exercise price of the Fresenius Kabi put options is based on the fair value of mAbxience. A discounted cash flow valuation model is used to estimate its fair value. The estimated redemption amounts of the put options can also fluctuate and the discounted cash flows as well as the implicit multiple of earnings and/or revenue at which these obligations may ultimately be settled could vary significantly from Fresenius Group's current estimates depending on market conditions. For the purpose of analyzing the impact of changes in unobservable inputs on the fair value measurement of put option liabilities, please see note 32, Financial instruments.

### **Derivative financial instruments**

Derivative financial instruments, which primarily include foreign currency forward contracts, are recognized at fair value as assets or liabilities in the consolidated statement of financial position. The effective portion of changes in fair

value of cash flow hedges is recognized in accumulated other comprehensive income (loss) in shareholders' equity until the secured underlying transaction is realized (see note 32, Financial instruments). Based on the spot rate changes of hedged items and hedging instruments, the ineffective portion of cash flow hedges is recognized in current earnings. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in earnings.

Derivatives embedded in host contracts with a financial liability as host contract are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

### **r) Liabilities**

At the date of the statement of financial position, liabilities are generally stated at amortized cost, with the exception of contingent considerations resulting from a business combination, put option liabilities as well as derivative financial liabilities.

### **s) Legal contingencies**

In the ordinary course of Fresenius Group's operations, the Fresenius Group is party to litigation and arbitration and is subject to investigations relating to various aspects of its

business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Fresenius Group utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, the Fresenius Group considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

### **t) Provisions**

Accruals for other obligations are recognized when there is a present obligation to a third party arising from past events, it is probable that the obligation will be settled in the future and the amount can be reliably estimated.

Provisions for warranties and complaints are estimated based on historical experience.

Non-current provisions with a remaining period of more than one year are discounted to the present value of the expenditures expected to settle the obligation.

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#### u) Pension liabilities and similar obligations

Pension obligations for post-employment benefits are measured in accordance with IAS 19 (revised 2011), Employee Benefits, using the projected unit credit method, taking into account future salary and trends for pension increase.

The Fresenius Group uses December 31 as the measurement date when measuring the deficit or surplus of all plans.

Net interest costs are calculated by multiplying the pension liability at the beginning of the year with the discount rate utilized in determining the benefit obligation. The pension liability results from the benefit obligation less the fair value of plan assets.

Remeasurements include actuarial gains and losses resulting from the evaluation of the defined benefit obligation as well as from the difference between actual return on plan assets and the expected return on plan assets at the beginning of the year used to calculate the net interest

costs. In the event of a surplus for a defined benefit pension plan, remeasurements can also contain the effect from Asset Ceiling, as far as this effect is not included in net interest costs.

Remeasurements are recognized in accumulated other comprehensive income (loss) completely. It is not allowed to reclassify the remeasurements in subsequent periods. Components of net periodic benefit cost are recognized in profit and loss of the period.

#### v) Debt issuance costs

Debt issuance costs related to a recognized debt liability are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability. Debt issuance costs related to undrawn credit facilities are presented in other assets. These costs are amortized over the term of the related obligation or credit facility.

#### w) Share-based compensation plans

The Fresenius Group measures its share-based compensation plans in accordance with IFRS 2, Share-based Payments.

The total cost of stock options granted to members of the Management Board and executive employees of the Fresenius Group at the grant date were measured using an option pricing model and are recognized as expense over the vesting period of the stock option plans.

The measurement date fair value of cash-settled phantom stocks granted to members of the Management Board and executive employees of the Fresenius Group (except for Fresenius Medical Care) and of cash-settled performance shares granted to members of the Management Board and executive employees of the Fresenius Group is calculated using the Monte Carlo simulation. The corresponding liability based on the measurement date fair value is accrued over the vesting period of the phantom stock and performance share plans.

The measurement date fair value of cash-settled phantom stocks granted to members of the Management Board and executive employees of Fresenius Medical Care is calculated using a binomial model. The corresponding liability based on the measurement date fair value is accrued over the vesting period of the phantom stock plans.

#### x) Self-insurance programs

Under the insurance programs for professional, product and general liability, auto liability, worker's compensation claims and medical malpractice claims, the largest subsidiary of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA), located in the United States, is partially self-insured

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for professional liability claims. For all other coverage, FMC-AG & Co. KGaA assumes responsibility for incurred claims up to predetermined amounts, above which third party insurance applies. Reported liabilities for the year represent estimated future payments of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

### y) Foreign currency translation

The reporting and functional currency is the euro. Substantially all assets and liabilities of the foreign subsidiaries that use a functional currency other than the euro are translated at year-end exchange rates, while income and expense are translated at annual average exchange rates of the fiscal year. Adjustments due to foreign currency translation fluctuations are excluded from net earnings and are reported in accumulated other comprehensive income (loss). In addition, the translation adjustments of certain intercompany borrowings, which are of a long-term nature, are also reported in accumulated other comprehensive income (loss). Transactions in foreign currencies recorded by subsidiaries are accounted for at the prevailing spot rate on the date of

the respective transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognized in profit and loss. Financial instruments denominated in a foreign currency are revalued at the spot rate as of the date of the consolidated statement of financial position. On the disposal of a foreign operation, all of the foreign currency translation differences accumulated in respect of that disposed operation are reclassified to the consolidated statement of income. On a partial disposal of a subsidiary that includes a foreign operation that does not result in the loss of control over the subsidiary, the proportionate share of accumulated foreign currency translation differences is re-attributed to noncontrolling interests.

The exchange rates of the main currencies affecting foreign currency translation developed as follows:

	Year-end exchange rate		Average exchange rate	
	December 31, 2022	December 31, 2021	2022	2021
U.S. dollar per €	1.067	1.133	1.053	1.183
Chinese renminbi per €	7.358	7.195	7.079	7.628
Argentinean peso per €	189.201	116.780	137.041	112.522
Australian dollar per €	1.569	1.562	1.517	1.575
Brazilian real per €	5.639	6.310	5.440	6.378
Japanese yen per €	140.660	130.380	138.027	129.877
Korean won per €	1,344.090	1,346.380	1,358.073	1,354.057
Pound sterling per €	0.887	0.840	0.853	0.860
Russian ruble per €	78.138	85.300	73.365	87.153
Swedish krona per €	11.122	10.250	10.630	10.146

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### **z) Fair value hierarchy**

The three-tier fair value hierarchy as defined in IFRS 13, Fair Value Measurement, classifies financial assets and liabilities recognized at fair value based on the inputs used in estimating the fair value. Level 1 is defined as observable inputs, such as quoted prices in active markets. Level 2 is in application of recognized financial mathematical models defined as inputs other than quoted prices in active markets that are directly or indirectly observable. Level 3 is defined as unobservable inputs for which little or no market data exists, therefore requiring the company to develop its own assumptions. The three-tier fair value hierarchy is used in note 32, Financial instruments.

### **aa) Use of estimates**

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgmental assumptions are

required in particular for the positions trade accounts receivable, deferred tax assets and pension liabilities as well as put option liabilities, contingent payments outstanding for acquisitions, equity investments and when examining the recoverability of goodwill.

### **bb) Receivables management**

The entities of the Fresenius Group perform ongoing evaluations of the financial situation of their customers and generally do not require a collateral from the customers for the supply of products and provision of services. Approximately 12% and 13% of Fresenius Group's revenues were earned and subject to the regulations under governmental healthcare programs, Medicare and Medicaid, administered by the United States government in 2022 and 2021, respectively.

### **cc) Recent pronouncements, applied**

The Fresenius Group has prepared its consolidated financial statements at and for the year ended December 31, 2022 in conformity with IFRS, as adopted by the EU, that must be applied for fiscal years beginning on January 1, 2022.

For the year ended December 31, 2022, there were no recently implemented accounting pronouncements that had a material effect on the Fresenius Group's consolidated financial statements.

### **dd) Recent pronouncements, not yet applied**

The International Accounting Standards Board (IASB) issued the following new standards relevant for the Fresenius Group and mandatory for fiscal years commencing on or after January 1, 2023:

#### **IAS 1**

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, and October 31, 2022, the IASB deferred the effective date. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2024. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

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## IFRS 17

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. In June 2020 and December 2021, further amendments were published. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

The Fresenius Group does not expect that IFRS 17 will have a material impact on its consolidated financial statements.

Based on an assessment performed during 2022, the Fresenius Group believes that the premium allocation approach under IFRS 17 is the most appropriate measurement model. On initial recognition of the liability for incurred

claims, the estimation and valuation process remains unchanged as compared to the application of IFRS 4. Regarding the measurement of the liability for the remaining coverage, the liability is equal to the premiums received less any insurance acquisition cash flows. The Fresenius Group does not consider the effects and time value of money when measuring the liability for the remaining coverage, as the related cash flow is expected to be paid or received in one year or less from the date the claims are incurred. The Fresenius Group will apply the modified retrospective approach at the transition. Insurance premium revenues are currently recognized based on the passage of time, therefore the pattern of revenue recognition will not change upon the application of IFRS 17.

On June 25, 2020, the IASB issued amendments to IFRS 17, which among others, defer the effective date to fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers.

The EU Commission's endorsement of the amendments to IAS 1 is still outstanding.

In the Fresenius Group's view, there are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the consolidated financial statements.

## ee) Impacts of the war in Ukraine on accounting

At the end of February 2022, Russia invaded Ukraine, triggering sanctions by various countries against Russia. The resulting uncertainties led to a further deterioration in the macroeconomic environment for the fiscal year 2022, resulting in accelerating inflationary developments, significantly increased energy costs, supply chain disruptions and capital market volatility. These developments, combined with complications in the labor market in particular in the United States faced by Fresenius Medical Care, had a negative impact on Fresenius Group's operations. The Fresenius Group continues to monitor the situation. As of December 31, 2022, the Fresenius Group's assets in Russia and Ukraine totaled less than 1% of Fresenius Group's total assets.

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#### ff) Impacts of climate change on accounting

The Fresenius Group continually analyzes potential sustainability risks in the areas of climate change and water scarcity. In both areas, the Fresenius Group has not identified any significant risks for its business model. Therefore, the Fresenius Group does not currently expect any material impact of sustainability risks on the accounting in 2022.

#### IV. CRITICAL ACCOUNTING POLICIES

In the opinion of the Management of the Fresenius Group, the following accounting policies and topics are critical for the consolidated financial statements in the present economic environment. The influences and judgments as well as the uncertainties which affect them are also important factors to be considered when looking at present and future operating earnings of the Fresenius Group.

##### a) Recoverability of goodwill and intangible assets with indefinite useful lives

The amount of goodwill and other non-amortizable intangible assets with indefinite useful lives represents a considerable part of the total assets of the Fresenius Group. At December 31, 2022 and December 31, 2021, the carrying amount of these was €31,753 million and €29,220 million, respectively. This represented 42% and 41%, respectively, of total assets.

An impairment test of goodwill and non-amortizable intangible assets with indefinite useful lives is performed at least once a year, or if events occur or circumstances change that would indicate the carrying amount may not be recoverable.

To determine possible impairments of these assets, the recoverable amount as its value in use of the cash generating units (CGUs) is compared to their carrying amount and the fair value less cost of disposal. The value in use of each CGU is determined using estimated future cash flows for the unit discounted by a weighted average cost of capital

(WACC) specific to that CGU. In 2022, the WACC was impacted by the worldwide prevailing increase of interest rates as well as the impact of increased macroeconomic uncertainties on country risk rates and other WACC parameters. Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, number of treatments, sales volumes and costs. In determining discounted cash flows, the Fresenius Group utilizes for every CGU its approved three-year budget, projections for years 4 to 10 and a corresponding growth rate for all remaining years. Projections for up to 10 years are possible due to historical experience and the stability of Fresenius Group's business, which is largely independent from the economic cycle.

As the market capitalization as of December 31, 2022 was below the Group's equity, a new impairment test was performed. For this additional impairment test, the WACC parameters were updated. The additional impairment test as of December 31, 2022 did not result in any impairment.

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The following table shows the key assumptions of value-in-use calculations:

	Average revenue growth in ten year projection period (in %)		Average EBIT growth in ten year projection period (in %)		Residual value growth (in %)		After-tax WACC (in %)		Carrying amount of goodwill (€ in millions)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Fresenius Medical Care</b>										
North America	mid-single-digit	mid-single-digit	high-single-digit	mid-single-digit	1.00	1.00	6,39	4.58	13,607	12,224
EMEA	mid-single-digit	mid-single-digit	high-single-digit	mid-single-digit	1.00	1.00	8,08	5.23	1,414	1,377
Asia-Pacific	mid-single-digit	mid-single-digit	mid-single-digit	mid-single-digit	1.00	4.00	6,38	4.91	764	756
Latin America	mid-single-digit	mid-single-digit	low-double-digit	low-double-digit	1.60	1.60	8.94 – 22.71	7.00 – 16.25	5	5
<b>Fresenius Kabi</b>										
North America	mid- to high-single digit	mid-single-digit	low-double-digit	high-single-digit	2.00	3.00	5.95	6.02	4,944	4,210
Europe	low-single-digit	mid-single-digit	low-double-digit	low-double-digit	2.00	3.00	6.27	6.08	617	529
Asia-Pacific	mid-single-digit	mid- to high-single digit	mid-single-digit	high-single-digit	2.00	3.00	6.03	5.99	525	514
Latin America	mid- to high-single digit	mid-single-digit	low-double-digit	mid-single-digit	2.00	3.00	7,31 – 10,46	7,47 – 10,28	175	120
<b>Fresenius Helios</b>										
Germany	low-single-digit	low-single-digit	mid-single-digit	low- to mid-single-digit	1.00	1.00	5.65	5.43	4,872	4,783
Spain	low-single-digit	low- to mid-single-digit	low-single-digit	low- to mid-single-digit	1.50	1.50	6.27	6.34	3,767	3,717
Fertility	mid-single-digit	high-single-digit	low-double-digit	low-double-digit	1.50	1.50	6.00	6.04	391	361
<b>Fresenius Vamed</b>										
Project business	high-single-digit	high-single-digit	low-double-digit	low-double-digit	1.00	1.00	5.78	5.60	18	18
Service business	mid-single-digit	mid-single-digit	low-single-digit	mid-single-digit	1.00	1.00	5.78	5.60	295	282

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The discount factor is determined by the WACC of the respective CGU. Fresenius Medical Care's WACC consisted of a basic rate of 6.05% and the WACC in the other business segments consisted of a basic rate of 5.65% for 2022. This basic rate is then adjusted by a country-specific risk premium and, if appropriate, by a factor to reflect higher risks associated with the cash flows from recent material acquisitions, until they are appropriately integrated, within each CGU.

If the value in use of the CGU is less than its carrying amount and the fair value less cost of disposal is not estimated to be higher than the value in use, the difference is recorded as an impairment of the CGU goodwill.

In 2022 and 2021, no impairment was recognized. An increase of the WACC (after tax) by 0.5 percentage points would not have resulted in the recognition of an impairment loss in 2022.

A prolonged downturn in the healthcare industry with lower than expected increases in reimbursement rates and prices and/or higher than expected costs for providing healthcare services and for procuring and selling health care products or a significant increase of mortality of

patients with chronic kidney diseases which may be attributable to COVID-19 have and could continue to adversely affect the estimated future cash flows of certain countries or segments. Future adverse changes in a reporting unit's economic environment could affect the discount rate. A decrease in the estimated future cash flows and/or a decline in the reporting unit's economic environment could result in impairment charges to goodwill and other intangible assets with indefinite useful lives which could materially and adversely affect Fresenius Group's future operating results.

The following table shows the changes in the key assumptions that would result in the recoverable amount for the mentioned CGUs being equal to the carrying amount:

#### SENSITIVITY ANALYSIS

Change in percentage points	After-tax WACC	Operating income margin of each projection year
<b>Fresenius Medical Care</b>		
CGU North America	0.56	-0.97
CGU EMEA	1.56	-2.50
<b>Fresenius Kabi</b>		
CGU Europe	1.36	-1.46
<b>Fresenius Helios</b>		
CGU Spain	1,27	-2,99

The recoverable amount of the CGU Fresenius Medical Care North America and the CGU Fresenius Medical Care EMEA exceeded the carrying amount by €2,451 million and €1,071 million, respectively as of December 31, 2022. The recoverable amount of the CGUs Fresenius Kabi Europe and Fresenius Helios Spain exceeded the carrying amount by €1,122 million and €2,386 million, respectively.

#### b) Legal contingencies

The Fresenius Group is involved in several legal matters arising from the ordinary course of its business. The outcome of these matters may have a material adverse effect on the financial position, results of operations or cash flows of the Fresenius Group. For details, please see note 30, Commitments and contingencies.

The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Fresenius Group utilizes its internal legal department as well as external resources for

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these assessments. In making the decision regarding the need for a provision for legal matters, the Fresenius Group considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that a provision for a loss is appropriate.

#### c) Allowances for expected credit losses

Trade accounts receivable are a significant asset and the allowances for expected credit losses are a significant estimate made by the local Management. Trade accounts receivable were €7,008 million and €7,045 million in 2022 and 2021, respectively, net of allowance. Approximately 51% and 48%, respectively, of receivables derive from the business segment Fresenius Medical Care and mainly relate to the dialysis care business in North America.

The major debtors or debtor groups of trade accounts receivable were U.S. Medicare and Medicaid healthcare programs with 16%, private insurers in the United States with 9%, statutory health insurers in Germany with 8% as well as the public health authority of the region of Madrid with 10%, at December 31, 2022. Other than that, the Fresenius Group has no significant risk concentration, due to its international and heterogeneous customer structure.

The allowances for expected credit losses were €472 million and €449 million as of December 31, 2022 and December 31, 2021, respectively. A valuation allowance is calculated if specific circumstances indicate that amounts will not be collectible. When all efforts to collect a receivable, including the use of outside sources where required and allowed, have been exhausted, and after appropriate review by the local management, a receivable deemed to be uncollectible is considered a bad debt and written off.

Deterioration in the aging of receivables and collection difficulties could require that the Fresenius Group increases the estimates of allowances for expected credit losses. Additional expenses for uncollectible receivables could have a significant negative impact on future operating results.

#### d) Self-insurance programs

Under the insurance programs for professional, product and general liability, auto liability, worker's compensation claims and medical malpractice claims, the largest subsidiary of Fresenius Medical Care AG & Co. KGaA, located in the United States, is partially self-insured for professional liability claims. For further details regarding the accounting policies for self-insurance programs, please see note 1. III. x, Self-insurance programs.

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## 2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

### ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €1,579 million and €1,085 million in 2022 and 2021, respectively. In 2022, of this amount, €977 million was paid in cash and €602 million was assumed obligations.

### Fresenius Medical Care

In 2022, Fresenius Medical Care spent €746 million on acquisitions, mainly on the business combination of InterWell Health as well as the purchase of dialysis clinics.

### Business combination of InterWell Health

On August 24, 2022 (acquisition date), Fresenius Medical Care completed a business combination among Fresenius Health Partners, Inc. (FHP), the value-based care division of Fresenius Medical Care's wholly owned subsidiary Fresenius Medical Care Holdings, Inc., with InterWell Health LLC, a physician organization driving innovation in the kidney care space in the United States, and Cricket Health, Inc., a U.S. provider of value-based kidney care with a patient engagement and data platform. The transaction was completed after regulatory approval was received

in the United States and other customary closing conditions were satisfied. The new company, InterWell Topco L.P. (NewCo), will operate under the InterWell Health brand.

This business combination was conducted as a non-cash transaction. Under the terms and conditions of this business combination, Cricket Health, Inc. contributed all of its net assets in exchange for approximately 17% of the equity interest in NewCo. The fair value of the consideration transferred by Fresenius Medical Care to Cricket Health, Inc. for a controlling interest in NewCo was US\$261 million (€263 million as of the acquisition date).

InterWell Health LLC also contributed all of its net assets in exchange for approximately 8% of the equity interest in NewCo. The fair value of the consideration transferred by Fresenius Medical Care to InterWell Health LLC for a controlling interest in NewCo was US\$138 million (€138 million as of the acquisition date). Prior to the transaction, Fresenius Medical Care owned approximately 46% of InterWell Health LLC with a carrying value of US\$19 million (€19 million) and a fair value of US\$176 million (€177 million) as of the acquisition date. At the acquisition date, Fresenius Medical Care received approximately 7% equity in NewCo in exchange for its investment in InterWell Health, LLC. As a result of the transaction, Fresenius Medical Care recognized a remeasurement gain of US\$156 million (€148 million), which represented the difference between the fair value and the carrying value of its investment in InterWell Health LLC prior to the acquisition date, and a related currency translation adjustment reversal due

to the disposal of its investment in InterWell Health LLC in the amount of €364 thousand. The remeasurement gain is recorded in the consolidated statement of income within other operating income.

The contributions of the net assets of InterWell Health LLC and Cricket Health, Inc. were accounted for as a business combination in accordance with IFRS 3 in which Fresenius Medical Care was identified as the acquirer and InterWell Health LLC and Cricket Health, Inc. were identified as acquired companies. NewCo has been consolidated in Fresenius Medical Care's consolidated financial statements as of and for the year ended December 31, 2022.

As a result of the business combination, Fresenius Medical Care recorded noncontrolling interests at fair value in the amount of US\$187 million (€188 million) using the full goodwill method within the line item noncontrolling interests due to changes in consolidation group in the consolidated statement of changes in equity. A third party valuation advisor was engaged to assist Fresenius Medical Care in the estimation of the underlying fair value of the transaction and primarily employed an income approach which was used in the calculation of consideration transferred to the acquirees as well as in the calculation of noncontrolling interests. In addition, Fresenius Medical Care also granted put options to noncontrolling shareholders with an estimated present value of the redemption amount of US\$603 million (€566 million) at December 31, 2022 (at acquisition date: US\$604 million (€608 million)). The fair value was determined on the basis of independent valuations.

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Fresenius Medical Care also contributed the business of FHP in exchange for approximately 68% of equity interest in NewCo. Since Fresenius Medical Care controlled FHP before the acquisition date and controls NewCo post-acquisition date, Fresenius Medical Care's contribution of FHP net assets was recorded under common control at their respective carrying values at the acquisition date and the resulting reduction of Fresenius Medical Care's interest in FHP was accounted for as an equity transaction. Therefore, additional noncontrolling interest was recognized in the amount of US\$5 million (€5 million as of acquisition date), partially offset by a related currency translation adjustment in the amount of €1 million, and additional paid in capital of US\$393 million (€396 million as of the acquisition date) representing the difference between the carrying value and the fair value of the corresponding interests. These amounts were recorded within transactions with noncontrolling interests without loss of control in the consolidated statement of changes in equity.

Upon consummation of the business combination described above, Fresenius Medical Care holds approximately 75% of NewCo, resulting from the contribution of Fresenius Medical Care's interest in FHP and the transfer of the previously-held equity method investment in InterWell Health LLC. The former owners of Cricket Health, Inc. and InterWell Health LLC hold approximately 17% and 8%, respectively, as noncontrolling interests in NewCo.

The following allocation of the purchase price is based upon information available to management as of December 31, 2022. Based on a preliminary allocation, the

following assets, including goodwill (which will not be deductible for tax purposes), were acquired and liabilities were assumed as of the acquisition date:

	US\$ in millions	€ in millions
<b>Fair values of assets acquired and liabilities assumed</b>		
Cash and cash equivalents	57	58
Other assets	3	3
Intangible assets	54	54
Goodwill	660	664
Other liabilities	-13	-13
Noncontrolling interests	-187	-188
<b>Transferred consideration</b>	<b>574</b>	<b>578</b>
thereof fair value of consideration transferred of Fresenius Medical Care's interest in FHP	398	401
thereof fair value of previously held equity method investment in InterWell Health LLC	176	177

During the fourth quarter of 2022, Fresenius Medical Care updated the purchase price allocation as a result of obtaining additional information. The fair value of the consideration transferred to Cricket Health, Inc. and InterWell Health, LLC was reduced by US\$8 million (€8 million) to reflect an updated capital interest allocation related to share-based compensation arrangements of Cricket Health, Inc. at the acquisition date. As such, the noncontrolling interests of Cricket Health, Inc. and InterWell Health, LLC in NewCo were reduced by US\$7 million (€7 million). Additionally, management adjusted the underlying parameters utilized to value intangible assets acquired, which resulted in an increase of US\$19 million (€20 million). Fresenius Medical

Care also updated its tax analysis, specifically in the U.S. Deferred tax liabilities were adjusted by US\$9 million (€9 million), which resulted in net deferred taxes of zero.

Fresenius Medical Care is in the process of obtaining and evaluating the information necessary for the purchase price allocation, including, but not limited to tax-related items and the final capital interest allocation. As such, the balances noted in the table above are provisional and subject to measurement period adjustments permitted under IFRS 3. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill within one year from the acquisition date.

As of the acquisition date, intangible assets in the amount of US\$54 million (€54 million) acquired in this transaction consist primarily of a technology platform with a weighted average useful life of 10 years and a trade name with an indefinite useful life.

As of the acquisition date, goodwill in the amount of US\$660 million (€664 million) was recorded as part of the transaction and mainly represents anticipated synergies and future cash flows expected to be generated by NewCo. The entire amount of goodwill recorded as a result of this transaction was allocated to the North America cash generating unit.

Additionally, and as contemplated in the agreement, Fresenius Medical Care also transferred Acumen Physician Solutions, LLC (Acumen) to NewCo shortly after the acquisition date, and prior to September 30, 2022, with working

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capital in the amount of US\$2 million (€2 million as of the date of the transfer agreement). Since certain long-lived assets (mainly intangible assets) held by Acumen will be utilized materially differently by NewCo, management performed an impairment assessment prior to the transfer, concluded that the assets were completely impaired and recorded an impairment charge in the North America Segment in the amount of US\$71 million before the transfer (€67 million). Fresenius Medical Care also incurred certain transaction-related costs of US\$26 million (€24 million). The expenses, along with the impairment charges were recognized in general and administrative expenses in the consolidated statement of income.

From August 24, 2022 through December 31, 2022, the revenue contributed by the acquired companies (i.e. Cricket Health, Inc. and InterWell Health LLC) was not material. During this period, Fresenius Medical Care recognized a loss of €18 million from the acquired companies within its consolidated statement of income.

In 2021, Fresenius Medical Care spent €628 million on acquisitions, mainly on the purchase of dialysis clinics.

### Fresenius Kabi

In 2022, Fresenius Kabi spent €734 million on acquisitions, mainly for the acquisition of a stake of 55% of mAbxience Holding S.L. and for the acquisition of 100% of the shares of Ivenix, Inc.

### Acquisition mAbxience

On August 1, 2022, Fresenius Kabi closed the acquisition of a stake of 55% of mAbxience Holding S.L. (mAbxience), a leading international biopharmaceutical company, focused on the rapidly growing market for the development and manufacturing of biological drugs (biopharmaceuticals). The additional production capacities are expected to generate significant cost synergies in the longer term with regard to the company's own biosimilars portfolio. At the time of the acquisition, the company employed 734 staff and generated revenue of €252 million in 2021. mAbxience has been consolidated since August 1, 2022.

The consideration transferred in the amount of €511 million is a combination of €499 million upfront payment, which was paid in cash upon closing, and performance-based payments expected for future years with a current fair value of €12 million. These are strictly tied to the achievement of development and operating targets and could be in the low three-digit million euro range in total. The contractual provisions also include a put/call option scheme regarding the current owners' remaining shares in mAbxience (45%). The exercise price of the put/call options is based on fair values estimated by means of independent valuations. The fair value recognized was determined using a discounted cash flow model. A corresponding liability of €457 million was accounted for in the consolidated statement of financial position under other long-term liabilities.

The transaction was accounted for as a business combination. Noncontrolling interests were recognized at fair value using the full goodwill method and reported within the noncontrolling interests due to changes in consolidation group in the consolidated statement of changes in equity.

The following table summarizes the current estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. The allocation of the purchase price is based on all information currently available to management. Due to the relatively short time frame between closing of the acquisition and the date of the statement of financial position, certain information may be incomplete. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

€ in millions

#### Fair values of assets acquired and liabilities assumed

Cash and cash equivalents	6
Trade accounts and other receivables	24
Inventories	89
Other current assets	26
Property, plant and equipment	68
Intangible assets and other assets	413
Goodwill	464
Trade accounts payable, short-term provisions and other short-term liabilities	-41
Other liabilities	-120
Noncontrolling interests	-418
<b>Transferred consideration</b>	<b>511</b>

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The goodwill in the amount of €464 million resulting from the acquisition is not deductible for tax purposes and is allocated to the four cash generating units of Fresenius Kabi according to the regional distribution of the acquired business.

Goodwill mainly represents the value of future opportunities arising from the acquisition of the biosimilars molecules and the related expansion of Fresenius Kabi's biosimilars platform as well as from expected cost synergies from the use of the acquired production capacities for the existing biosimilars portfolio.

Intangible assets mainly relate to the value of the acquired biosimilars molecules, some of which are still in development.

mAbxience has contributed €59 million to revenue and -€15 million to the operating income (EBIT) before special items of the Fresenius Group since August 1, 2022.

#### Acquisition Ivenix

On May 3, 2022, Fresenius Kabi completed the acquisition of 100% of the shares of Ivenix, Inc. (Ivenix), a specialized infusion therapy company. The cash purchase price amounts to US\$240 million (€228 million). In addition, milestone payments with a current fair value in the low three-digit million euro range were recognized. These are strictly linked to the achievement of commercial and operating targets and could increase by a low three-digit million euro amount.

The transaction was accounted for as a business combination.

Based on the preliminary purchase price allocation, goodwill of US\$199 million (€188 million) which is not deductible for tax purposes and an intangible asset of US\$180 million (€171 million) were recorded in the initial statement of financial position.

The goodwill mainly represents the value of future opportunities arising from the additional growth potential, the profitability development planned as a result of the relocation of production, and the economies of scale in infusion therapy.

The intangible asset relates to the acquired technology.

In 2021, Fresenius Kabi spent €1 million on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

#### Fresenius Helios

In 2022, Fresenius Helios spent €82 million on acquisitions, mainly for the purchase of an oncology clinic and an ophthalmology care center in Colombia as well as the acquisition of a clinic in Spain.

In 2021, Fresenius Helios spent €453 million on acquisitions, mainly for the purchase of the Eugin Group. Furthermore, subsequent purchase price payments for the Malteser hospital in Duisburg, Germany, were made and the DRK Kliniken Nordhessen in Kassel, Germany, were acquired. Moreover, Centro Oncológico de Antioquia S.A. and Clínica Clofán S.A. were acquired in Colombia.

#### Acquisition of the Eugin Group

On April 14, 2021, Fresenius Helios has finalized the complete acquisition of Luarmia S.L., Spain, holding company of all worldwide activities of the Eugin group, and of NMC Eugin US Corporation from NMC Health (together the Eugin Group), one of the leading international fertility groups. The purchase price is based on a valuation of €430 million. It includes acquired noncontrolling interests and debt of approximately €80 million. The noncontrolling interests are held by the respective senior doctors. The Eugin Group has been consolidated as of April 1, 2021.

Eugin Group's network comprised at the time of the acquisition 31 clinics and additional 34 sites across 9 countries on 3 continents. With about 1,300 employees, the company offers a wide spectrum of state-of-the-art services in the field of fertility treatments. With the acquisition of the Eugin Group, Fresenius Helios becomes a leading player in the dynamically growing market for fertility services and establishes a strong basis for further expansion.

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The acquisition was financed through available cash and credit facilities. The purchase price was paid in cash.

The transaction was accounted for as a business combination whereby assets and liabilities and noncontrolling interests are recognized at their fair values.

Based on a purchase price allocation, intangible assets in the amount of €41 million and a goodwill of €348 million which is not deductible for tax purposes were recorded for the initial statement of financial position of the Eugin Group. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill. Goodwill mainly represents the market position of the acquired fertility hospitals and employee know-how.

Since January 1, 2022, the Eugin Group forms a new and separate Fresenius Helios business and reporting unit, Helios Fertility, alongside Helios Germany and Helios Spain.

In the year 2021, the Eugin Group has contributed €133 million to revenue and €19 million to the operating income (EBIT) of the Fresenius Group since April 1, 2021.

### Fresenius Vamed

In 2022, Fresenius Vamed spent €17 million on acquisitions, mainly for the purchase of two rehabilitation clinics in Germany and one in the United Kingdom.

In 2021, Fresenius Vamed spent €1 million on acquisitions.

### IMPACTS ON FRESENIUS GROUP'S CONSOLIDATED FINANCIAL STATEMENTS RESULTING FROM ACQUISITIONS

In the fiscal year 2022, all acquisitions have been accounted for applying the purchase method and accordingly have been consolidated starting at the date of acquisition. The excess of the total fair value of consideration paid over the fair value of the net assets acquired was €2,459 million and €1,402 million in 2022 and 2021, respectively. The measurement period adjustments from the previous year's acquisitions did not have a significant impact on the consolidated financial statements in 2022.

The purchase price allocations are not yet finalized for all acquisitions of the current year. Based on preliminary purchase price allocations, the recognized goodwill was €1,529 million and the other intangible assets were €930 million. Of this goodwill, €695 million is attributable to the acquisitions of Fresenius Medical Care, €653 million to the acquisitions of Fresenius Kabi, €167 million to the acquisitions of Fresenius Helios and €14 million to the acquisitions of Fresenius Vamed.

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on an established stream of future cash flows.

The acquisitions completed in 2022 or included in the consolidated financial statements for the first time for a full year contributed the following amounts to the development of revenue and earnings:

€ in millions	2022
Revenue	283
EBITDA	-43
EBIT	-72
Net interest	-9
Net income attributable to shareholders of Fresenius SE & Co. KGaA	-55

The acquisitions increased the total assets of the Fresenius Group by €2,353 million.

If the three major acquisitions (InterWell Health, mAbxience and Ivenix) had taken place on January 1, 2022, the Fresenius Group estimates that Group revenue would have been only slightly higher and net income attributable to shareholders of Fresenius SE & Co. KGaA almost unchanged.

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## NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

### 3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the year 2022 in the amount of €1,372 million includes special items relating to the Fresenius cost and efficiency program (including the FME25 program), impacts related to the war in Ukraine, the remeasurement of the Humacyte investment, the net gain related to InterWell Health, transaction costs for mAbxience and Ivenix, hyperinflation Turkey, retroactive duties and the revaluation of biosimilars contingent purchase price liabilities.

The special items had the following impact on the consolidated statement of income of 2022:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
<b>Earnings 2022, before special items</b>	<b>4,004</b>	<b>533</b>	<b>1,729</b>
Expenses associated with the Fresenius cost and efficiency program (including the FME25 program)	-466	-	-260
Impacts related to the war in Ukraine	-86	-	-43
Transaction costs mAbxience, Ivenix	-40	-	-27
Remeasurement Humacyte investment	-103	-	-24
Hyperinflation Turkey	-12	-	-9
Retroactive duties	-9	-	-8
Revaluations of biosimilars contingent purchase price liabilities	-23	-26	2
Net gain related to InterWell Health	56	-	12
<b>Earnings 2022 according to IFRS</b>	<b>3,321</b>	<b>507</b>	<b>1,372</b>

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the year 2021 in the amount of €1,818 million included special items relating to the Fresenius cost and efficiency program (including the FME25 program) and the revaluation of biosimilars contingent purchase price liabilities.

The special items had the following impact on the consolidated statement of income of 2021:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
<b>Earnings 2021, before special items</b>	<b>4,252</b>	<b>-504</b>	<b>1,867</b>
Expenses associated with the Fresenius cost and efficiency program (including the FME25 program)	-143	-	-82
Revaluations of biosimilars contingent purchase price liabilities	49	-2	33
<b>Earnings 2021 according to IFRS</b>	<b>4,158</b>	<b>-506</b>	<b>1,818</b>

### 4. REVENUE

Revenue by activity was as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Revenue from contracts with customers	18,777	7,773	11,678	2,035	0	40,263
thereof revenue from services	14,967	85	11,666	1,404	0	28,122
thereof revenue from products and related services	3,810	7,678	-	-	-	11,488
thereof revenue from long-term production contracts	-	-	-	631	-	631
thereof further revenue from contracts with customers	-	10	12	-	-	22
Other revenue	555	6	12	4	-	577
<b>Revenue</b>	<b>19,332</b>	<b>7,779</b>	<b>11,690</b>	<b>2,039</b>	<b>0</b>	<b>40,840</b>

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€ in millions	2021					
	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Revenue from contracts with customers	17,054	7,123	10,850	1,956	2	36,985
thereof revenue from services	13,479	59	10,839	1,283	2	25,662
thereof revenue from products and related services	3,575	7,052	–	–	–	10,627
thereof revenue from long-term production contracts	–	–	–	673	–	673
thereof further revenue from contracts with customers	–	12	11	–	–	23
Other revenue	516	3	12	4	–	535
<b>Revenue</b>	<b>17,570</b>	<b>7,126</b>	<b>10,862</b>	<b>1,960</b>	<b>2</b>	<b>37,520</b>

Other revenue includes revenue from insurance and lease contracts.

At December 31, 2022, revenue recognized that was included in the contract liabilities balance at the beginning of the period was €492 million (2021: €603 million).

As of December 31, 2022 and 2021, respectively, the Fresenius Group had performance obligations that are unsatisfied or partially unsatisfied and that are expected to be satisfied and recorded in revenue in the following years.

December 31, 2022, € in millions	2023	2024	2025	2026	2027	thereafter	Total
Transaction price of the unsatisfied or partially unsatisfied performance obligations	1,439	1,161	991	1,111	287	295	5,284

December 31, 2021, € in millions	2022	2023	2024	2025	2026	thereafter	Total
Transaction price of the unsatisfied or partially unsatisfied performance obligations	1,549	1,089	884	1,082	373	450	5,427

A revenue analysis by business segment and region is shown in the segment information on pages 294 to 296.

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## 5. COST OF MATERIALS

Cost of materials included in costs of revenue was comprised of cost of raw materials, supplies and purchased components and cost of purchased services:

€ in millions	2022	2021
Cost of raw materials, supplies and purchased components	8,420	7,629
Write-downs of raw materials, supplies, and purchased components	11	-
Cost of purchased services	1,779	1,191
<b>Cost of materials</b>	<b>10,210</b>	<b>8,820</b>

## 6. PERSONNEL EXPENSES

Costs of revenue, selling expenses, general and administrative expenses and research and development expenses included personnel expenses of €17,378 million and €15,610 million in 2022 and 2021, respectively.

Personnel expenses were comprised of the following:

€ in millions	2022	2021
Wages and salaries	14,105	12,679
Social security contributions, cost of retirement pensions and social assistance	3,273	2,931
thereof retirement pensions	458	414
<b>Personnel expenses</b>	<b>17,378</b>	<b>15,610</b>

Fresenius Group's annual average number of employees by function is shown below:

	2022	2021
Production	43,076	42,773
Service	226,454	222,809
Administration	31,206	30,831
Sales and marketing	13,648	13,574
Research and development	3,741	3,641
<b>Total employees (per capita)</b>	<b>318,125</b>	<b>313,628</b>

## 7. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €867 million (2021: €805 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €31 million (2021: €22 million). Furthermore, in 2022, research and development expenses included impairments of €25 million (2021: reversals of write-downs on capitalized development expenses of €5 million and impairments of €26 million). The expenses for the further development of the biopharma business included in the research and development expenses amounted to €164 million (2021: €148 million). Thereof, €132 million related to the biosimilars business and €32 million to the acquired mAbxience business.

## 8. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to €5,524 million (2021: €4,394 million) and were related to expenditures for administrative functions not attributable to research and development, production or selling. The increase was mainly due to currency translation effects, expenses associated with the cost and efficiency program, and expenses related to the acquisitions.

## 9. OTHER OPERATING INCOME AND EXPENSES

In 2022 and 2021, other operating income and expenses mainly included foreign exchange gains and losses, income related to the equity method investee named Vifor Fresenius Medical Care Renal Pharma Ltd. and valuations of equity and debt investments that are measured at fair value through profit and loss as well as the release of provisions. In 2022, the remeasurement gain from InterWell Health and gains on sale and leaseback transactions were additionally included.

## 10. NET INTEREST

Net interest of -€507 million (2021: -€506 million) included interest expenses of €694 million (2021: €630 million) and interest income of €187 million (2021: €124 million). The main portion of the interest expenses resulted from Fresenius Group's financial liabilities, which are recognized at amortized cost (see note 32, Financial instruments). Moreover, €202 million related to lease liabilities. The main portion of interest income resulted from income in connection

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with receivables from royalties, from lease receivables and overdue receivables, from interest income related to the release of interest accruals on tax positions, as well as from discounting effects and accrued contingent payments outstanding for acquisitions.

## 11. TAXES

### INCOME TAXES

Income before income taxes was attributable to the following geographic regions:

€ in millions	2022	2021
Germany	261	434
International	2,553	3,218
<b>Total</b>	<b>2,814</b>	<b>3,652</b>

Income tax expenses (benefits) for 2022 and 2021 consisted of the following:

€ in millions	Current taxes	Deferred taxes	Income taxes
<b>2022</b>			
Germany	78	69	147
International	744	-194	550
<b>Total</b>	<b>822</b>	<b>-125</b>	<b>697</b>
<b>2021</b>			
Germany	78	19	97
International	671	65	736
<b>Total</b>	<b>749</b>	<b>84</b>	<b>833</b>

A reconciliation between the expected and actual income tax expense is shown in the following table. The expected corporate income tax expense is computed by applying the German corporation tax rate (including the solidarity surcharge) and the effective trade tax rate on income before income taxes. The respective combined tax rate was 30.7% and 30.8% for the fiscal years 2022 and 2021, respectively.

€ in millions	2022	2021
Computed "expected" income tax expense	865	1,123
Increase (reduction) in income taxes resulting from:		
Items not recognized for tax purposes	95	96
Tax rate differential	-233	-294
Tax rate changes	0	3
Tax-free income	-31	-50
Taxes for prior years	9	-17
Noncontrolling interests	-55	-65
Other	47	37
<b>Income tax</b>	<b>697</b>	<b>833</b>
<b>Effective tax rate</b>	<b>24.8%</b>	<b>22.8%</b>

### DEFERRED TAXES

The tax effects of the temporary differences and losses carried forward from prior years that gave rise to deferred tax assets and liabilities at December 31 are presented below:

€ in millions	2022	2021
<b>Deferred tax assets</b>		
Accounts receivable	76	67
Inventories	170	175
Other current assets	154	108
Other non-current assets	209	162
Lease liabilities	1,308	1,287
Provisions and other liabilities	482	487
Benefit obligations	167	322
Losses carried forward from prior years	247	205
<b>Deferred tax assets</b>	<b>2,813</b>	<b>2,813</b>
<b>Deferred tax liabilities</b>		
Accounts receivable	30	52
Inventories	8	16
Other current assets	252	228
Other non-current assets	2,041	1,883
Right-of-use assets	1,184	1,171
Provisions and other liabilities	136	120
<b>Deferred tax liabilities</b>	<b>3,651</b>	<b>3,470</b>
<b>Net deferred tax assets/liabilities</b>	<b>-838</b>	<b>-657</b>

In the consolidated statement of financial position, the net amounts of deferred tax assets and liabilities are included as follows:

€ in millions	2022	2021
Deferred tax assets	831	858
Deferred tax liabilities	1,669	1,515
<b>Net deferred tax assets/liabilities</b>	<b>-838</b>	<b>-657</b>

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The change in the balance of deferred tax assets and deferred tax liabilities does not equal the deferred tax expense/benefit. This is due to deferred taxes that are booked directly to equity, the effects of exchange rate changes on tax assets and liabilities denominated in currencies other than euro and the acquisition and disposal of entities as part of ordinary activities.

As of December 31, 2022, Fresenius Medical Care has not recognized a deferred tax liability on approximately €9 billion (2021: €10 billion) of undistributed earnings of its foreign subsidiaries, because those earnings are considered indefinitely reinvested.

#### NET OPERATING LOSSES

The expiration of net operating losses as of December 31, 2022 is as follows:

for the fiscal years	€ in millions
2023	47
2024	48
2025	64
2026	107
2027	122
2028	103
2029	135
2030	3
2031	3
2032 and thereafter	139
<b>Total</b>	<b>771</b>

The expiration of net operating losses as of December 31, 2021 was as follows:

for the fiscal years	€ in millions
2022	26
2023	46
2024	60
2025	64
2026	93
2027	41
2028	74
2029	5
2030	3
2031 and thereafter	59
<b>Total</b>	<b>471</b>

The total remaining operating losses of €1,950 million (2021: €1,546 million) can mainly be carried forward for an unlimited period. The total amount of the existing operating losses as of December 31, 2022 includes an amount of €1,676 million (2021: €1,189 million) that will probably not be realizable. For these operating losses, deferred tax assets were not recognized.

Based upon the level of historical taxable income and projections for future taxable income, the Management of the Fresenius Group believes it is more likely than not that the Fresenius Group will realize the benefits of these deductible differences, net of the existing valuation allowances, at December 31, 2022.

The German tax authorities have recently argued that foreign financing companies held by Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA should be subject to German controlled foreign corporation (CFC)

taxation for the years starting in 2017. The companies concerned do not follow this legal opinion and have filed corresponding appeals. In the unlikely event that they are not successful, Fresenius SE & Co. KGaA as well as Fresenius Medical Care & Co. KGaA each face an additional tax burden in the upper double-digit million range for all open years.

#### 12. NONCONTROLLING INTERESTS

As of December 31, noncontrolling interests in net income in the Fresenius Group were as follows:

€ in millions	2022	2021
Noncontrolling interests in Fresenius Medical Care	456	658
Noncontrolling interests in Fresenius Vamed	-4	15
Noncontrolling interests in the business segments		
Fresenius Medical Care	221	250
Fresenius Kabi	50	58
Fresenius Helios	17	16
Fresenius Vamed	5	4
<b>Total noncontrolling interests</b>	<b>745</b>	<b>1,001</b>

In the fiscal year 2022, Fresenius Medical Care AG & Co. KGaA paid dividends to noncontrolling interests in the amount of €268 million (2021: €266 million).

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### 13. IMPACTS OF THE COVID-19 PANDEMIC

The financial statements of the Fresenius Group have been impacted by COVID-19, mostly in the form of lost revenue and additional costs incurred to protect its patients and employees, to safeguard its production activities and clinical operations and additional freight and logistic costs. Across the Fresenius global footprint, various governments in regions have provided economic assistance programs to address the consequences of the pandemic on companies and support healthcare providers and patients. The related reimbursement payments and funding received by Fresenius have been accounted for in accordance with terms and regulations set forth by the local laws and regulations.

In Germany, the hospitals of the Fresenius Group have received reimbursements and grants to compensate for COVID-19 related financial charges. Hospitals have been compensated for their increase in capacity and related patient services through the postponement of elective treatments and provision of additional intensive care beds for the treatment of COVID-19 patients and for higher treatment costs. As these additional reimbursements for hospital services are paid by the partly state funded healthcare fund, such revenues are recognized in accordance with the Fresenius Group's existing revenue recognition policies for hospital services (IFRS 15, Revenue from Contracts with

Customers). In 2022, the German hospitals of the Fresenius Group received total reimbursements and grants of €227 million (2021: €509 million), of which €200 million (2021: €442 million) were recorded in revenue and €27 million (2021: €67 million) as grants in other operating income.

In the United States, Fresenius Medical Care North America received government grants from the U.S. government in the amount of €277 million (2021: €72 million). During the fiscal years 2022 and 2021, Fresenius Medical Care received US\$235 million (€224 million) and US\$122 million (€103 million), respectively, in U.S. Department of Health and Human Services funding available for healthcare providers affected by the COVID-19 pandemic, of which US\$291 million (€277 million) and US\$74 million (€62 million), respectively, were recognized in the consolidated statement of income to offset eligible costs. The remaining amount of government grants received recorded in deferred income was US\$6 million (€6 million) at December 31, 2022 and US\$62 million (€55 million) at December 31, 2021. The Fresenius Group also recorded a contract liability for advance payments received under the Center for Medicare and Medicaid (CMS) Accelerated and Advance Payment program within short-term provisions and other short-term liabilities. Contract liabilities related to the CMS Accelerated and Advance Payment program were US\$5 million (€5 million) and US\$443 million (€391 million) as of December 31, 2022 and December 31, 2021, respectively.

In addition to the programs above, the Fresenius Group also received grants and other reimbursements under various other programs from multiple governments around the world in the amount of €23 million (2021: €50 million).

All funds received from grants comply with the respective conditions. The Fresenius Group is obliged and committed to fulfilling all the requirements as set out in the grant funding arrangements.

### 14. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	2022	2021
<b>Numerators, € in millions</b>		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,372	1,818
less effect from dilution due to Fresenius Medical Care shares	–	0
Income available to all ordinary shares	1,372	1,818
<b>Denominators in number of shares</b>		
Weighted average number of ordinary shares outstanding	561,264,305	558,061,878
Potentially dilutive ordinary shares	–	94,447
Weighted average number of ordinary shares outstanding assuming dilution	561,264,305	558,156,325
<b>Basic earnings per share in €</b>	2.44	3.26
<b>Fully diluted earnings per share in €</b>	2.44	3.26

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## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 15. CASH AND CASH EQUIVALENTS

As of December 31, cash and cash equivalents were as follows:

€ in millions	2022	2021
Cash	2,175	1,833
Time deposits and securities (with a maturity of up to 90 days)	574	931
<b>Total cash and cash equivalents</b>	<b>2,749</b>	<b>2,764</b>

As of December 31, 2022 and December 31, 2021, earmarked funds of €180 million and €154 million, respectively, were included in cash and cash equivalents.

The Fresenius Group operates a multi-currency notional cash pooling management system. In this cash pooling management system amounts in euro and other currencies are offset without being transferred to a specific cash pool account. The system is used for an efficient utilization of

funds within the Fresenius Group. The Fresenius Group met the conditions to offset balances within this cash pool for reporting purposes. At December 31, 2022, €102 million (December 31, 2021: €117 million) of the cash balances and the equivalent amount of the overdraft balances were offset. Thereof, €81 million related to Fresenius Medical Care (December 31, 2021: €117 million). Before this offset, cash and cash equivalents as of December 31, 2022, were €2,851 million (December 31, 2021: €2,881 million) and short-term debt was €958 million (December 31, 2021: €2,958 million).

### 16. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of December 31, trade accounts and other receivables were as follows:

€ in millions	2022	2021
Trade accounts and other receivables	7,480	7,494
less allowances for expected credit losses	472	449
<b>Trade accounts and other receivables, net</b>	<b>7,008</b>	<b>7,045</b>

Within trade accounts and other receivables (before allowances) as of December 31, 2022, €7,275 million (December 31, 2021: €7,378 million) relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €470 million (December 31, 2021: €448 million) of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other revenue.

When utilized, Fresenius Medical Care assigns interests in certain receivables to institutional investors under its Accounts Receivable Facility. For further information on the utilization of this facility, please see note 23, Debt.

All trade accounts and other receivables are due within one year. Trade accounts and other receivables with a term of more than one year in the amount of €99 million (2021: €46 million) are included in other non-current assets.

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The following table shows the development of the allowances for expected credit losses during the fiscal year:

€ in millions	2022	2021
<b>Allowances for expected credit losses at the beginning of the year</b>	<b>449</b>	<b>401</b>
Change in valuation allowances as recorded in the consolidated statement of income	65	71
Write-offs and recoveries of amounts previously written-off	-40	-24
Foreign currency translation	-2	1
Reclassification to assets held for disposal	0	-
<b>Allowances for expected credit losses at the end of the year</b>	<b>472</b>	<b>449</b>

Further allowances for expected credit losses are included in other current and non-current assets (see note 18, Other current and non-current assets). As of December 31, 2022, the Fresenius Group had total allowances for expected credit losses of €574 million (2021: €488 million).

The following table shows the credit risk rating grades of trade accounts receivable and their allowances for expected credit losses:

€ in millions			
Trade accounts and other receivables			
less allowances for expected credit losses			
<b>Trade accounts and other receivables, net</b>	<b>7,008</b>	<b>2,494</b>	<b>398</b>

	December 31, 2022			December 31, 2021		
	Total	thereof overdue <sup>1</sup>	thereof credit impaired <sup>2</sup>	Total	thereof overdue <sup>1</sup>	thereof credit impaired <sup>2</sup>
7,480	2,903	755	7,494	3,225	691	
472	409	357	449	405	340	
<b>7,008</b>	<b>2,494</b>	<b>398</b>	<b>7,045</b>	<b>2,820</b>	<b>351</b>	

<sup>1</sup> Receivables are classified as overdue from the first day of exceeding the contractually agreed payment term.

<sup>2</sup> In case of objective evidence of a detrimental impact on the estimated future cash flows of a financial asset, the asset is considered to be credit impaired. This is generally the case after more than 360 days overdue, at the latest.

## 17. INVENTORIES

As of December 31, inventories consisted of the following:

€ in millions	2022	2021
Raw materials and purchased components	1,200	971
Work in process	467	440
Finished goods	3,309	2,961
less reserves	143	154
<b>Inventories, net</b>	<b>4,833</b>	<b>4,218</b>

In 2022, there were no reversals of write-downs and in 2021, immaterial reversals of write-downs of inventory were made.

The companies of the Fresenius Group are obliged to purchase approximately €1,322 million of raw materials and purchased components under fixed terms, of which €785 million was committed at December 31, 2022 for 2023. The terms of these agreements run one to five years.

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## 18. OTHER CURRENT AND NON-CURRENT ASSETS

As of December 31, other current and non-current assets were comprised of the following according to the categorization of the financial instruments:

€ in millions	2022		2021	
		thereof short-term		thereof short-term
At equity investments	793	—	804	—
Tax receivables	593	568	520	496
Contract assets	444	444	487	487
Advance payments	317	306	256	252
Prepaid expenses	142	106	124	85
Accounts receivable resulting from German hospital law	140	127	118	104
Prepaid rent and insurance	55	55	47	47
Other assets	910	764	657	487
<b>Other non-financial assets, net</b>	<b>3,394</b>	<b>2,370</b>	<b>3,013</b>	<b>1,958</b>
Compensation receivable resulting from German hospital law	1,179	772	992	987
Debt instruments	445	170	422	136
Equity investments	224	0	320	—
Leasing receivables	129	—	131	—
Deposits	120	26	120	48
Long-term loans	105	49	118	42
Derivative financial instruments	58	40	20	18
Receivable for supplier rebates	24	24	21	21
Other assets	475	81	416	77
<b>Other financial assets, net</b>	<b>2,759</b>	<b>1,162</b>	<b>2,560</b>	<b>1,329</b>
<b>Other assets, net</b>	<b>6,153</b>	<b>3,532</b>	<b>5,573</b>	<b>3,287</b>
Allowances	102	53	39	30
<b>Other assets, gross</b>	<b>6,255</b>	<b>3,585</b>	<b>5,612</b>	<b>3,317</b>

At equity investments mainly related to the equity method investee of Fresenius Medical Care named Vifor Fresenius Medical Care Renal Pharma Ltd. In 2022, income of €68 million (2021: €93 million) resulting from this equity investment was included in other operating income in the consolidated statement of income.

The accounts receivable resulting from German hospital law contain approved but not yet received earmarked subsidies of the Fresenius Helios operations. The approval is evidenced in a letter written by the granting authorities that Fresenius Helios has already received. The compensation receivable resulting from German hospital law mainly relates to income equalization claims for hospital services.

The increase in compensation receivable in 2022 is mainly due to delayed budget negotiations with providers.

Contract assets mainly related to long-term production contracts for which revenue is recognized over time. As of December 31, 2022, they included €5 million (2021: €1 million) of allowances for expected credit losses.

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## 19. PROPERTY, PLANT AND EQUIPMENT

As of December 31, the acquisition and manufacturing costs as well as accumulated depreciation of property, plant and equipment consisted of the following:

### ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Land	905	-4	1	2	2	15	891
Buildings and improvements	9,615	188	-3	113	545	225	10,233
Machinery and equipment	11,019	233	18	612	142	321	11,703
Construction in progress	2,172	54	6	881	-643	25	2,445
<b>Property, plant and equipment</b>	<b>23,711</b>	<b>471</b>	<b>22</b>	<b>1,608</b>	<b>46</b>	<b>586</b>	<b>25,272</b>

### DEPRECIATION

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Land	21	0	-3	2	0	1	19
Buildings and improvements	4,311	119	-28	517	77	164	4,832
Machinery and equipment	6,808	132	-19	930	-76	274	7,501
Construction in progress	2	0	0	0	-1	0	1
<b>Property, plant and equipment</b>	<b>11,142</b>	<b>251</b>	<b>-50</b>	<b>1,449</b>	<b>0</b>	<b>439</b>	<b>12,353</b>

### ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Land	879	0	-10	14	25	3	905
Buildings and improvements	8,731	267	19	158	544	104	9,615
Machinery and equipment	10,058	320	25	670	364	418	11,019
Construction in progress	2,125	84	-4	905	-920	18	2,172
<b>Property, plant and equipment</b>	<b>21,793</b>	<b>671</b>	<b>30</b>	<b>1,747</b>	<b>13</b>	<b>543</b>	<b>23,711</b>

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## DEPRECIATION

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Land	17	0	-	4	1	1	21
Buildings and improvements	3,735	165	-2	462	20	69	4,311
Machinery and equipment	6,123	186	-1	891	-13	378	6,808
Construction in progress	6	0	-	0	-1	3	2
<b>Property, plant and equipment</b>	<b>9,881</b>	<b>351</b>	<b>-3</b>	<b>1,357</b>	<b>7</b>	<b>451</b>	<b>11,142</b>

## CARRYING AMOUNTS

€ in millions	December 31, 2022	December 31, 2021
Land	872	884
Buildings and improvements	5,401	5,304
Machinery and equipment	4,202	4,211
Construction in progress	2,444	2,170
<b>Property, plant and equipment</b>	<b>12,919</b>	<b>12,569</b>

Depreciation and impairments on property, plant and equipment for the years 2022 and 2021 amounted to €1,449 million and €1,357 million, respectively. They are allocated within costs of revenue, selling expenses, general and administrative expenses and research and development expenses, depending upon the use of the asset. In 2022,

depreciation and impairments on property, plant and equipment included impairment losses of €29 million related to a production plant and associated machines which were fully written off as a result of economic sanctions imposed on Russia, due to the war in Ukraine, that negatively impacted the supply chain to the country.

## LEASING

Machinery and equipment as of December 31, 2022 and 2021 included medical devices which Fresenius Medical Care and Fresenius Kabi lease to hospitals, patients and physicians under operating leases in an amount of €965 million and €914 million, respectively.

For information on the development of the right-of-use assets, see note 31, Leases.

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## 20. GOODWILL AND OTHER INTANGIBLE ASSETS

As of December 31, the acquisition cost and accumulated amortization of intangible assets consisted of the following:

### ACQUISITION COST

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Goodwill	29,138	975	1,433	96	-	3	31,639
Customer relationships	765	7	5	0	-	-	777
Tradenames with finite useful lives	693	2	-	-	0	-	695
Capitalized development costs	1,020	26	399	39	-44	8	1,432
Patents, product and distribution rights	666	35	0	5	5	27	684
Software	1,550	33	32	241	76	100	1,832
Technology	1,015	53	173	0	-	94	1,147
Tradenames with indefinite useful lives	277	18	13	0	-	-	308
Non-compete agreements	344	19	0	0	1	9	355
Management contracts	3	0	-	-	-	-	3
Other	396	7	4	58	-15	8	442
<b>Goodwill and other intangible assets</b>	<b>35,867</b>	<b>1,175</b>	<b>2,059</b>	<b>439</b>	<b>23</b>	<b>249</b>	<b>39,314</b>

### AMORTIZATION

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Goodwill	195	-	-	-	-	-	195
Customer relationships	247	4	-	39	-	-	290
Tradenames with finite useful lives	210	1	-	41	-	0	252
Capitalized development costs	312	11	-10	56	0	7	362
Patents, product and distribution rights	458	22	0	44	0	24	500
Software	687	14	-1	235	-1	98	836
Technology	455	21	-	87	0	94	469
Tradenames with indefinite useful lives	1	-	-1	-	-	-	-
Non-compete agreements	311	18	0	9	1	9	330
Management contracts	2	0	-	-	-	-	2
Other	215	5	0	25	-1	9	235
<b>Goodwill and other intangible assets</b>	<b>3,093</b>	<b>96</b>	<b>-12</b>	<b>536</b>	<b>-1</b>	<b>241</b>	<b>3,471</b>

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## ACQUISITION COST

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Goodwill	26,794	1,280	1,052	13	-	1	29,138
Customer relationships	755	10	-	0	-	-	765
Tradenames with finite useful lives	690	2	0	-	1	-	693
Capitalized development costs	937	31	0	41	12	1	1,020
Patents, product and distribution rights	637	46	0	10	2	29	666
Software	1,355	38	6	237	-32	54	1,550
Technology	947	68	-	-	0	-	1,015
Tradenames with indefinite useful lives	224	18	35	-	-	-	277
Non-compete agreements	315	25	6	-	-	2	344
Management contracts	3	0	-	-	-	0	3
Other	377	14	2	41	-17	21	396
<b>Goodwill and other intangible assets</b>	<b>33,034</b>	<b>1,532</b>	<b>1,101</b>	<b>342</b>	<b>-34</b>	<b>108</b>	<b>35,867</b>

## AMORTIZATION

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Goodwill	195	-	-	-	-	-	195
Customer relationships	203	5	-	39	-	-	247
Tradenames with finite useful lives	168	1	-	41	-	-	210
Capitalized development costs	256	14	-	43	-	1	312
Patents, product and distribution rights	404	28	-	27	0	1	458
Software	625	17	0	160	-63	52	687
Technology	357	25	-	72	1	-	455
Tradenames with indefinite useful lives	-	-	-	1	-	-	1
Non-compete agreements	281	23	0	9	-	2	311
Management contracts	1	0	-	1	-	-	2
Other	209	7	0	21	-1	21	215
<b>Goodwill and other intangible assets</b>	<b>2,699</b>	<b>120</b>	<b>0</b>	<b>414</b>	<b>-63</b>	<b>77</b>	<b>3,093</b>

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## CARRYING AMOUNTS

€ in millions

	December 31, 2022	December 31, 2021
Goodwill	31,444	28,943
Customer relationships	487	518
Tradenames with finite useful lives	443	483
Capitalized development costs	1,070	708
Patents, product and distribution rights	184	208
Software	996	863
Technology	678	560
Tradenames with indefinite useful lives	308	276
Non-compete agreements	25	33
Management contracts	1	1
Other	207	181
<b>Goodwill and other intangible assets</b>	<b>35,843</b>	<b>32,774</b>

Amortization and impairments on intangible assets amounted to €536 million and €414 million for the years 2022 and 2021, respectively.

It is allocated within costs of revenue, selling expenses, general and administrative expenses and research and development expenses, depending upon the use of the asset.

The split of intangible assets into amortizable and non-amortizable intangible assets is shown in the following tables:

## AMORTIZABLE INTANGIBLE ASSETS

€ in millions	December 31, 2022			December 31, 2021		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Customer relationships	777	290	487	765	247	518
Tradenames	695	252	443	693	210	483
Capitalized development costs	1,432	362	1,070	1,020	312	708
Patents, product and distribution rights	684	500	184	666	458	208
Software	1,832	836	996	1,550	687	863
Technology	1,147	469	678	1,015	455	560
Non-compete agreements	355	330	25	344	311	33
Other	442	235	207	396	215	181
<b>Total</b>	<b>7,364</b>	<b>3,274</b>	<b>4,090</b>	<b>6,449</b>	<b>2,895</b>	<b>3,554</b>

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Fresenius Medical Care capitalized development costs in an amount of €75 million for the fiscal year 2022 (2021: €58 million). Capitalized development costs are amortized on a straight-line basis over a useful life of 7 years. The amortization expense for the fiscal year 2022 amounted to €10 million (2021: €6 million). In the case of Fresenius

Kabi, development costs capitalized amounted to €983 million at December 31, 2022 (December 31, 2021: €647 million). The amortization is recorded on a straight-line basis over a useful life of 5 to 20 years and amounted to €20 million for the fiscal year 2022 (2021: €15 million). Furthermore, in 2022, research and development expenses

included impairments of €25 million (2021: reversals of write-downs on capitalized development expenses of €5 million and impairments of €26 million) (see note 7, Research and development expenses). These are included in the preceding amortization tables in the columns additions.

#### NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	December 31, 2022			December 31, 2021		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Goodwill	31,639	195	31,444	29,138	195	28,943
Tradenames	308	–	308	277	1	276
Management contracts	3	2	1	3	2	1
<b>Total</b>	<b>31,950</b>	<b>197</b>	<b>31,753</b>	<b>29,418</b>	<b>198</b>	<b>29,220</b>

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
<b>Carrying amount as of January 1, 2021</b>	<b>12,959</b>	<b>5,058</b>	<b>8,278</b>	<b>298</b>	<b>6</b>	<b>26,599</b>
Additions	444	–	621	0	–	1,065
Disposals	–	-1	0	–	–	-1
Foreign currency translation	958	316	4	2	–	1,280
<b>Carrying amount as of December 31, 2021</b>	<b>14,361</b>	<b>5,373</b>	<b>8,903</b>	<b>300</b>	<b>6</b>	<b>28,943</b>
Additions	702	653	167	14	–	1,536
Disposals	-7	–	-3	–	–	-10
Impairment loss	–	–	–	–	–	–
Foreign currency translation	735	235	6	-1	–	975
<b>Carrying amount as of December 31, 2022</b>	<b>15,791</b>	<b>6,261</b>	<b>9,073</b>	<b>313</b>	<b>6</b>	<b>31,444</b>

The increase of goodwill mainly relates to acquisitions (see note 2, Acquisitions, divestitures and investments) and foreign currency translation.

The Fresenius Group did not record any impairment losses related to goodwill in the fiscal years 2021 and 2022 after comparing each CGU's value in use to its carrying amount.

As of December 31, 2022, the carrying amounts of the other non-amortizable intangible assets were €254 million (2021: €226 million) for Fresenius Medical Care, €14 million (2021: €15 million) for Fresenius Kabi and €41 million (2021: €36 million) for Fresenius Helios.

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## 21. PROVISIONS

As of December 31, provisions consisted of the following:

€ in millions	2022		2021	
		thereof short-term		thereof short-term
Self-insurance programs	457	144	427	306
Personnel expenses	364	279	384	288
Warranties and complaints	281	277	240	236
Litigation and other legal risks	122	102	72	50
Interest payable related to income taxes	35	—	53	—
Other provisions	534	300	482	269
<b>Provisions</b>	<b>1,793</b>	<b>1,102</b>	<b>1,658</b>	<b>1,149</b>

The following table shows the development of provisions in the fiscal year:

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Utilized	Reversed	As of December 31, 2022
Self-insurance programs	427	15	21	128	—	-93	-41	457
Personnel expenses	384	8	11	157	5	-164	-37	364
Warranties and complaints	240	0	0	187	0	-125	-21	281
Litigation and other legal risks	72	-2	1	79	-11	-8	-9	122
Interest payable related to income taxes	53	0	—	1	0	-4	-15	35
Other provisions	482	0	20	194	1	-108	-55	534
<b>Total</b>	<b>1,658</b>	<b>21</b>	<b>53</b>	<b>746</b>	<b>-5</b>	<b>-502</b>	<b>-178</b>	<b>1,793</b>

Provisions for personnel expenses mainly refer to share-based and other compensation plans, severance payments, inflationary compensation payments and jubilee payments.

For details regarding provisions for self-insurance programs, please see note 1. III. x, Self-insurance programs.

For details regarding litigation and other legal risks, please see note 30, Commitments and contingencies.

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## 22. OTHER LIABILITIES

As of December 31, other liabilities consisted of the following according to the categorization of the financial instruments:

€ in millions	2022		2021	
		thereof short-term		thereof short-term
Personnel liabilities	1,664	1,536	1,608	1,478
Tax liabilities	333	298	335	314
Accounts payable resulting from German hospital law	397	397	179	178
Contract liabilities	186	162	534	504
Deferred income	120	97	170	142
All other liabilities	1,151	957	1,193	975
<b>Other non-financial liabilities</b>	<b>3,851</b>	<b>3,447</b>	<b>4,019</b>	<b>3,591</b>
Put option liabilities	2,005	688	1,044	685
Invoices outstanding	1,217	1,217	1,066	1,066
Debtors with credit balances	750	750	676	676
Accrued contingent payments outstanding for acquisitions	633	249	528	41
Bonuses and discounts	330	330	296	296
Compensation payable resulting from German hospital law	179	179	133	132
Interest liabilities	160	160	145	145
Legal matters, advisory and audit fees	58	58	56	56
Commissions	33	33	31	31
Derivative financial instruments	30	29	47	47
All other liabilities	5	0	4	0
<b>Other financial liabilities</b>	<b>5,400</b>	<b>3,693</b>	<b>4,026</b>	<b>3,175</b>
<b>Other liabilities</b>	<b>9,251</b>	<b>7,140</b>	<b>8,045</b>	<b>6,766</b>

Personnel liabilities mainly include liabilities for wages and salaries and social security liabilities.

Contract liabilities primarily relate to advance payments from customers and to sales of dialysis machines. In these cases, revenue is recognized upon installation and provision of the necessary technical instructions whereas a receivable

is recognized once the machine is delivered or billed to the customer. Furthermore, contract liabilities relate to advance payments for Fresenius Medical Care under the CMS Accelerated and Advance Payment program which are recorded as contract liability upon receipt and recognized as revenue when the respective services are provided.

The accounts payable resulting from German hospital law contain earmarked subsidies received but not yet spent appropriately by Fresenius Helios. The amount not yet spent appropriately is classified as liability.

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The Fresenius Group, as option writer of existing put options, has potential obligations to purchase noncontrolling interests held by third parties in certain of its consolidated subsidiaries. If these put options were exercised, the Fresenius Group would be required to purchase all

or part of third-party owners' noncontrolling interests at the present value of the redemption amount based on the fair value at the time of exercise.

The accrued contingent payments outstanding for acquisitions include €424 million at December 31, 2022 (2021: €441 million) for the acquisition of the biosimilars

business as well as €123 million for the acquisition of the Ivenix business and €12 million for the acquisition of the mAbxience business.

## 23. DEBT

### SHORT-TERM DEBT

As of December 31, short-term debt consisted of the following:

€ in millions	Book value	
	2022	2021
Fresenius SE & Co. KGaA Commercial Paper	80	1,056
Fresenius Medical Care AG & Co. KGaA Commercial Paper	497	715
Other short-term debt	279	1,070
<b>Short-term debt</b>	<b>856</b>	<b>2,841</b>

Other short-term debt mainly consists of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks. The average interest rates on the

borrowings at December 31, 2022 and 2021 were 4.20% and 1.29%, respectively.

### LONG-TERM DEBT

As of December 31, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	2022	2021
Schuldschein Loans	1,592	1,757
Loan from the European Investment Bank	400	–
Accounts Receivable Facility of Fresenius Medical Care	94	–
Other	749	843
<b>Subtotal</b>	<b>2,835</b>	<b>2,600</b>
less current portion	669	473
<b>Long-term debt, less current portion</b>	<b>2,166</b>	<b>2,127</b>

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## Schuldschein Loans

As of December 31, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed /variable	Book value € in millions	2022	2021
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93% /variable	–	372	372
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	–	21	21
Fresenius SE & Co. KGaA 2017/2024	€175 million	Jan. 31, 2023	variable	175	175	175
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55% /variable	378	378	378
Fresenius SE & Co. KGaA 2017/2024	€246 million	Jan. 31, 2024	1.40%	246	246	246
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85% /variable	238	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% /variable	206	206	206
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84	84
Fresenius US Finance II, Inc. 2016/2023	US\$43 million	March 10, 2023	3.12%	40	37	37
Fresenius Medical Care AG & Co. KGaA 2022/2027	€25 million	Feb. 14, 2027	variable	25	–	–
Fresenius Medical Care AG & Co. KGaA 2022/2029	€200 million	Feb. 14, 2029	variable	200	–	–
<b>Schuldschein Loans</b>				<b>1,592</b>		<b>1,757</b>

On February 14, 2022, Fresenius Medical Care AG & Co. KGaA issued €225 million of Schuldschein Loans in two tranches at variable interest rates with maturities of five and seven years. The proceeds were used for general corporate purposes including refinancing of existing financial liabilities.

The variable tranche of €175 million of Fresenius SE & Co. KGaA's Schuldschein Loans in the total amount of €421 million originally due on January 31, 2024 was repaid prior to maturity on January 31, 2023.

As of December 31, 2022, the variable tranche of €175 million of Fresenius SE & Co. KGaA's Schuldschein Loans which was prematurely due on January 31, 2023 as well as the Schuldschein Loans of Fresenius US Finance II, Inc. in

the amount of US\$43 million which were due on March 10, 2023 and the Schuldschein Loans of Fresenius SE & Co. KGaA in the amount of €378 million due on September 25, 2023, are shown as current portion of long-term debt in the consolidated statement of financial position.

The Schuldschein Loans of Fresenius US Finance II, Inc. are guaranteed by Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH.

### Loan from the European Investment Bank

On January 31, 2022, Fresenius SE & Co. KGaA drew a loan from the European Investment Bank in the amount of €400 million with variable interest rates which is due on December 15, 2025.

### Accounts Receivable Facility of Fresenius Medical Care

On August 11, 2021, the asset securitization facility (Accounts Receivable Facility) of Fresenius Medical Care was amended and restated, extending it until August 11, 2024. The maximum capacity of US\$900 million (€768 million at August 11, 2021) remains unchanged under the restated Accounts Receivable Facility.

At December 31, 2022, there were outstanding borrowings under the Accounts Receivable Facility of US\$100 million (€94million) (2021: US\$ 0 million (€0 million)). In the amounts shown, debt issuance costs are not included. Fresenius Medical Care had letters of credit outstanding under the Accounts Receivable Facility in the amount of US\$13 million (€12 million) at December 31, 2022 and US\$13 million (€11 million) at December 31, 2021. These

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Letters of credit are not included above as part of the balance outstanding at December 31, 2022, however, they reduce available borrowings under the Accounts Receivable Facility.

Under the Accounts Receivable Facility, certain receivables are contributed to NMC Funding Corp. (NMC Funding), a wholly owned subsidiary of Fresenius Medical Care. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors (and their conduit affiliates). Under the terms of the Accounts Receivable Facility, NMC Funding retains the rights in the underlying cash flows of the transferred receivables. Interest is remitted to the bank investors at the end of each tranche period. If NMC Funding requires additional credit, the principal cash flows are reinvested to purchase additional interests in the receivables. Borrowings under the Accounts Receivable Facility are expected to remain long-term. NMC Funding retains significant risks and rewards in the receivables, among other things, the percentage ownership interest assigned requires Fresenius Medical Care to retain first loss risk in those receivables, and Fresenius Medical Care can, at any time, recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the

consolidated statement of financial position and the proceeds from the transfer of percentage ownership interests are recorded as long-term debt.

NMC Funding pays interest to the bank investors, calculated based on the commercial paper rates for the particular tranches selected. At December 31, 2022, the interest rate was 4.47%. At December 31, 2021, this facility was not utilized. Refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

#### CREDIT LINES AND OTHER SOURCES OF LIQUIDITY

The syndicated credit facilities of Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA in the amount of €2.0 billion each which were entered into in July 2021 serve as backup lines. As an expression of both companies' commitment to integrating sustainability into all aspects of their business, a sustainability component has been embedded in both credit lines. On June 8, 2022, both syndicated credit facilities were amended and extended to extend the term by one year and replace U.S. dollar LIBOR as the reference rate with the Term Secured Overnight Financing Rate. They were undrawn as of December 31, 2022. In

addition, further bilateral facilities are available to the Fresenius Group which have not been utilized, or have only been utilized in part, as of the reporting date.

At December 31, 2022, the available borrowing capacity resulting from unutilized credit facilities was approximately €6.5 billion. Thereof, €4.0 billion related to the syndicated credit facilities and approximately €2.5 billion for bilateral facilities with commercial banks

In addition, Fresenius SE & Co. KGaA has a commercial paper program in the amount of €1,500 million under which short-term notes can be issued. As of December 31, 2022, the commercial paper program of Fresenius SE & Co. KGaA was utilized in the amount of €80 million.

Fresenius Medical Care can also issue short-term notes under a commercial paper program in the amount of €1,500 million. As of December 31, 2022, the commercial paper program of Fresenius Medical Care AG & Co. KGaA was utilized in the amount of €497 million.

Additional financing of up to US\$900 million (€844 million) can be provided using the Fresenius Medical Care Accounts Receivable Facility which had been utilized with US\$100 million (€94 million) and letters of credit of US\$13 million (€12 million) as of December 31, 2022.

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**24. BONDS**

Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA each maintain debt issuance programs

which enable the companies to issue bonds up to a total volume of €12.5 billion and €10 billion, respectively, each in various currencies and maturities. In 2021, the proceeds

of the financing activities were mainly used for general corporate purposes, including refinancing of existing financial liabilities.

As of December 31, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	2022	2021
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	699	699	
Fresenius Finance Ireland PLC 2021/2025	€500 million	Oct. 1, 2025	0.00%	498	497	
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	696	695	
Fresenius Finance Ireland PLC 2021/2028	€500 million	Oct. 1, 2028	0.50%	497	497	
Fresenius Finance Ireland PLC 2021/2031	€500 million	Oct. 1, 2031	0.875%	495	494	
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	496	496	
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	450	449	
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	498	497	
Fresenius SE & Co. KGaA 2022/2025	€750 million	May 24, 2025	1.875%	747	–	
Fresenius SE & Co. KGaA 2022/2026	€500 million	May 28, 2026	4.25%	496	–	
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%	497	495	
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	743	742	
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.75%	746	745	
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	496	495	
Fresenius SE & Co. KGaA 2022/2029	€500 million	Nov. 28, 2029	5.00%	495	–	
Fresenius SE & Co. KGaA 2022/2030	€550 million	May 24, 2030	2.875%	542	–	
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	497	497	
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	–	265	
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	649	649	
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	499	498	
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	497	496	
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	596	595	
Fresenius Medical Care AG & Co. KGaA 2022/2027	€750 million	Sep. 20, 2027	3.875%	745	–	
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	498	497	
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	747	746	
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	–	618	
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	374	352	
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	462	434	
Fresenius Medical Care US Finance III, Inc. 2020/2031	US\$1,000 million	Feb. 16, 2031	2.375%	930	875	
Fresenius Medical Care US Finance III, Inc. 2021/2026	US\$850 million	Dec. 1, 2026	1.875%	791	744	
Fresenius Medical Care US Finance III, Inc. 2021/2031	US\$650 million	Dec. 1, 2031	3.00%	602	567	
<b>Bonds</b>				<b>16,978</b>	<b>14,634</b>	

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## FRESENIUS SE & CO. KGAA

On November 28, 2022, Fresenius SE & Co. KGaA placed bonds with an aggregate volume of €1,000 million. The bonds consist of two tranches with maturities of three and a half and seven years.

On May 24, 2022, Fresenius SE & Co. KGaA placed bonds with an aggregate volume of €1,300 million. The bonds consist of two tranches with maturities of three and eight years.

On April 1, 2021, Fresenius Finance Ireland PLC issued bonds with an aggregate volume of €1,500 million. The bonds consist of three tranches with maturities of four and a half, seven and a half and ten and a half years.

The bonds issued by Fresenius US Finance II, Inc. in the amount of US\$300 million, which were originally due on January 15, 2023, were redeemed prior to maturity on December 13, 2022.

All bonds of Fresenius Finance Ireland PLC are guaranteed by Fresenius SE & Co. KGaA. Some of the bonds issued may be redeemed prior to their maturity at the option of the issuers at a price of 100% plus accrued interest and a premium calculated pursuant to the terms of the indentures under observance of certain notice periods.

The holders of Fresenius bonds have the right to request that the issuers repurchase the bonds at 101% of principal plus accrued interest upon the occurrence of a change of control followed by a decline in the rating of the respective bonds.

Fresenius SE & Co. KGaA has agreed to a number of covenants to provide protection to the holders of bonds issued before 2017, which partly restrict the scope of action of Fresenius SE & Co. KGaA and its subsidiaries (excluding Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) and its subsidiaries). These covenants include restrictions on further debt that can be raised, the mortgaging or sale of assets, the entering into sale and leaseback transactions as well as mergers and consolidations with other companies. Some of these restrictions were suspended automatically as the rating of the respective bonds reached investment grade status. As of December 31, 2022, the Fresenius Group was in compliance with all of its covenants.

## FRESENIUS MEDICAL CARE AG & CO. KGAA

On September 20, 2022, Fresenius Medical Care AG & Co. KGaA placed bonds with an aggregate volume of €750 million with a maturity of five years.

On May 18, 2021, Fresenius Medical Care US Finance III, Inc. issued bonds with an aggregate volume of US\$1,500 million. The bonds consist of two tranches with maturities of five years and seven months and ten years and seven months.

As of December 31, 2022, the bonds issued by Fresenius Medical Care AG & Co. KGaA in the amount of €650 million, which are due on November 29, 2023, are shown as current portion of bonds in the consolidated statement of financial position.

The bonds of Fresenius Medical Care US Finance II, Inc. and Fresenius Medical Care US Finance III, Inc. (wholly owned subsidiaries of FMC-AG & Co. KGaA) are guaranteed jointly and severally by FMC-AG & Co. KGaA and Fresenius Medical Care Holdings, Inc. As for all outstanding U.S. dollar bonds, the issuers may redeem the respective bonds at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the indentures.

The holders of Fresenius Medical Care bonds have the right to request that the respective issuers repurchase the respective bonds at 101% of principal plus accrued interest upon the occurrence of a change of control of FMC-AG & Co. KGaA followed by a decline in the rating of the respective bonds.

FMC-AG & Co. KGaA has agreed to a number of covenants to provide protection to the holders of bonds issued before 2018 which, under certain circumstances, restrict the scope of action of FMC-AG & Co. KGaA and its subsidiaries. These covenants include restrictions on further debt that can be raised, the mortgaging or sale of assets, the entering into sale and leaseback transactions as well as mergers and consolidations with other companies. Some of these restrictions were suspended automatically as the rating of the respective bonds reached investment grade status. As of December 31, 2022, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all of their covenants under the bonds.

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## 25. CONVERTIBLE BONDS

As of December 31, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					2022	2021
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€104.2835	491	482
<b>Convertible bonds</b>					<b>491</b>	<b>482</b>

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €9 thousand and €70 thousand at December 31, 2022 and December 31, 2021, respectively. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

Potential conversions are always cash-settled. Any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options.

plans. In general, plan benefits in defined benefit plans are based on all or a portion of the employees' years of services and final salary. Plan benefits in defined contribution plans are determined by the amount of contribution by the employee and the employer, both of which may be limited by legislation, and the returns earned on the investment of those contributions. For the members of the Management Board of Fresenius Management SE, both defined benefit plans as well as defined contribution plans exist. In their basic features, these are similar to the obligations for the employees.

Upon retirement under defined benefit plans, the Fresenius Group is required to pay defined benefits to former employees when the defined benefits become due. Defined benefit plans may be funded or unfunded. The Fresenius Group's major funded defined benefit plans are in the United States, Switzerland, the United Kingdom, France, South Korea, Belgium and Austria. Major unfunded defined benefit plans exist in Germany and France.

Actuarial assumptions generally determine benefit obligations under defined benefit plans. The actuarial calculations require the use of estimates. The main factors used in the actuarial calculations affecting the level of the benefit obligations are: assumptions on life expectancy, the discount rate and future salary and benefit levels. Under Fresenius Group's funded plans, assets are set aside to meet future payment obligations. An estimated return on the plan assets is recognized as income in the respective period. Actuarial gains and losses are generated when there are variations in the actuarial assumptions and by differences between the actual and the estimated projected benefit obligations and the return on plan assets for that year. A company's pension liability is impacted by these actuarial gains or losses.

Related to defined benefit plans, the Fresenius Group is exposed to certain risks. Besides general actuarial risks, e.g. the longevity risk and the interest rate risk, the

## 26. PENSIONS AND SIMILAR OBLIGATIONS

### GENERAL

The Fresenius Group recognizes pension costs and related pension liabilities for current and future benefits to qualified current and former employees of the Fresenius Group. Fresenius Group's pension plans are structured in accordance with the differing legal, economic and fiscal circumstances in each country. The Fresenius Group currently has two types of plans, defined benefit and defined contribution

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Fresenius Group is exposed to market risk as well as to investment risk.

In the case of Fresenius Group's funded plans, the defined benefit obligation is offset against the fair value of plan assets (deficit or surplus). A pension liability is recognized in the consolidated statement of financial position if the defined benefit obligation exceeds the fair value of plan assets. An asset is recognized and reported under other assets in the consolidated statement of financial position if the fair value of plan assets exceeds the defined benefit obligation and if the Fresenius Group has a right of reimbursement against the fund or a right to reduce future payments to the fund.

Under defined contribution plans, the Fresenius Group pays defined contributions to an independent third party as directed by the employee during the employee's service life which satisfies all obligations of the Fresenius Group to the employee. The employee retains all rights to the contributions made by the employee and to the vested portion of the Fresenius Group paid contributions upon leaving the Fresenius Group. The Fresenius Group has a main defined contribution plan in the United States.

## DEFINED BENEFIT PENSION PLANS

At December 31, 2022, the defined benefit obligation (DBO) of the Fresenius Group of €1,558 million (2021: €2,240 million) included €473 million (2021: €583 million) funded by plan assets and €1,085 million (2021: €1,657 million)

covered by pension liabilities. Furthermore, the pension liability contains benefit obligations offered by other subsidiaries of Fresenius Medical Care in an amount of €45 million (2021: €46 million). The current portion of the pension liability in an amount of €31 million (2021: €28 million) is recognized in the consolidated statement of financial position within short-term provisions and other short-term liabilities. The non-current portion of €1,099 million (2021: €1,675 million) is recorded as pension liability. The decrease of the long-term pension liabilities by €576 million is mainly attributable to adjustments to the discount rate, which resulted in an actuarial gain of the same amount to be recognized in other comprehensive income (loss). For the German "Versorgungsordnung der Fresenius-Unternehmen", which accounts for the substantial portion of the pension liabilities at approximately 75%, a discount rate of 4.30% was applied as of December 31, 2022 (December 31, 2021: 1.40%).

The major part of pension liabilities relates to Germany. At December 31, 2022, 81% of the pension liabilities were recognized in Germany and 15% predominantly in the rest of Europe and North America. 49% of the beneficiaries were located in North America, 36% in Germany and the remainder throughout the rest of Europe and other continents.

75% of the pension liabilities in an amount of €1,130 million relate to the "Versorgungsordnung der Fresenius-Unternehmen" established in 2016 (Pension Plan 2016) and to commitments to the Management Board. The Pension Plan 2016 applied for most of the German entities

of the Fresenius Group for entries up until December 31, 2019 except Fresenius Helios and Fresenius Vamed. For new entrants from January 1, 2020 onwards, a new defined contribution plan applies for these entities. The remaining pension liabilities relate to individual plans from Fresenius Helios entities in Germany and non-German Group entities.

Plan benefits are generally based on an employee's years of service and final salary. Consistent with predominant practice in Germany, the benefit obligations of the German entities of the Fresenius Group are unfunded. The German Pension Plan 2016 does not have a separate pension asset.

Fresenius Medical Care Holdings, Inc. (FMCH), a subsidiary of Fresenius Medical Care AG & Co. KGaA, has a defined benefit pension plan for its employees in the United States and supplemental executive retirement plans. During the first quarter of 2002, FMCH curtailed these pension plans. Under the curtailment amendment for substantially all employees eligible to participate in the plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future services will be earned. FMCH has retained all employee benefit obligations as of the curtailment date. Each year, FMCH contributes to the plan covering United States employees at least the minimum amount required by the Employee Retirement Income Security Act of 1974, as amended. In 2022, there was no

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minimum funding requirement for the defined benefit plan. FMCH voluntarily provided €1 million. Expected funding for 2023 is €1 million.

Controlling and managing the administration of the plan in the United States was delegated by Fresenius Medical Care to an administrative committee. This committee has the authority and discretion to manage the assets of the fund and to approve and adopt certain plan amendments. The board of directors of National Medical Care, Inc., a subsidiary of Fresenius Medical Care, reserves the right to approve or adopt all major plan amendments, such as termination, modification or termination of the future benefit accruals and plan mergers with other pension plans.

Benefit plans offered by other subsidiaries of Fresenius Medical Care outside of the United States, Germany and France contain separate benefit obligations. The total pension liability for these other plans was €45 million and €46 million at December 31, 2022 and 2021, respectively. The current pension liability of €5 million (2021: €4 million) is recognized as a current liability in the line item short-term provisions and other short-term liabilities. The non-current pension liability of €40 million (2021: €42 million) for these plans is recorded as pension liability in the consolidated statement of financial position.

Fresenius Group's benefit obligations relating to fully or partly funded pension plans were €572 million. Benefit obligations relating to unfunded pension plans were €986 million.

The following table shows the changes in benefit obligations, the changes in plan assets, the deficit or surplus of the pension plans and the pension liability. Benefits paid as shown in the changes in benefit obligations represent payments made from both the funded and unfunded plans while the benefits paid as shown in the changes in plan assets include only benefit payments from Fresenius Group's funded benefit plans.

The net pension liability has developed as follows:

€ in millions	2022	2021
<b>Benefit obligations at the beginning of the year</b>	<b>2,240</b>	<b>2,086</b>
Changes in entities consolidated	-1	-2
Foreign currency translation	29	45
Service cost	92	85
Past service cost	4	0
Settlements	-3	0
Net interest cost	37	34
Contributions by plan participants	6	5
Transfer of plan participants	-7	9
Remeasurements	-769	36
Actuarial losses (gains) arising from changes in financial assumptions	-775	46
Actuarial losses (gains) arising from changes in demographic assumptions	-4	-4
Actuarial losses (gains) arising from experience adjustments	10	-6
Benefits paid	-70	-58
<b>Benefit obligations at the end of the year</b>	<b>1,558</b>	<b>2,240</b>
thereof vested	1,301	1,828

€ in millions	2022	2021
<b>Fair value of plan assets at the beginning of the year</b>	<b>583</b>	<b>522</b>
Foreign currency translation	26	36
Actual return (cost) on plan assets	-117	31
Interest income from plan assets	12	11
Actuarial gains (losses) arising from experience adjustments	-129	20
Contributions by the employer	20	14
Contributions by plan participants	6	5
Settlements	-3	-
Transfer of plan participants	5	10
Gains from divestitures	0	-
Benefits paid	-47	-35
<b>Fair value of plan assets at the end of the year</b>	<b>473</b>	<b>583</b>
<b>Net funded position as of December 31</b>	<b>1,085</b>	<b>1,657</b>
Benefit plans offered by other subsidiaries	45	45
<b>Net pension liability as of December 31</b>	<b>1,130</b>	<b>1,702</b>

As of December 31, 2022, pension liabilities in the amount of €9 million (December 31, 2021: €41 million) related to the members of the Management Board of Fresenius Management SE.

The plan assets are neither invested in the Fresenius Group nor in related parties of the Fresenius Group.

As of December 31, 2022, the fair value of plan assets relating to individual pension plans exceeded the corresponding benefit obligations by a minor total amount. As of December 31, 2021, the fair value of plan assets relating

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to individual pension plans exceeded the corresponding benefit obligations by €1 million. Furthermore, for the years 2022 and 2021, there were no effects from asset ceiling.

The discount rates for all plans are based upon yields of portfolios of highly rated debt instruments with maturities that mirror the plan's benefit obligation. Fresenius Group's discount rate is the weighted average of these plans based upon their benefit obligations.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

in %	2022	2021
Discount rate	4.38	1.66
Rate of compensation increase	2.91	2.80
Rate of pension increase	1.80	1.60

Mainly changes in the discount factor, as well as inflation and mortality assumptions used for the actuarial computation resulted in actuarial losses in 2022 which increased the fair value of the defined benefit obligation. Unrecognized actuarial losses were €294 million (2021: €920 million).

## Sensitivity analysis

Increases and decreases in principal actuarial assumptions by 0.5 percentage points would affect the pension liability as of December 31, 2022 as follows:

Development of pension liability € in millions	0.5 pp increase	0.5 pp decrease
Discount rate	-104	117
Rate of compensation increase	17	-16
Rate of pension increase	61	-54

An increase of the mortality rate of 10% would reduce the pension liability by €37 million, while a decrease of 10% would increase the pension liability by €33 million as of December 31, 2022.

The sensitivity analysis was calculated based on the average duration of the pension obligations determined at December 31, 2022. The calculations were performed isolated for each significant actuarial parameter, in order to show the effect on the fair value of the pension liability separately. The sensitivity analysis for compensation increases

and for pension increases excludes the U.S. pension plan, because it is frozen and therefore is not affected by changes from these two actuarial assumptions.

## Further explanatory notes

Defined benefit pension plans' net periodic benefit costs of €122 million (2021: €107 million) were comprised of the following components:

€ in millions	2022	2021
Service cost	97	84
Net interest cost	25	23
<b>Net periodic benefit cost</b>	<b>122</b>	<b>107</b>

Net periodic benefit cost is allocated as personnel expense within costs of revenue, selling expenses, general and administrative expenses as well as research and development expenses. The allocation depends upon the area in which the beneficiary is employed.

The following weighted average assumptions were used in determining net periodic benefit cost for the year ended December 31:

in %	2022	2021
Discount rate	2.18	2.02
Rate of compensation increase	2.80	2.93
Rate of pension increase	1.73	1.54

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The following table shows the expected benefit payments for the next 10 years:

for the fiscal years	€ in millions
2023	67
2024	71
2025	73
2026	77
2027	80
2028 to 2032	457
<b>Total expected benefit payments</b>	<b>825</b>

At December 31, 2022 and at December 31, 2021, the weighted average duration of the defined benefit obligation was 14 and 19 years, respectively.

The fair values of plan assets by categories were as follows:

€ in millions	December 31, 2022			December 31, 2021				
	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
<b>Categories of plan assets</b>								
Equity investments	64	65	–	129	81	85	–	166
Index funds <sup>1</sup>	35	65	–	100	44	85	–	129
Other equity investments	29	–	–	29	37	–	–	37
Fixed income investments	81	176	6	263	103	220	8	331
Government securities <sup>2</sup>	11	0	–	11	21	0	–	21
Corporate bonds <sup>3</sup>	41	170	–	211	29	212	–	241
Other fixed income investments <sup>4</sup>	29	6	6	41	53	8	8	69
Other <sup>5</sup>	69	12	–	81	74	12	–	86
<b>Total</b>	<b>214</b>	<b>253</b>	<b>6</b>	<b>473</b>	<b>258</b>	<b>317</b>	<b>8</b>	<b>583</b>

<sup>1</sup> This category is mainly comprised of low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Russell 2000, the MSCI Emerging Markets Index and the Morgan Stanley International EAFE Index.

<sup>2</sup> This category is primarily comprised of fixed income investments by the U.S. government and government sponsored entities.

<sup>3</sup> This category primarily represents investment grade bonds of U.S. issuers from diverse industries.

<sup>4</sup> This category is mainly comprised of private placement bonds as well as collateralized mortgage obligations as well as cash and funds that invest in U.S. treasury obligations directly or in U.S. treasury backed obligations.

<sup>5</sup> This category mainly represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds.

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The methods and inputs used to measure the fair value of plan assets are as follows:

Index funds are valued based on market quotes.

Other equity investments are valued at their market prices as of the date of the statement of financial position.

Government bonds are valued based on both market prices (Level 1) and market quotes (Level 2).

Corporate bonds and other bonds are valued based on market quotes as of the date of the statement of financial position.

Cash is stated at nominal value which equals the fair value.

U.S. Treasury money market funds as well as other money market and mutual funds are valued at their market prices.

### Plan investment policy and strategy in the United States

The Fresenius Group periodically reviews the assumptions for long-term expected return on pension plan assets. As part of the assumptions review, a range of reasonable expected investment returns for the pension plan as a whole was determined based on an analysis of expected future returns for each asset class weighted by the allocation of

the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class.

The overall investment strategy for the U.S. pension plan is to achieve a mix of approximately 99% of investments for long-term growth and income and 1% in cash or cash equivalents. Investment income and cash or cash equivalents are used for near-term benefit payments. Investments are governed by the plan investment policy and include well diversified index funds or funds targeting index performance.

The plan investment policy, utilizing a revised target investment allocation in a range around 26% equity and 74% fixed income investments, considers that there will be a time horizon for invested funds of more than five years. The total portfolio will be measured against a custom index that reflects the asset class benchmarks and the target asset allocation. The plan investment policy does not allow investments in securities of Fresenius Medical Care AG & Co. KGaA or other related party securities. The performance benchmarks for the separate asset classes include: S & P 500 Index, S & P 400 Mid-Cap Index, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index, Barclays Capital Long-Corporate Bond Index, Bloomberg Barclays U.S. Corporate High Yield Index, and Bloomberg Barclays U.S. High Yield Fallen Angel 3% Capped Index.

The following schedule describes Fresenius Group's allocation for all of its funded plans.

in %	Allocation 2022	Allocation 2021	Target allocation
Equity investments	27.35	28.37	26.66
Fixed income investments	55.39	57.03	56.95
Other incl. real estate/fonds	17.26	14.60	16.39
Total	100.00	100.00	100.00

Contributions to plan assets for the fiscal year 2023 are expected to amount to €18 million.

### DEFINED CONTRIBUTION PLANS

Fresenius Group's total expense under defined contribution plans for 2022 was €148 million (2021: €201 million). Of this amount, €114 million related to contributions by the Fresenius Group to several public supplementary pension funds for employees of Fresenius Helios. This includes €25 million for contributions related to financing the deficit of past service costs. Further €77 million related to contributions to the U.S. savings plan, which employees of Fresenius Medical Care Holdings, Inc. can join.

In accordance with applicable collective bargaining agreements, the Fresenius Group pays contributions for a given number of employees of Fresenius Helios to the Rheinische Zusatzversorgungskasse (a supplementary pension fund) and to other public supplementary pension funds (together referred to as ZVK ÖD) to complement statutory

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retirement pensions. Given that employees from multiple participating entities are insured by these ZVK ÖDs, these plans are considered Multi-Employer plans.

ZVK ÖDs are defined benefit plans according to IAS 19 since employees are entitled to the statutory benefits regardless of the amounts contributed. The plan assets of the fund necessary to evaluate and calculate the funded status of the Group cannot be obtained from the supplementary pension funds and therefore due to the missing information about future payment obligations, the calculation of a pension liability in accordance with IAS 19 is not possible. Therefore, the obligation is accounted for as defined contribution plan in accordance with IAS 19.34a. The contributions are collected as part of a pay-as-you-go system and are based upon applying a fixed rate to given parts of the employees' gross remuneration.

Paid contributions are accounted for as personnel expenses within costs of revenue, selling expenses as well as general and administrative expenses and amounted to €114 million in 2022 (2021: €111 million). Thereof, €66 million (2021: €64 million) were payments to Rheinische Zusatzversorgungskasse, to Versorgungsanstalt des Bundes und der Länder and to Zusatzversorgungskasse Baden-Württemberg (2021: Rheinische Zusatzversorgungskasse, Versorgungsanstalt des Bundes und der Länder and Zusatzversorgungskasse Baden-Württemberg) (supplementary pension funds). The Group expects to contribute in 2023 €124 million (including payments relating to past service costs).

Under the U.S. savings plan, employees can deposit up to 75% of their pay up to an annual maximum of US\$22,500 if under 50 years old (US\$30,000 if 50 or over). Fresenius Medical Care will match 50% of the employee deposit up to a maximum company contribution of 3% of the employee's pay. Fresenius Medical Care's total expense under this defined contribution plan for the years ended December 31, 2022 and 2021 was €77 million and €68 million, respectively.

## 27. NONCONTROLLING INTERESTS

As of December 31, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	2022	2021
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	9,489	8,609
Noncontrolling interests in VAMED Aktiengesellschaft	76	88
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,460	1,280
Fresenius Kabi	602	161
Fresenius Helios	155	134
Fresenius Vamed	21	18
<b>Total noncontrolling interests</b>	<b>11,803</b>	<b>10,290</b>

The increase of noncontrolling interests of Fresenius Medical Care mainly relates to currency translation and the InterWell Health business combination.

For further financial information relating to Fresenius Medical Care see the consolidated segment reporting on pages 294 to 296.

The increase of noncontrolling interests of Fresenius Kabi mainly results from the acquisition of a stake of 55% of mAbxience (see note 2, Acquisitions, divestitures and investments).

Accumulated other comprehensive income (loss) allocated to noncontrolling interests mainly relates to currency effects from the translation of foreign operations. For changes in noncontrolling interests, please see the consolidated statement of changes in equity.

## 28. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

#### Development of subscribed capital

As of January 1, 2022, the subscribed capital of Fresenius SE & Co. KGaA consisted of 558,502,143 bearer ordinary shares.

On June 9, 2022, Fresenius SE & Co. KGaA successfully completed a capital increase in kind with subscription rights in return for the contribution of dividend entitlements as part of the share dividend. In connection with the capital increase, 4,735,134 new bearer ordinary shares were issued and the subscribed capital was increased by €4,735,134 to €563,237,277. The new shares have full dividend entitlement for fiscal year 2022 and have been admitted for trading on the stock exchange.

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During the fiscal year 2022, no stock options were exercised. Consequently, as of December 31, 2022, the subscribed capital of Fresenius SE & Co. KGaA consisted of 563,237,277 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

#### AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on May 13, 2022, the previous Authorized Capital I was revoked and a new Authorized Capital I (2022) was approved.

Accordingly, the general partner, Fresenius Management SE, is authorized, with the approval of the Supervisory Board, until May 12, 2027, to increase Fresenius SE & Co. KGaA's share capital (subscribed capital) by a total amount of up to €125,000,000 through a single or multiple issues of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital I (2022)). The number of shares must increase in the same proportion as the subscribed capital. In principle, shareholders must be granted a subscription right. In defined cases, the general partner is authorized, with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right (e.g. to eliminate fractional amounts). For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price of the already listed shares

at the time the issue price is fixed with final effect by the general partner. Furthermore, in case of a capital increase against cash contributions, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization. In the case of a subscription in kind, the subscription right can be excluded only in order to acquire a company, parts of a company or a participation in a company.

The authorizations granted concerning the exclusion of subscription rights can be used by Fresenius Management SE only to such extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization.

The changes to the Authorized Capital I became effective upon registration with the commercial register on July 5, 2022.

#### CONDITIONAL CAPITAL

In order to fulfill the subscription right under the current stock option plan 2013 of Fresenius SE & Co. KGaA, Conditional Capital IV exists (see note 36, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

This authorization from May 18, 2018 was revoked by resolution of the Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022 and replaced by an identical new Conditional Capital III with a five-year term.

Accordingly, the general partner is authorized, with the approval of the Supervisory Board, until May 12, 2027, to issue option bearer bonds and/or convertible bearer bonds, once or several times, for a total nominal amount of up to €2.5 billion. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA is increased conditionally by up to €48,971,202 through issuing of up to 48,971,202 new bearer ordinary shares. The conditional capital increase shall only be implemented to the extent that the holders of cash issued convertible bonds or of cash issued warrants from option bonds exercise their conversion or option rights and as long as no other forms of settlement are used. The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

The new Conditional Capital III became effective upon registration with the commercial register on July 5, 2022.

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The Conditional Capital did not change in 2022. It was composed as follows as of December 31, 2022:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	22,824,857
<b>Total Conditional Capital as of December 31, 2022</b>	<b>79,984,079</b>

## CAPITAL RESERVES

Capital reserves are comprised of the premium paid on the issue of shares and the exercise of stock options (additional paid-in capital) as well as changes relating to transactions with noncontrolling interests without loss of control. Additional paid-in capital increased primarily as a result of the business combination of InterWell Health (see note 2, Acquisitions, divestitures and investments) as well as other purchases of noncontrolling interests in dialysis clinics in the United States.

In the first half of 2022, the capital reserves increased by €142 million in connection with the capital increase of the subscribed capital. The accrued expenses in an amount of €0.8 million were charged against the capital reserves.

## OTHER RESERVES

Other reserves are comprised of earnings generated by Group entities in prior years to the extent that they have not been distributed.

## DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2022, a dividend of €0.92 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting. The total dividend was €514 million. The shareholders had the opportunity to

exchange a portion of the dividend (Dividend Option Portion) for Fresenius SE & Co. KGaA shares. In June 2022, €147 million in dividend entitlements for new shares were distributed from authorized capital and therefore not substituted for cash. The remaining portion of the dividend in the amount of €367 million was paid in cash in June 2022. Thereby, the Else Kröner-Fresenius-Stiftung was paid the dividend which it is entitled to as a shareholder in the ordinary share capital of Fresenius SE & Co. KGaA in both, pro rata, shares and in cash.

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## 29. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) is comprised of all amounts recognized directly in equity (net of tax) resulting from the currency translation of foreign subsidiaries'

financial statements and the effects of measuring financial instruments at their fair value as well as the change in benefit obligation.

Changes in the components of other comprehensive income (loss) in 2022 and 2021 were as follows:

€ in millions	Amount before taxes	Tax effect	Amount after taxes
<b>Positions which will be reclassified into net income in subsequent years</b>			
Cash flow hedges	-6	2	-4
Change in unrealized gains/losses	-22	5	-17
Realized gains/losses due to reclassifications	16	-3	13
FVOCI debt instruments	-10	2	-8
Foreign currency translation	1,475	4	1,479
<b>Positions which will not be reclassified into net income in subsequent years</b>			
FVOCI equity investments	-28	8	-20
Equity method investees - share of OCI	-23	0	-23
Actuarial gains/losses on defined benefit pension plans	-15	8	-7
<b>Total changes 2021</b>	<b>1,393</b>	<b>24</b>	<b>1,417</b>
<b>Positions which will be reclassified into net income in subsequent years</b>			
Cash flow hedges	23	-5	18
Change in unrealized gains/losses	18	-3	15
Realized gains/losses due to reclassifications	5	-2	3
FVOCI debt instruments	-45	8	-37
Foreign currency translation	1,143	3	1,146
<b>Positions which will not be reclassified into net income in subsequent years</b>			
FVOCI equity investments	9	-1	8
Equity method investees - share of OCI	24	-1	23
Actuarial gains/losses on defined benefit pension plans	640	-182	458
<b>Total changes 2022</b>	<b>1,794</b>	<b>-178</b>	<b>1,616</b>

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## OTHER NOTES

### 30. COMMITMENTS AND CONTINGENCIES

As of December 31, 2022, future investment commitments existed in respect to acquired hospitals, which are projected to amount up to €54 million until 2024. Thereof €27 million relate to the year 2023.

As of December 31, 2021, future investment commitments existed in respect to acquired hospitals, which are projected to amount up to €70 million until 2024. No investment commitments related to the year 2022.

In addition to the contingent liabilities mentioned above, there are contingent contractual commitments from continuing obligations and service contracts in the customary scope of business.

### LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in claims, law-suits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. The Fresenius Group records its litigation reserves for certain legal proceedings and regulatory matters to the extent that the Fresenius Group determines an unfavorable outcome is probable and the amount of loss can be reasonably

estimated. For the other matters described below, the Fresenius Group believes that the loss is not probable and/or the loss or range of possible losses cannot be reasonably estimated at this time.

The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

#### Internal review/FCPA Compliance

Beginning in 2012, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) received certain communications alleging conduct in countries outside the United States that might violate the U.S. Foreign Corrupt Practices Act (FCPA) or other anti-bribery laws. FMC-AG & Co. KGaA conducted investigations with the assistance of outside counsel and, in a continuing dialogue, advised the Securities and Exchange Commission (SEC) and the United States Department of

Justice (DOJ) about these investigations. The DOJ and the SEC also conducted their own investigations, in which FMC-AG & Co. KGaA cooperated.

In the course of this dialogue, FMC-AG & Co. KGaA identified and reported to the DOJ and the SEC, and took remedial actions with respect to, conduct that resulted in the DOJ and the SEC seeking monetary penalties including disgorgement of profits and other remedies. This conduct revolved principally around FMC-AG & Co. KGaA's products business in countries outside the United States.

On March 29, 2019, FMC-AG & Co. KGaA entered into a non-prosecution agreement (NPA) with the DOJ and a separate agreement with the SEC (SEC Order) intended to resolve fully and finally the U.S. government allegations against FMC-AG & Co. KGaA arising from the investigations. Both agreements included terms starting August 2, 2019. In 2019, FMC-AG & Co. KGaA paid a combined total in penalties and disgorgement of approximately US\$232 million (€206 million) to the DOJ and the SEC in connection with these agreements. The entire amount paid to the DOJ and the SEC was reserved for in charges that FMC-AG & Co. KGaA recorded in 2017 and 2018 and announced in 2018. As part of the resolution, FMC-AG & Co. KGaA agreed to certain self-reporting obligations and to retain an independent compliance monitor (the Monitor). Due in part to COVID-19 pandemic restrictions, the monitorship faced

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certain delays, but FMC-AG & Co. KGaA is working to complete all its obligations under the resolution with the DOJ and SEC. The Monitor certified to FMC-AG & Co. KGaA's implementation of an effective anti-corruption compliance program on December 30, 2022, and submitted her final certification report on January 31, 2023. Subject to a review of that report, the DOJ and SEC will accept or reject the Monitor's certification. Assuming certification is accepted, the NPA and SEC Order are expected to terminate on March 31, 2023.

In 2015, FMC-AG & Co. KGaA self-reported to the German prosecutor conduct with a potential nexus to Germany and continues to cooperate with government authorities in Germany in their review of the conduct that prompted FMC-AG & Co. KGaA's and United States government investigations.

Since 2012, FMC-AG & Co. KGaA has made and continues to make further significant investments in its compliance and financial controls and in its compliance, legal and financial organizations. FMC-AG & Co. KGaA's remedial actions included separation from those employees responsible for the above-mentioned conduct. FMC-AG & Co. KGaA is dealing with post-FCPA review matters on various levels. FMC-AG & Co. KGaA continues to be fully committed to compliance with the FCPA and other applicable anti-bribery laws.

### Product liability litigation

Personal injury and related litigation involving Fresenius Medical Care Holding Inc.'s (FMCH) acid concentrate product, labeled as Granuflo® or Naturalyte®, first arose in 2012. FMCH's insurers agreed to the settlement in 2017 of personal injury litigation and funded US\$220 million (€179 million) of the total US\$250 million (€204 million) settlement under a reciprocal reservation of rights. FMCH accrued a net expense of US\$60 million (€49 million) in connection with the settlement, encompassing its contribution of US\$30 million (€24.5 million) to the personal injury settlement plus US\$30 million (€24.5 million) in related but uninsured fees and costs. Following the settlement, FMCH's insurers in the AIG group initiated litigation against FMCH seeking to be indemnified by FMCH for their US\$220 million (€179 million) outlay and FMCH initiated litigation against the AIG group to recover defense and indemnification costs FMCH had borne. *National Union Fire Insurance v. Fresenius Medical Care*, 2016 Index No. 653108 (Supreme Court of New York for New York County).

As litigation proceeded, the parties refined their positions, resulting in AIG requesting recovery of approximately US\$60 million (€49 million) of its settlement outlay and FMCH requesting US\$108 million (€88 million) in defense fees and costs. The parties filed multiple, crossing motions for summary judgment. On January 12, 2023, the trial court

decided these motions. Among its rulings, the court largely rejected both FMCH's theories for recovering defense costs and AIG's theories for recovering settlement funding. However, the trial court denied both parties' motions on one issue and severed and continued that issue for trial. The issue to be tried relates to FMCH's exhaustion of deductible obligations for, and weightings of, policy years to be considered in allocating between AIG and FMCH the US\$250 million (€204 million) paid as a single, aggregate sum to resolve the personal injury litigation as a whole. As related to this one issue in isolation, AIG's motion, had it prevailed, would have supported AIG's recovering approximately US\$48 million (€45 million); FMCH's corresponding motion would have resulted in no recovery for AIG. With both motions having been denied, neither party has indicated its position for trial. No date has been set for trial. Following trial, appeals may be pursued on all rulings by the trial court.

### Subpoena "Maryland"

In August 2014, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena from the United States Attorney's Office (USAO) for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians involving contracts relating to the management of in-patient acute dialysis services. Thereafter, the USAO

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conducted an investigation, in which FMCH cooperated, and declined to intervene in the matter. After the United States District Court for Maryland unsealed the 2014 relator's qui tam complaint that gave rise to the investigation, the relator served the complaint and proceeded on his own by filing an amended complaint, which FMCH moved to dismiss on multiple grounds. On October 5, 2021, on FMCH's venue motion, the District Court for Maryland transferred the case to the United States District Court for Massachusetts. Flanagan v. Fresenius Medical Care Holdings, Inc., 1:21-cv-11627. On December 5, 2022, the Massachusetts District Court granted FMCH's motion and dismissed the case with prejudice. Relator has filed a motion to reconsider and asserted his intent to appeal.

#### Civil complaint "Hawaii"

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act alleging a conspiracy pursuant to which certain Liberty Dialysis subsidiaries of Fresenius Medical Care Holdings, Inc. (FMCH) overbilled Hawaii Medicaid for Liberty's Epopen® administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition

of Liberty. Hawaii v. Liberty Dialysis - Hawaii, LLC et al., Case No. 15-1-1357-07 (Hawaii 1st Circuit). The State alleged that Liberty acted unlawfully by relying on incorrect and unauthorized billing guidance provided to Liberty by Hawaii's contracted administrator for its Medicaid program. Liberty initiated an administrative action challenging the State's recoupment of alleged overpayments from sums currently owed to Liberty. On June 7, 2022, FMCH and Hawaii entered into an agreement under which FMCH paid Hawaii US\$13 million (€12 million) in restitution and interest and all claims, counterclaims, and cross-claims raised by or against FMCH in any part of the litigation were extinguished.

#### Subpoenas "Colorado and New York"

On August 31, 2015, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena under the False Claims Act from the United States Attorney for the District of Colorado (Denver) inquiring into FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners. FMCH cooperated in the Denver USAO investigation, which FMCH understands had concluded on or before June 1, 2022.

On November 25, 2015, FMCH received a subpoena under the False Claims Act from the United States Attorney for the Eastern District of New York (Brooklyn) inquiring

into FMCH's involvement in certain dialysis facility joint ventures in New York. After the Brooklyn USAO completed its investigation, in which FMCH cooperated, and declined to intervene on the qui tam complaint that gave rise to the investigation, the relator proceeded with litigation on its own. CKD Project LLC v. Fresenius Medical Care, 2014 Civ. 06646 (E.D.N.Y. November 12, 2014). On August 3, 2021, the District Court granted FMCH's motion to dismiss the relator's amended complaint, dismissed the case with prejudice and declined to allow further amendment. On December 20, 2022, the United States Court of Appeals for the Second Circuit denied the relator's appeal and affirmed the dismissal. The relator's petition for rehearing en banc was denied.

#### Subpoena "Fresenius Vascular Care" (AAC)

In 2014, two New York physicians filed under seal a qui tam complaint in the United States District Court for the Eastern District of New York (Brooklyn), alleging violations of the False Claims Act relating to Fresenius Medical Care Holdings, Inc.'s (FMCH) vascular access line of business. As previously disclosed, on October 6, 2015, the United States Attorney for the Eastern District of New York (Brooklyn) issued subpoenas to FMCH indicating its investigation

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now seen to be related to the two relators' complaint. FMCH cooperated in the Brooklyn investigation, which was understood to be separate and distinct from settlements entered in 2015 in Connecticut, Florida and Rhode Island of allegations against American Access Care LLC (AAC) following FMCH's 2011 acquisition of AAC.

On July 12, 2022, after the Court denied the United States Attorney's Office's (USAO) motions to renew the sealing of the relators' complaint, the USAO filed a complaint-in-intervention. *United States ex rel. Pepe and Sherman v. Fresenius Vascular Care, Inc. et al*, 1:14-cv-3505. The United States' and relators' complaints allege that the defendants billed and received government payment for surgery that was not medically necessary. FMCH expects to defend the allegations asserted in the litigation now proceeding.

### Subpoena "New York" (Shiel)

On November 18, 2016, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena under the False Claims Act from the United States Attorney for the Eastern District of New York (Brooklyn) seeking documents and information relating to the operations of Shiel Medical Laboratory, Inc. (Shiel), which FMCH acquired in October 2013. FMCH advised the USAO that, under the asset sale provisions of its 2013 Shiel acquisition, it was not responsible for Shiel's conduct prior to the date of the acquisition. On December 12, 2017, FMCH sold to Quest Diagnostics certain Shiel

operations. Nonetheless, FMCH cooperated in the Brooklyn USAO's investigation.

On June 14, 2022, the Brooklyn USAO declined to intervene on two anonymous relator complaints that underlay the investigation. The relators, who remain anonymous, are proceeding with litigation at their own expense against both Shiel and FMCH entities, alleging that the defendants wrongfully caused government payers to pay for laboratory tests that were falsely or improperly invoiced and retaliated against relators for objecting to the alleged misconduct. *Relator v. Shiel Medical Laboratory*, 1:16-cv-01090 (E.D.N.Y. 2016); *Relator v. Shiel Holdings*, 1:17-cv-02732 (E.D.N.Y. 2017). FMCH will defend allegations directed against entities it controls.

### Vifor patent infringement

#### Fresenius Medical Care (Delaware)

On March 12, 2018, Vifor Fresenius Medical Care Renal Pharma Ltd. and Vifor Fresenius Medical Care Renal Pharma France S.A.S. (collectively, VFMCRP), filed a complaint for patent infringement against Lupin Atlantis Holdings SA and Lupin Pharmaceuticals Inc. (collectively, Lupin), and Teva Pharmaceuticals USA, Inc. (Teva) in the U.S. District Court for the District of Delaware (Case 1:18-cv-00390-MN, first complaint). The patent infringement action is in response to Lupin and Teva's filings of Abbreviated New Drug Applications (ANDA) with the U.S. Food and Drug Administration (FDA) for generic versions of Velphoro®. Velphoro® is

protected by patents listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book. The complaint was filed within the 45-day period provided for under the Hatch-Waxman legislation, and triggered a stay of FDA approval of the ANDAs for 30 months (specifically, up to July 29, 2020 for Lupin's ANDA; and August 6, 2020 for Teva's ANDA. In response to another ANDA being filed for a generic Velporo®, VFMCRP filed a complaint for patent infringement against Annora Pharma Private Ltd., and Hetero Labs Ltd. (collectively, Annora), in the U.S. District Court for the District of Delaware on December 17, 2018. The case was settled among the parties, thus terminating the court action on August 4, 2020. On May 26, 2020, VFMCRP filed a further complaint for patent infringement against Lupin in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00697-MN) in response to Lupin's ANDA for a generic version of Velphoro® and on the basis of a newly listed patent in the Orange Book. On July 6, 2020, VFMCRP filed an additional complaint for patent infringement against Lupin and Teva in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00911-MN, second complaint) in response to the companies' ANDA for generic versions of Velphoro® and on the basis of two newly listed patents in the Orange Book. All cases involving Lupin as defendant were settled among the parties, thus terminating the corresponding court actions on December 18, 2020. In relation to the remaining pending cases and the defendant Teva,

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trial took place for the first complaint between January 19 and 22, 2021. Another patent newly listed in the Orange Book was added to the second complaint on June 23, 2021. Trial was scheduled for the second complaint for late June 2022, but was cancelled on June 14, 2022. By final judgement dated August 25, 2022, the Court decided for the first complaint that the generic product proposed in Teva's ANDA infringes the patent claims subject to the complaint and that such patent claims are valid. Further, unless the order is overturned or the parties agree otherwise, the effective date of any final approval by the FDA for Teva's ANDA shall not be a date until the underlying patent, including any pediatric extension, expires. On September 21, 2022, Teva filed an appeal to the U.S. Court of Appeals for the Federal Circuit to contest the first instance Court decision. Also on September 21, 2022, VFMCRP filed another complaint for patent infringement against Teva in the U.S. District Court for the District of Delaware (Case No. 1:22-cv-01227-MN, third complaint) in response to the company's ANDA for generic versions of Velphoro® and on the basis of another newly listed patent in the Orange Book. On October 4, 2022, a motion to stay the proceedings of the second complaint until the appeal for the first complaint is resolved was granted by the first instance Court. All cases involving Teva as defendant were settled among the parties, thus terminating the corresponding court actions on February 6, 2023 (second and third complaint) and February 7, 2023 (appeal first complaint).

### Subpoena "Colorado (Denver)"

On December 17, 2018, Fresenius Medical Care Holdings, Inc. (FMCH) was served with a subpoena under the False Claims Act from the United States Attorney for the District of Colorado (Denver) as part of an investigation of allegations against DaVita, Inc. (DaVita) involving transactions between FMCH and DaVita. The subject transactions include sales and purchases of dialysis facilities, dialysis-related products and pharmaceuticals, including dialysis machines and dialyzers, and contracts for certain administrative services. FMCH cooperated in the investigation.

### Litigation Tricare Program

On June 28, 2019, certain Fresenius Medical Care Holdings, Inc. (FMCH) subsidiaries filed a complaint against the United States seeking to recover monies owed to them by the United States Department of Defense under the Tricare program, and to preclude Tricare from recouping monies previously paid. Bio-Medical Applications of Georgia, Inc., et al. v. United States, CA 19-947, United States Court of Federal Claims. Tricare provides reimbursement for dialysis treatments and other medical care provided to members of the military services, their dependents and retirees. The litigation challenges unpublished administrative actions by Tricare administrators reducing the rate of compensation paid for dialysis treatments provided to Tricare beneficiaries based on a recasting or "crosswalking" of codes used

and followed in invoicing without objection for many years. Tricare administrators have acknowledged the unpublished administrative action and declined to change or abandon it. On July 8, 2020, the U.S. government filed its answer (and confirmed its position) and litigation is continuing. The court has not yet set a date for trial in this matter. FMCH has imposed a constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the risk of this litigation.

### Subpoena "Massachusetts ChoiceOne and Medspring"

On August 21, 2020, Fresenius Medical Care Holdings, Inc. (FMCH) was served with a subpoena from the United States Attorney for the District of Massachusetts requesting information and documents related to urgent care centers that FMCH owned, operated, or controlled as part of its ChoiceOne and Medspring urgent care operations prior to its divestiture of and exit from that line of business in 2018. The subpoena appears to be related to an ongoing investigation of alleged upcoding in the urgent care industry, which has resulted in certain published settlements under the federal False Claims Act. FMCH cooperated in the investigation.

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## HBDI Request

In February 2022, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) received a formal request for information from the Hessen Data Protection Authority (Hessischer Beauftragter für Datenschutz und Informationsfreiheit or HBDI). The information request relates to specific data processing functions of a few of FMC-AG & Co. KGaA's peritoneal dialysis devices. FMC-AG & Co. KGaA is committed to comply with the HBDI's request and cooperate with them, and it is working to provide the relevant information.

## OSHA Complaint

On March 20 and April 12, 2022, respectively, an attorney employed as general counsel for Fresenius Medical Care AG & Co. KGaA's (FMC-AG & Co. KGaA) North American division from 2013 to 2016 filed a complaint with the Occupational Safety and Health Administration (OSHA) under the Sarbanes-Oxley Act of 2002 and other anti-retaliation statutes, and a civil lawsuit in Suffolk County, Massachusetts seeking compensation for personnel management decisions allegedly adverse to him. OSHA Case No. 1-076-22-049; Kott v. National Medical Care, Inc., Case No. 22-802 (Superior Court, Suffolk County, Mass.).

The plaintiff alleges in support of his demands for compensation that he was transferred to a subordinate position in the global legal department, and subsequently terminated from employment as part of the FME25 Program, in retaliation for legal advice he provided with respect to a licensing

agreement with DaVita relating to pharmaceutical operations and products. The DaVita licensing agreement expired by its terms in 2017.

As previously disclosed in FMC-AG & Co. KGaA's financial statements, the United States Department of Justice has reviewed multiple aspects of the DaVita contract in question, including those relevant to the plaintiff's allegations. No enforcement action has resulted against FMC-AG & Co. KGaA.

Other bases of retaliation alleged by the plaintiff implicate internal personnel and privacy protection concerns that do not impact ongoing operations, and on which FMC-AG & Co. KGaA does not comment.

## Subpoena "American Kidney Foundation"

On January 3, 2023, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena from the Attorney General for the District of Columbia related to the activities of the American Kidney Foundation (AKF) and grounded in antitrust concerns, including market allocation within the District of Columbia. FMCH's relationship with AKF was the subject of previously reported, but resolved, investigation by agencies of the United States and litigation against United Healthcare. FMCH is cooperating in the District of Columbia investigation.

## Subpoena "Nevada"

In November 2014, Fresenius Kabi Oncology Limited (FKOL) received a subpoena from the U.S. Department of Justice (DOJ), U.S. Attorney for the District of Nevada. The

subpoena requested documents in connection with the January 2013 inspection by the U.S. Food and Drug Administration (FDA) of FKOL's plant for active pharmaceutical ingredients in Kalyani, India. That inspection resulted in a warning letter from the FDA in July 2013. The subpoena marked the DOJ's criminal and/or civil investigation in this connection and sought information from throughout the Fresenius Kabi group. Fresenius Kabi fully cooperated with the governmental investigation. In January 2021, Fresenius Kabi has entered into a final agreement (Plea Agreement) with the DOJ in which Fresenius Kabi undertakes to make a penalty payment of US\$50 million. The agreement includes other measures to ensure that a misconduct of the nature detected in 2013 will not occur again in the future. The final agreement has received court sentencing and was implemented accordingly. The payment was made on the basis of an existing accrual.

## Patent Dispute Fresenius Kabi France

Patent dispute between Fresenius Kabi and Eli Lilly in France and other European countries regarding Eli Lilly's originator product Alimta® and Fresenius Kabi's generic Pemetrexed sold in France and further countries in Europe. The Paris Tribunal has now rendered a decision in favor of Eli Lilly holding Fresenius Kabi France to infringe Eli Lilly's patent and to make a preliminary payment of €28 million

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for patent infringement and damages due to unfair competition, including lost revenues and price decrease. This amount was initially covered by an existing higher accrual. In March 2021, Fresenius Kabi and Eli Lilly have entered into a pan-European settlement pursuant to which, among other provisions, Fresenius Kabi undertakes to make a payment of US\$68.5 million to Lilly less the amount of €28 million already paid during the proceedings in France. In parallel, all court proceedings pending in Europe in relation to the patent in dispute are discontinued by the parties, including the proceedings in France. As of June 30, 2021, Fresenius Kabi has made all payments required under the settlement agreement.

### General risks

From time to time, the Fresenius Group is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Fresenius Group's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Fresenius Group, like other healthcare providers, insurance plans and suppliers, conducts its operations under intense government regulation and scrutiny. The Fresenius Group must comply with regulations which relate to or govern the safety and efficacy of medical products

and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories, hospitals, dialysis clinics and other healthcare facilities, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the United States. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the United States, these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Fresenius Group's products and/or criminal prosecution. Fresenius Medical Care Holdings, Inc. completed remediation efforts with respect to one pending FDA warning letter and is awaiting confirmation as to whether the letter is now closed. Fresenius Kabi is currently engaged in remediation efforts with respect to two pending FDA warning letters. On April 21, 2022,

Fresenius Medical Care Holdings, Inc. (FMCH) paused shipping of new dialysis machines in the United States at the recommendation of the U.S. Food and Drug Administration (FDA) following FMCH's voluntary report of a potential bio-compatibility concern. The concern arose from a component that was already scheduled to be replaced later in 2022. As of October 28, 2022, FMCH received clearance from the FDA encompassing the replacement component and resumed shipping machines.

The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law, the federal Civil Monetary Penalties Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, the Fresenius Group's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to the Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may

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not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Fresenius Group operates many facilities and handles the personal data of its patients and beneficiaries throughout the United States and other parts of the world, and engages with other business associates to help it carry out its healthcare activities. In such a widespread, global system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies and its business associates. On occasion, the Fresenius Group or its business associates may experience a breach under the Health Insurance Portability and Accountability Act Privacy Rule and Security Rules, the EU's General Data Protection Regulation or other similar laws (Data Protection Laws) when there has been impermissible use, access, or disclosure of unsecured personal data or when the Fresenius Group or its business associates neglect to implement the required administrative, technical and physical safeguards of its electronic systems and devices, or a data breach that results in impermissible use, access or disclosure of personal identifying information of its employees, patients and beneficiaries. On those occasions, the Fresenius Group must comply with applicable breach notification requirements.

The Fresenius Group relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of its employees. On occasion, the Fresenius Group may identify instances where employees or other agents deliberately, recklessly or inadvertently contravene the Fresenius Group's policies or violate applicable law. The actions of such persons may subject the Fresenius Group and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act, Data Protection Laws, the Health Information Technology for Economic and Clinical Health Act and the Foreign Corrupt Practices Act, among other laws and comparable state laws or laws of other countries.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Fresenius Group has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Fresenius Group maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage

limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Fresenius Group or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Fresenius Group's reputation and business.

The Fresenius Group has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Fresenius Group has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Fresenius Group or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Fresenius Group's reputation and business.

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## 31. LEASES

The Fresenius Group leases land, buildings and improvements, machinery and equipment, as well as IT- and office equipment under various lease agreements.

### LEASES IN THE CONSOLIDATED STATEMENT OF INCOME

The following table shows the effects from lease agreements on the consolidated statements of income for 2022 and 2021:

€ in millions	2022	2021
Depreciation on right-of-use assets	950	878
Impairments on right-of-use assets	33	18
Expenses relating to short-term leases	82	64
Expenses relating to leases of low-value assets	43	46
Expenses relating to variable lease payments	29	22
Losses/gains arising from sale and leaseback transactions	-32	-
Other expenses/income from lease agreements	-18	-6
Interest expenses on lease liabilities	202	188

### LEASES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, the acquisition costs and the accumulated depreciation of right-of-use assets consisted of the following:

#### ACQUISITION COSTS

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Right-of-use assets: Land	128	1	-	10	0	4	135
Right-of-use assets: Buildings and improvements	7,829	273	-9	706	-1	128	8,670
Right-of-use assets: Machinery and equipment	603	22	2	86	-44	103	566
Right-of-use assets: Advanced Payments	-	-	-	-	-	-	-
<b>Right-of-use assets</b>	<b>8,560</b>	<b>296</b>	<b>-7</b>	<b>802</b>	<b>-45</b>	<b>235</b>	<b>9,371</b>

In the fiscal year 2022, reclassifications were mainly made to property, plant and equipment as the Fresenius Group purchased previously leased buildings and equipment from the landlords.

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## DEPRECIATION

€ in millions	As of January 1, 2022	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2022
Right-of-use assets: Land	25	0	-	9	0	2	32
Right-of-use assets: Buildings and improvements	2,162	74	-8	863	9	66	3,034
Right-of-use assets: Machinery and equipment	359	14	-1	111	-3	97	383
Right-of-use assets: Advanced Payments	-	-	-	-	-	-	-
<b>Right-of-use assets</b>	<b>2,546</b>	<b>88</b>	<b>-9</b>	<b>983</b>	<b>6</b>	<b>165</b>	<b>3,449</b>

## ACQUISITION COSTS

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Right-of-use assets: Land	121	1	0	13	0	7	128
Right-of-use assets: Buildings and improvements	6,663	373	117	807	-7	124	7,829
Right-of-use assets: Machinery and equipment	579	28	1	95	-53	47	603
Right-of-use assets: Advanced Payments	-	-	-	-	-	-	-
<b>Right-of-use assets</b>	<b>7,363</b>	<b>402</b>	<b>118</b>	<b>915</b>	<b>-60</b>	<b>178</b>	<b>8,560</b>

In the fiscal year 2021, reclassifications were mainly made to property, plant and equipment as the Fresenius Group purchased previously leased buildings and equipment from the landlords.

## DEPRECIATION

€ in millions	As of January 1, 2021	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	As of December 31, 2021
Right-of-use assets: Land	18	0	0	9	0	2	25
Right-of-use assets: Buildings and improvements	1,376	100	-2	762	-6	68	2,162
Right-of-use assets: Machinery and equipment	278	15	0	125	-19	40	359
Right-of-use assets: Advanced Payments	-	-	-	-	-	-	-
<b>Right-of-use assets</b>	<b>1,672</b>	<b>115</b>	<b>-2</b>	<b>896</b>	<b>-25</b>	<b>110</b>	<b>2,546</b>

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## CARRYING AMOUNTS

€ in millions	December 31, 2022	December 31, 2021
Right-of-use assets: Land	103	103
Right-of-use assets: Buildings and improvements	5,636	5,667
Right-of-use assets: Machinery and equipment	183	244
Right-of-use assets: Advanced Payments	—	—
<b>Right-of-use assets</b>	<b>5,922</b>	<b>6,014</b>

Depreciation expense and impairments on right-of-use assets amounted to €983 million for the year ended December 31, 2022 (2021: €896 million). These expenses are allocated within costs of revenue, selling, general and administrative and research and development expenses depending upon the area in which the asset is used. In 2022, depreciation expense and impairments on right-of-use assets included impairment losses of €33 million (2021: €18 million).

As of December 31, 2022, lease liabilities comprised a current portion of €851 million (2021: €832 million) and a non-current portion of €5,741 million (2021: €5,758 million). In 2022, approximately 70% of the lease liabilities related to Fresenius Medical Care, approximately 18% to Fresenius Helios, approximately 7% to Fresenius Vamed and approximately 5% to Fresenius Kabi.

## LEASES IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

Total cash outflows from leases were €1,315 million for the year ended December 31, 2022 (2021: €1,194 million).

In the consolidated statement of cash flows, the interest component of recognized leases is shown in net cash provided by/used in operating activities, the amortization component is shown in net cash provided by/used in financing activities.

The following potential future cash outflows were not reflected in the measurement of the lease liabilities:

€ in millions	2022	2021
Potential cash outflows from:		
extension options	8,013	7,646
purchase options	284	260
leases that the Fresenius Group entered into as a lessee that have not yet begun	165	202
residual value guarantees	136	101
variable lease payments	62	64
penalty payments from the exercise of termination options	11	11

Potential future cash outflows resulting from the exercise of options were not reflected in the measurement of the lease liabilities if the exercise of the respective option was not considered reasonably certain.

The major part of the potential future cash outflows resulting from extension options relates to extension options in real estate lease agreements, primarily for dialysis clinics of Fresenius Medical Care in North America. Individual lease agreements include multiple extension options. The Fresenius Group uses extension options to obtain a high degree of flexibility in performing its business. These extension options held are exercisable solely by the Fresenius Group.

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## 32. FINANCIAL INSTRUMENTS

### VALUATION OF FINANCIAL INSTRUMENTS

#### Carrying amounts of financial instruments

As of December 31, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	December 31, 2022						Relating to no category	Valuation according to IFRS 16 for leasing receivables and liabilities
	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value		
<b>Financial assets</b>								
Cash and cash equivalents	2,749	2,398	351					
Trade accounts and other receivables, less allowances for expected credit losses	7,008	6,648	268	3				89
Accounts receivable from and loans to related parties	157	157						
Other financial assets <sup>3</sup>	2,759	1,903	279	427	21			129
<b>Financial assets</b>	<b>12,673</b>	<b>11,106</b>	<b>898</b>	<b>430</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>218</b>
<b>Financial liabilities</b>								
Trade accounts payable	2,070	2,070						
Short-term accounts payable to related parties	94	94						
Short-term debt	856	856						
Short-term debt from related parties	11	11						
Long-term debt	2,835	2,835						
Lease liabilities	6,592							6,592
Bonds	16,978	16,978						
Convertible bonds	491	491						
Other financial liabilities <sup>4</sup>	5,400	2,732	652		11	2,005		
<b>Financial liabilities</b>	<b>35,327</b>	<b>26,067</b>	<b>652</b>	<b>–</b>	<b>11</b>	<b>2,005</b>	<b>–</b>	<b>6,592</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €88 million other investments (included in other financial assets).

<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

In the fiscal year 2022, no reclassifications between the categories occurred.

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December 31, 2021

€ in millions	Relating to no category						Valuation according to IFRS 16 for leasing receivables and liabilities
	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	
<b>Financial assets</b>							
Cash and cash equivalents	2,764	1,936	828				
Trade accounts and other receivables, less allowances for expected credit losses	7,045	6,822	108	34			81
Accounts receivable from and loans to related parties	147	147					
Other financial assets <sup>3</sup>	2,560	1,667	342	412	8		131
<b>Financial assets</b>	<b>12,516</b>	<b>10,572</b>	<b>1,278</b>	<b>446</b>	<b>8</b>	<b>-</b>	<b>212</b>
<b>Financial liabilities</b>							
Trade accounts payable	2,039	2,039					
Short-term accounts payable to related parties	92	92					
Short-term debt	2,841	2,841					
Short-term debt from related parties	8	8					
Long-term debt	2,600	2,600					
Lease liabilities	6,590						6,590
Bonds	14,634	14,634					
Convertible bonds	482	482					
Other financial liabilities <sup>4</sup>	4,026	2,407	557		18	1,044	
<b>Financial liabilities</b>	<b>33,312</b>	<b>25,103</b>	<b>557</b>	<b>-</b>	<b>18</b>	<b>1,044</b>	<b>6,590</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €85 million (included in other financial assets).<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

In the fiscal year 2021, reclassifications between the categories were immaterial.

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## Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of December 31:

€ in millions	Carrying amount	December 31, 2022			December 31, 2021		
		Fair value			Carrying amount	Fair value	
		Level 1	Level 2	Level 3		Level 1	Level 2
<b>Financial assets</b>							
Cash and cash equivalents <sup>1</sup>	351	351			828	828	
Trade accounts and other receivables, less allowances for expected credit losses <sup>1</sup>	271		271		142		142
<b>Other financial assets<sup>1</sup></b>							
Debt instruments	445	445			422	418	4
Equity investments	224	36	103	85	320	122	105
Derivatives designated as cash flow hedging instruments	21		21		8		8
Derivatives not designated as hedging instruments	37		37		12		12
Other financial assets							
<b>Financial liabilities</b>							
Long-term debt	2,835		2,770		2,600		2,626
Bonds	16,978	14,872			14,634	15,201	
Convertible bonds	491	481			482	499	
<b>Other financial liabilities<sup>1</sup></b>							
Put option liabilities	2,005			2,005	1,044		1,044
Accrued contingent payments outstanding for acquisitions	633			633	528		528
Derivatives designated as cash flow hedging instruments	11		11		18		18
Derivatives not designated as hedging instruments	19		19		29		29

<sup>1</sup> Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

The increase of put option liabilities relates to the acquisition of mAbxience and InterWell Health. These put option liabilities are classified as level 3.

The significant methods and assumptions used to estimate the fair values of financial instruments as well as classification of fair value measurements according to the three-tier fair value hierarchy are as follows:

Cash and cash equivalents include short-term financial investments that are measured at fair value through profit and loss. The fair value of these assets, which are quoted in an active market, is based on price quotations at the date of the consolidated financial statements (Level 1).

Trade accounts receivable from factoring contracts are measured on the basis of observable market information (Level 2).

The majority of debt instruments included in other financial assets are bonds that are quoted in an active market and therefore measured at fair value (Level 1) which is based on price quotations at the date of the consolidated financial statements. Further debt instruments give rise to cash flows on specified dates (Level 2).

Equity investments are not held for trading. At initial recognition, the Fresenius Group elected, on an instrument-by-instrument basis, to represent subsequent changes in the

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fair value of individual strategic investments in other comprehensive income (loss). All equity investments for which changes in fair value are recorded in other comprehensive income (loss) relate to purchases of publicly traded shares or percentage ownership of companies in the health sciences or adjacent fields and are made up of individually non-significant investments. At December 31, 2022, the Fresenius Group held 70 non-listed equity investments (December 31, 2021: 70) with a fair value of €88 million (December 31, 2021: €85 million). At December 31, 2022, and at December 31, 2021, the Fresenius Group held no listed equity investments.

During 2022, gains of €67 million were transferred from other comprehensive income to retained earnings, primarily due to the disposal of an investment measured at fair value through other comprehensive income and the subsequent transfer of the related net gain to retained earnings by Vifor Fresenius Medical Renal Pharma Ltd. (Fresenius Medical Care's equity method investee) as well as a disposal of an investment. Of this amount, €22 million was attributable to the shareholders of Fresenius SE & Co. KGaA. In 2022, the Fresenius Group recognized dividends of €4 million from these equity investments.

During 2021, gains of €34 million were transferred from other comprehensive income (loss) to retained earnings as two investments were disposed of. Of this amount,

€11 million was attributable to the shareholders of Fresenius SE & Co. KGaA. In 2021, the Fresenius Group recognized dividends of €2 million from these equity investments.

The fair values of equity investments are based on observable market information (Level 2). From time to time the Fresenius Group engages external valuation firms to determine the fair value of Level 3 equity investments. The external valuation uses a discounted cash flow model, which includes significant unobservable inputs such as investment specific forecasted financial statements, weighted average cost of capital, that reflects current market assessments as well as a terminal growth rate. The fair values of other equity investments that are traded in an active market, are based on price quotations at the date of the consolidated financial statements (Level 1).

The fair values of major long-term financial instruments are calculated on the basis of market information. Liabilities for which market quotes are available are measured with the market quotes at the reporting date (Level 1). The fair values of the other long-term financial liabilities are calculated at the present value of respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Fresenius Group as of the date of the statement of financial position are used (Level 2).

The valuation of the put option liabilities is determined using significant unobservable inputs (Level 3). The method for calculating the fair value is described in note 1.III.q, Financial instruments. For the purpose of analyzing the

impact of changes in unobservable inputs on the fair value measurement of put option liabilities, the Fresenius Group assumes an increase on earnings (or enterprise value for the put options granted in the InterWell Health business combination) of 10% compared to the actual estimation as of the balance sheet date. The corresponding increase in fair value of €150 million is then compared to the total liabilities and the shareholder's equity of the Fresenius Group. This analysis shows that an increase of 10% in the relevant earnings (or enterprise value for the put options granted in the InterWell Health business combination) would have an effect of less than 1% on the total liabilities and on the shareholder's equity of the Fresenius Group. At December 31, 2022, 73% of the put option liabilities related to Fresenius Medical Care (December 31, 2021: 95%) and 23% to Fresenius Kabi (December 31, 2021: 0%).

Contingent payments outstanding for acquisitions are recognized at their fair value. The estimation of the individual fair values is based on the key inputs of the arrangement that determine the future contingent payment as well as the Fresenius Group's expectation of these factors (Level 3). The Fresenius Group assesses the likelihood and timing of achieving the relevant objectives. The underlying assumptions are reviewed regularly.

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The following table shows the changes of the fair values of financial instruments classified as Level 3 in the fiscal years 2022 and 2021:

€ in millions	Equity investments	Accrued contingent payments outstanding for acquisitions	Put option liabilities
<b>As of January 1, 2021</b>	<b>219</b>	<b>581</b>	<b>901</b>
Transfer to Level 1	-159	-	-
Additions	21	25	146
Disposals	-	-27	-19
Gain/loss recognized in profit or loss	-1	-52	0
Gain/loss recognized in equity	-	0	-57
Currency effects and other changes	13	1	73
<b>As of December 31, 2021</b>	<b>93</b>	<b>528</b>	<b>1,044</b>
Additions	3	162	1,112
Disposals	-	-54	-7
Gain/loss recognized in profit or loss	-14	-4	1
Gain/loss recognized in equity	-	-	-175
Currency effects and other changes	3	1	30
<b>As of December 31, 2022</b>	<b>85</b>	<b>633</b>	<b>2,005</b>

At September 30, 2021, Fresenius Medical Care transferred its investment in Humacyte, Inc. (Humacyte) with a carrying amount of €159 million from Level 3 to Level 1, after Humacyte completed its merger with Alpha Healthcare Acquisition Corporation, a special purpose acquisition company. The shares in Alpha Healthcare Acquisition Corporation (now called Humacyte) received by Fresenius Medical Care as a result of this merger and in a contemporaneous private placement are quoted in an active market, and Humacyte has registered shares held by Fresenius Medical Care for resale under the Securities Act of 1933.

Derivatives, mainly consisting of foreign exchange forward contracts, are valued as follows: To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the

remaining term of the contract as of the date of the statement of financial position. The result is then discounted on the basis of the market interest rates prevailing at the date of the statement of financial position for the respective currency.

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Fresenius Group monitors and analyzes the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is

done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

Derivatives not designated as hedging instruments comprise derivatives embedded in convertible bonds and call options which have been purchased to hedge the convertible bonds. The fair value of the embedded derivatives is calculated using the difference between the market value of the particular convertible bonds and the market value of an adequate straight bond discounted with the market interest rates as of the reporting date. The fair value of the call options is calculated from price quotations.

For the calculation of the fair value of derivative financial instruments, the Fresenius Group uses market quoted input parameters. Therefore, these are classified as Level 2 in accordance with the defined fair value hierarchy levels.

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Derivative financial instruments are marked to market each reporting period, resulting in carrying amounts equal to fair values at the reporting date.

### Transfers of financial assets

In 2022, the Fresenius Group has entered into two factoring agreements for the sale of receivables from the provision of health care services with a volume of €440 million.

The assessment of the risks arising from the receivables sold is based on the credit risk (default risk) and the risk of late payment (late payment risk). The credit risk is transferred in full to the buyers. The late payment risk remains fully with the Fresenius Group. Substantially all of the risks

and rewards associated with the receivables sold have neither been transferred nor retained (allocation of significant risks and rewards between the Fresenius Group and the buyers).

The Fresenius Group continues to account for the receivables transferred at the amount of its continuing involvement, i.e. the maximum amount for which it remains liable for the late payment risk inherent in the receivables sold, and recognizes a corresponding associated liability reported as liabilities to credit institutions. The carrying amount of the continuing involvement from the receivables sold as of the reporting date (€440 million) is €16 million.

The carrying amount of the associated liability is €29 million and the fair value of the associated liability expensed is €13 million. The Fresenius Group continues to perform collection (servicing) for the transferred receivables without being remunerated for this service. Since existing structures within the Fresenius Group are used for this service and the expense attributable to the program is immaterial, no separate servicing liability was recognized.

In addition, the Fresenius Group has other programs for the sale of trade accounts receivable and receivables from the provision of health care services under which substantially all risks and rewards are transferred to the buyers of the receivables.

### FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions

Foreign exchange contracts (current)	
Foreign exchange contracts (non-current)	
<b>Derivatives in cash flow hedging relationships</b>	
Interest rate contracts (current)	
Foreign exchange contracts (current)	
Foreign exchange contracts (non-current)	
Derivatives embedded in the convertible bonds	
Call options to secure the convertible bonds	
<b>Derivatives not designated as hedging instruments</b>	

	<b>December 31, 2022</b>	<b>December 31, 2021</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
20	20	11	8	18
1	1	–	0	0
<b>21</b>	<b>21</b>	<b>11</b>	<b>8</b>	<b>18</b>
–	–	–	–	0
20	20	18	10	29
17	17	1	2	0
–	–	0	–	0
0	0	–	0	–
<b>37</b>	<b>37</b>	<b>19</b>	<b>12</b>	<b>29</b>

Derivatives not designated as hedging instruments, which are derivatives that do not qualify for hedge accounting, are also solely entered into to hedge economic business transactions and not for speculative purposes.

The current portion of derivatives indicated as assets in the preceding table is recognized within other current assets in the consolidated statement of financial position, while the current portion of those indicated as liabilities is included

in short-term provisions and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized in other non-current assets or in long-term provisions and other long-term liabilities, respectively. The

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derivatives embedded in the convertible bonds and the call options to secure the convertible bonds are recognized in other current and non-current liabilities/assets in the consolidated statement of financial position.

To reduce the credit risk arising from derivatives, the Fresenius Group concluded master netting agreements with banks. Through such agreements, positive and negative fair values of the derivative contracts could be offset against one another if a partner becomes insolvent. This offsetting is valid for transactions where the aggregate amount of obligations owed to and receivable from are not equal. If insolvency occurs, the party which owes the larger amount is obliged to pay the other party the difference between the amounts owed in the form of one net payment.

These master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the consolidated statement of financial position as the offsetting criteria under International Financial Reporting Standards are not satisfied.

At December 31, 2022 and December 31, 2021, the Fresenius Group had €50 million and €18 million of derivative financial assets subject to netting arrangements and €28 million and €41 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €37 million and €12 million as well as net liabilities of €15 million and €35 million at December 31, 2022 and December 31, 2021, respectively.

#### **Effects of financial instruments recorded in the consolidated statement of income**

In 2022, the net gains and losses from financial instruments consisted of allowances for expected credit losses (including recoveries) in an amount of €65 million (2021: €71 million) and expenses from foreign currency transactions of €85 million (2021: €25 million). In 2022, interest income of €187 million resulted mainly from income in connection with receivables from royalties, from lease receivables and overdue receivables, from interest income related to the release of interest accruals on tax positions, as well as from

discounting effects and accrued contingent payments outstanding for acquisitions. In 2021, interest income of €124 million resulted mainly from trade accounts and other receivables recognized at amortized cost and from interest income related to the release of interest accruals on tax positions. Interest expense of €694 million (2021: €630 million) resulted mainly from Fresenius Group's financial liabilities, which are recognized at amortized cost. Moreover, €202 million (2021: €188 million) related to lease liabilities.

During 2022, the Fresenius Group recognized net losses of €91 million (2021: €56 million) from changes in the fair value of equity investments and debt instruments that are measured at fair value through profit and loss within other operating income and expenses and net interest.

Income of €4 million (2021: €52 million) resulted from the valuation of contingent payments outstanding. Income and expense from financial instruments recorded in other comprehensive income (loss) related to derivatives in cash flow hedging relationships and to equity investments and debt instruments measured at fair value through other comprehensive income.

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The changes of cash flow hedges on the consolidated statement of comprehensive income (loss) before tax for the years 2022 and 2021 are as follows:

#### EFFECT OF DERIVATIVES ON THE CUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

€ in millions	2022				Affected line item in the consolidated statement of income/consolidated statement of financial position	
	Cash Flow Hedge Reserve		Costs of Hedging Reserve			
	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss) <sup>1</sup>	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss) <sup>1</sup>		
Interest rate contracts	-	2	n.a.	n.a.	Interest income/expense	
Foreign exchange contracts	20	4	-2	-1		
thereof		3		0	Revenue	
		-2		2	Costs of revenue	
		0		0	General and administrative expenses	
		4		2	Other operating income/expenses	
		-		-5	Interest income/expense	
		-1		0	Inventories	
<b>Derivatives in cash flow hedging relationships</b>	<b>20</b>	<b>6</b>	<b>-2</b>	<b>-1</b>		
2021						
€ in millions	Cash Flow Hedge Reserve		Costs of Hedging Reserve		Affected line item in the consolidated statement of income/consolidated statement of financial position	
	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss) <sup>1</sup>	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss) <sup>1</sup>		
	-	2	n.a.	n.a.	Interest income/expense	
Interest rate contracts	-	2	n.a.	n.a.		
Foreign exchange contracts	-21	13	-1	1		
thereof		1		1	Revenue	
		-1		-1	Costs of revenue	
		0		-	General and administrative expenses	
		12		3	Other operating income/expenses	
		-		-2	Interest income/expense	
		1		0	Inventories	
<b>Derivatives in cash flow hedging relationships</b>	<b>-21</b>	<b>15</b>	<b>-1</b>	<b>1</b>		

<sup>1</sup> In the consolidated statement of income, no gains or losses from ineffectiveness and only immaterial gains/losses from a hedged underlying transaction, that is no longer expected to occur, are recognized. Gains are shown with a negative sign and losses with a positive sign.

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The Fresenius Group solely designates the spot element of the foreign exchange forward contracts as hedging instrument in cash flow hedges. Changes of the fair value of derivative financial instruments that are designated as cash flow hedges are recorded within other comprehensive income (loss).

The effective portion of changes in fair value of the spot element of the hedging instruments is accumulated in a cash

flow hedge reserve within other comprehensive income (loss). The forward points of the foreign exchange forward contract is accounted for as cost of hedging reserve within other comprehensive income (loss).

For all cash flow hedges, except for foreign currency risk associated with forecasted purchases of non-financial assets, the amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss as a reclassification

adjustment in the same period as the hedged forecasted cash flows affect profit or loss. For cash flow hedges of foreign currency risk associated with forecasted purchases of non-financial assets, the amounts accumulated in the cash flow hedge reserve are instead included directly in the initial cost of the asset when it is recognized. The same approach applies to the amounts accumulated in the costs of hedging reserve.

#### EFFECT OF DERIVATIVES ON THE CONSOLIDATED STATEMENT OF INCOME

€ in millions	Gain or loss recognized in the consolidated statement of income		Affected line item in the consolidated statement of income
	2022	2021	
Interest rate contracts	0	0	Interest income/expense
Foreign exchange contracts	-28	87	Other operating income/ expense
Foreign exchange contracts	2	5	Interest income/expense
Derivatives embedded in the convertible bonds	0	0	Interest income/expense
Call options to secure the convertible bonds	0	0	Interest income/expense
<b>Derivatives not designated as hedging instruments</b>	<b>-26</b>	<b>92</b>	

In 2022, losses (2021: gains) from foreign exchange contracts not designated as hedging instruments recognized in the consolidated statement of income are faced by gains (2021: losses) from the underlying transactions in the corresponding amount.

#### MARKET RISK

The Fresenius Group is exposed to effects related to foreign exchange fluctuations in connection with its international business activities that are denominated in various currencies. In order to finance its business operations, the Fresenius Group issues bonds and commercial papers and enters into long-term credit agreements and Schuldschein

Loans with banks. Due to these financing activities, the Fresenius Group is exposed to interest risk caused by changes in variable interest rates and the risk of changes in the fair value of statement of financial position items bearing fixed interest rates.

In order to manage the risk of interest rate and foreign exchange rate fluctuations, the Fresenius Group enters into certain hedging transactions with financial institutions within

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the limits approved by the Management Board, which are set depending on the counterparty's rating. The counterparties generally have an investment grade rating. Derivative financial instruments are not entered into for trading purposes.

The Fresenius Group makes sure that hedge accounting relationships are aligned with its Group risk management objectives and strategy and that a qualitative and forward-looking approach is used for assessing hedge effectiveness.

In general, the Fresenius Group conducts its derivative financial instrument activities under the control of a single centralized department. The Fresenius Group has established guidelines derived from best practice standards in the banking industry for risk assessment procedures and supervision concerning the use of financial derivatives. These guidelines require amongst other things a clear segregation of duties in the areas of execution, administration, accounting and controlling. Risk limits are continuously monitored and, where appropriate, the use of hedging instruments is adjusted to that extent.

The Fresenius Group defines benchmarks for individual exposures in order to quantify interest and foreign exchange risks. The benchmarks are derived from achievable and sustainable market rates. Depending on the individual benchmarks, hedging strategies are determined and implemented.

The Fresenius Group makes sure there is an economic relationship between the hedged item and the hedging instrument and ensures reasonable hedge ratios of the designated hedged items with interest and currency risks. This is achieved by matching to a large extent the critical terms of the interest and foreign exchange derivatives with the critical terms of the underlying exposures. Therefore, the earnings of the Fresenius Group were not materially affected by hedge ineffectiveness in the reporting period. In principle, sources of inefficiency are risk of credit default and time lags of underlying exposures.

#### Foreign exchange risk management

The Fresenius Group has determined the euro as its financial reporting currency. Therefore, foreign exchange translation risks resulting from the fluctuation of exchange rates between the euro and the local currencies, in which the financial statements of the foreign subsidiaries are prepared, have an impact on results of operations and financial positions reported in the consolidated financial statements.

Besides translation risks, foreign exchange transaction risks exist. These mainly relate to transactions denominated in foreign currencies, such as purchases and sales, projects and services as well as intragroup sales of products to other Fresenius Group entities in different currency

areas. Therefore, the subsidiaries are affected by changes of foreign exchange rates between the invoicing currencies and the local currencies in which they conduct their businesses. Solely for the purpose of hedging existing and foreseeable foreign exchange transaction exposures, the Fresenius Group applies appropriate financial instruments. For loans in foreign currencies, the Fresenius Group enters into foreign exchange swap contracts. The Fresenius Group solely designates the spot element of the foreign exchange forward contract as hedging instrument in cash flow hedges and uses a hedge ratio for designated risks of 1 : 1. The fair value of foreign exchange contracts designated as cash flow hedges used to hedge operating transaction risks was €18 million (December 31, 2021: -€13 million) and in relation with loans in foreign currencies -€7 million (December 31, 2021: €3 million).

As of December 31, 2022, the notional amounts of foreign exchange contracts totaled €4,420 million (December 31, 2021: €2,917 million). Thereof €4,120 million (December 31, 2021: €2,671 million) were due in less than 12 months. As of December 31, 2022, the Fresenius Group was party to foreign exchange contracts with a maximum remaining term to maturity of 48 months. The Fresenius Group uses a Cash-Flow-at-Risk (CFaR) model in order to estimate and quantify such transaction risks from

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foreign currencies. The basis for the analysis of the currency risks are the foreign currency cash flows that are reasonably expected to arise within the following 12 months, less any hedges. Under the CFaR approach, the potential currency fluctuations of these net exposures are shown as probability distributions based on historical volatilities and correlations, using the values of the last 50 exchange rates with an interval of 21 trading days. The calculation is made assuming a confidence level of 95% and a holding period of up to one year.

The aggregation of currency risks has risk-mitigating effects due to correlations between the transactions concerned, i. e. the overall portfolio's risk exposure is generally less than the sum total of the underlying individual risks. As of December 31, 2022, the Fresenius Group's cash flow at risk amounted to €52 million based on a net exposure of €1,805 million. This means, with a probability of 95%, a potential loss in relation to the forecasted foreign exchange cash flows of the next 12 months will be not higher than €52 million.

The following table shows the average hedging rates and nominal amounts of foreign exchange contracts for material currency pairs at December 31, 2022.

	Nominal amount in € millions	Average hedging rate
Euro/U.S. dollar	1,768	1.0647
Euro/Swedish krona	555	10.7241
Euro/Chinese renminbi	477	7.1411

### Interest rate risk management

Fresenius Group's interest rate risks mainly arise from money market and capital market transactions of the Group for financing its business activities.

The Fresenius Group applies appropriate financial instruments in order to protect against the risk of rising interest rates. These interest rate derivatives are exclusively designated as cash flow hedges and have been entered into in order to convert payments based on variable interest rates into payments at a fixed interest rate and in anticipation of future long-term debt issuances (pre-hedges). As of December 31, 2021, the euro denominated interest rate swap had

a notional volume of €482 thousand. The fair value was -€12 thousand. The euro interest rate swap expired in 2022. It bore an interest rate of 3.39%.

The pre-hedges are used to hedge interest rate exposures with regard to interest rates which are relevant for the future long-term debt issuance and which could rise until the respective debt is actually issued. These pre-hedges are settled at the issuance date of the corresponding long-term debt with the settlement amount recorded in accumulated other comprehensive income (loss) amortized to interest expense over the life of the debt. At December 31, 2022 and December 31, 2021, the Fresenius Group had a loss of €7 million and €8 million, respectively, related to such settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

Interest payables and interest receivables in connection with the swap agreements are accrued and recorded as an adjustment to the interest expense at each reporting date. Concerning interest rate contracts, unscheduled repayments or the renegotiation of hedged items may in some cases lead

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to the de-designation of the hedging instrument, which existed up to that point. From that date, the respective hedging transactions are recognized in the consolidated statement of income.

For purposes of analyzing the impact of changes in the relevant reference interest rates on Fresenius Group's results of operations, the Group calculates the portion of financial debt which bears variable interest rates and which has not been hedged by means of interest rate swaps or options against rising interest rates. For this particular part of its liabilities, the Fresenius Group assumes an increase in the reference rates of 0.5% compared to the actual rates as of the date of the statement of financial position. The corresponding additional annual interest expense is then compared to the net income attributable to shareholders of Fresenius SE & Co. KGaA. This analysis shows that an increase of 0.5% in the relevant reference rates would have an effect of approximately 0.6% on the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA and an effect of less than 0.1% on Fresenius SE & Co. KGaA shareholders' equity.

### **Management of the Interest Rate Benchmark Reform (IBOR-Reform)**

A fundamental reform of major interest rate benchmarks has been undertaken globally. This included the replacement of certain interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as IBOR reform). The Fresenius Group had exposures to relevant IBORs through its financial instruments, which were affected as part of this market-wide initiative.

Due to the possibility of multicurrency drawings, the Syndicated Credit Facilities of Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA, both in the amount of €2 billion, had allowed for U.S. dollar LIBOR-based drawings in addition to euro drawings. The U.S. dollar LIBOR was replaced with the Term Secured Overnight Financing Rate (Term SOFR).

### **CREDIT RISK**

The Fresenius Group is exposed to potential losses regarding financial instruments in the event of non-performance by counterparties. With respect to derivative financial instruments, it is not expected that any counterparty will fail to meet its obligations as the counterparties are highly rated financial institutions (generally investment grade). The maximum credit exposure of derivatives is represented by the fair value of those contracts with a positive fair value amounting to €58 million (December 31, 2021: €20 million) for foreign exchange derivatives. At December 31, 2021, the Fresenius Group's interest rate derivative did not bear a credit risk. The maximum credit risk resulting from the use of non-derivative financial instruments is defined as the total amount of all receivables. In order to control this credit risk, the Management of the Fresenius Group performs an aging analysis of trade accounts receivable. For details on trade accounts receivable and on the allowances for expected credit losses, please see note 16, Trade accounts and other receivables.

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**LIQUIDITY RISK**

The liquidity risk is defined as the risk that a company is potentially unable to meet its financial obligations. The Management of the Fresenius Group manages the liquidity

of the Group by means of effective working capital and cash management as well as an anticipatory evaluation of refinancing alternatives. The Management of the Fresenius Group believes that existing credit facilities as well as the

cash generated by operating activities and additional short-term and long-term borrowings are sufficient to meet the company's foreseeable demand for liquidity (see note 23, Debt).

The following table shows the future undiscounted contractual cash flows (including interests) resulting from recognized financial liabilities and derivative financial instruments:

€ in millions	2022				2021			
	up to 1 year	1 to 3 years	3 to 5 years	more than 5 years	up to 1 year	1 to 3 years	3 to 5 years	more than 5 years
<b>Non-derivative financial instruments</b>								
Long-term debt (including Accounts Receivable Facility) <sup>1</sup>	731	1,018	995	520	517	1,457	325	408
Short-term debt	877	—	—	—	2,853	—	—	—
Lease liabilities	1,045	1,866	1,487	3,449	1,008	1,834	1,399	3,580
Bonds	997	4,411	5,587	8,118	886	2,889	4,216	8,501
Convertible bonds	—	500	—	—	—	500	—	—
Trade accounts payable	2,070	—	—	—	2,039	—	—	—
Other financial liabilities	2,838	4	1	0	2,502	3	1	1
Contingent payments outstanding for acquisitions	254	114	111	216	41	256	83	160
Put option liabilities	688	710	598	68	683	231	171	90
<b>Total non-derivative financial instruments</b>	<b>9,500</b>	<b>8,623</b>	<b>8,779</b>	<b>12,371</b>	<b>10,529</b>	<b>7,170</b>	<b>6,195</b>	<b>12,740</b>
<b>Derivative financial instruments</b>								
Derivatives designated as cash flow hedging instruments								
Inflow	-497	—	—	—	-667	-2	—	—
Outflow	507	—	—	—	688	3	—	—
<b>Net derivatives designated as cash flow hedging instruments</b>	<b>10</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>1</b>	<b>—</b>	<b>—</b>
Derivatives not designated as hedging instruments								
Inflow	-1,398	-37	—	—	-1,039	-1	—	—
Outflow	1,419	35	—	—	1,074	1	—	—
<b>Net derivatives not designated as hedging instruments</b>	<b>21</b>	<b>-2</b>	<b>—</b>	<b>—</b>	<b>35</b>	<b>0</b>	<b>—</b>	<b>—</b>
<b>Total derivative financial instruments</b>	<b>31</b>	<b>-2</b>	<b>—</b>	<b>—</b>	<b>56</b>	<b>1</b>	<b>—</b>	<b>—</b>
<b>Total non-derivative and derivative financial instruments</b>	<b>9,531</b>	<b>8,621</b>	<b>8,779</b>	<b>12,371</b>	<b>10,585</b>	<b>7,171</b>	<b>6,195</b>	<b>12,740</b>

<sup>1</sup> Future interest payments for financial liabilities with variable interest rates were calculated using the latest interest rates fixed prior to December 31, 2022.

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### 33. INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. Capital management includes both equity and debt. Principal objectives of Fresenius Group's capital management are to ensure financial flexibility, to limit refinancing risks and to optimize the weighted average cost of capital. Further, it is sought to achieve a balanced mix of equity and debt.

Due to the company's diversification within the health care sector and the strong market positions of the business segments in global, growing and non-cyclical markets, predictable and sustainable cash flows are generated. They allow a reasonable proportion of debt. Moreover, Fresenius Group's customers are generally of high credit quality.

Measures to strengthen the equity base may also be considered in exceptional cases to ensure long-term growth.

Shareholders' equity and debt have developed as follows:

#### SHAREHOLDERS' EQUITY

€ in millions	December 31, 2022	December 31, 2021
Shareholders' equity	32,218	29,288
Total assets	76,415	71,962
Equity ratio	42.2%	40.7%

Fresenius SE & Co. KGaA is not subject to any capital requirements provided for in its articles of association. Fresenius SE & Co. KGaA has obligations to issue shares out of the Conditional Capital relating to the exercise of stock options on the basis of the existing 2013 Stock Option Plan (see note 36, Share-based compensation plans).

#### DEBT

€ in millions	December 31, 2022	December 31, 2021
Debt	27,763	27,155
Total assets	76,415	71,962
Debt ratio	36.3%	37.7%

Assuring financial flexibility is the top priority in the Group's financing strategy. This flexibility is achieved through a broad spread of maturities, a wide range of financing instruments, the investment grade credit rating and a high degree of diversification of investors and banks. Fresenius Group's maturity profile displays a broad spread of maturities with a high proportion of medium- and long-term financing. In the choice of financing instruments, market capacity, investor diversification, capital cost, flexibility, credit conditions and the existing maturity profile are taken into account.

The leverage ratio on the basis of net debt/EBITDA is a key financial figure for the Fresenius Group. As of December 31, 2022, the leverage ratio, calculated on the basis of year-end exchange rates, before special items was 3.64 (December 31, 2021: 3.55).

Fresenius Group's financing strategy is reflected in its investment grade credit ratings. The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

#### RATING OF FRESENIUS SE & CO. KGAA

	December 31, 2022	December 31, 2021
Standard & Poor's		
Corporate Credit Rating	BBB	BBB
Outlook	stable	stable
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB -	BBB -
Outlook	negative	stable

On November 15, 2022, Fitch confirmed Fresenius Group's BBB- Corporate Credit Rating, the outlook was changed from stable to negative. In 2021, Fresenius Group's rating remained unchanged.

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## 34. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statements of cash flows of the Fresenius Group for the fiscal years 2022 and 2021 are shown on pages 290 and 291.

Cash funds reported in the consolidated statement of cash flows and in the consolidated statement of financial position are comprised of cash on hand, checks, securities and cash at bank which are readily convertible within three months and are subject to insignificant risk of changes in value.

In 2022, Fresenius Helios has used subsidies for investments in property, plant and equipment in the amount of €59 million (2021: €99 million), that were offset in purchases of property, plant and equipment in the consolidated statement of cash flows.

Cash paid for acquisitions consisted of the following:

€ in millions	2022	2021
Assets acquired	2,472	1,057
Liabilities assumed	-257	-35
Noncontrolling interests	-606	-120
Debt assumed	-734	-86
<b>Cash paid</b>	<b>875</b>	<b>816</b>
Cash acquired	-74	-55
<b>Cash paid for acquisitions, net</b>	<b>801</b>	<b>761</b>
Cash paid for investments, net of cash acquired	129	206
Cash paid for intangible assets, net	47	32
<b>Total cash paid for acquisitions and invest- ments and purchases of intangible assets</b>	<b>977</b>	<b>999</b>

In 2022, €106 million (2021: €129 million) of cash paid for investments, net of cash acquired, related to investments in securities in the business segment Fresenius Medical Care.

Proceeds from the sale of subsidiaries were €90 million in 2022 (2021: €54 million.)

The following table shows a reconciliation of debt to cash flow from financing activities in 2022 and 2021:

€ in millions	January 1, 2022	Cash flow	Non-cash changes					December 31, 2022
			Assumed as part of acquisitions	Foreign currency translation	Amortization of debt issuance costs	New lease contracts	Other <sup>1</sup>	
Short-term debt	2,841	-1,957	-1	-2	-	-	-25	856
Long-term debt, less Accounts Receivable Facility of Fresenius Medical Care	2,600	22	21	55	-27	-	164	2,835
Lease liabilities	6,590	-975	2	236	-	802	-63	6,592
Bonds	14,634	2,132	-	195	28	-	-11	16,978
Convertible bonds	482	-	-	-	9	-	-	491

<sup>1</sup> Under the effective interest method, non-cash changes result from the compounding interest on lease liabilities in the amount of €202 million.

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€ in millions	January 1, 2021	Cash flow	Non-cash changes					Other <sup>1</sup>	December 31, 2021
			Assumed as part of acquisitions	Foreign currency translation	Amortization of debt issuance costs	New lease contracts			
Short-term debt	245	2,591	1	1	–	–	3	2,841	
Long-term debt, less Accounts Receivable									
Facility of Fresenius Medical Care	5,154	-2,569	24	62	6	–	-77	2,600	
Lease liabilities	6,188	-880	121	319	–	915	-73	6,590	
Bonds	13,847	461	–	300	17	–	9	14,634	
Convertible bonds	474	–	–	–	8	–	–	482	

<sup>1</sup> Under the effective interest method, non-cash changes result from the compounding interest on lease liabilities in the amount of €188 million.

Interest payments are included in the consolidated statement of cash flows under net cash provided by operating activities. In fiscal year 2022, cash payments related to interest amounted to €607 million (2021: €502 million). Accrued interest on debt and bonds is reported in the consolidated statement of financial position under short-term provisions and other short-term liabilities.

## 35. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting tables shown on pages 294 to 296 of this Annual Report are an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at December 31, 2022.

The key data disclosed in conjunction with the consolidated segment reporting correspond to the key data of the internal reporting system of the Fresenius Group. Internal

and external reporting and accounting correspond to each other; the same key data and definitions are used.

Sales and proceeds between the segments are indicative of the actual sales and proceeds agreed with third parties. Administrative services are billed in accordance with service level agreements.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions.

The business segments of the Fresenius Group are as follows:

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Helios
- Fresenius Vamed

The column Corporate is comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Digital Technology GmbH, which provides services in the field of

information technology. Furthermore, Corporate includes intersegment consolidation adjustments as well as special items (see note 3, Special items).

Details on the business segments are shown on page 298 of the notes.

Segment reporting by region takes account of geographical factors and the similarity of markets in terms of opportunities and risks. The allocation to a particular region is based on the domicile of the customers.

### NOTES ON THE BUSINESS SEGMENTS

The key figures used by the Management Board to assess segment performance, have been selected in such a way that they include all items of income and expenses which fall under the area of responsibility of the business segments. The Management Board is convinced that the most suitable performance indicator is the operating income (EBIT). The Management Board believes that, in addition to the operating income, the figure for earnings before interest, taxes and depreciation/amortization (EBITDA) can also help investors to assess the ability of the Fresenius Group to generate cash flows and to meet its financial obligations.

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Depreciation and amortization is presented for property, plant and equipment and intangible assets with definite useful lives of the respective business segment.

Net interest is comprised of interest expenses and interest income.

Net income attributable to shareholders of Fresenius SE & Co. KGaA is defined as earnings after income taxes and noncontrolling interests.

The operating cash flow is the cash provided by/used in operating activities.

The cash flow before acquisitions and dividends is the operating cash flow less net capital expenditure.

Debt is comprised of bank loans, bonds, convertible bonds, lease liabilities, liabilities relating to outstanding acquisitions as well as intercompany liabilities.

Other operating liabilities include the sum of short-term and long-term liabilities, less debt and less liabilities for deferred taxes.

Capital expenditure mainly contains additions to property, plant and equipment, including non-cash effective items.

Acquisitions refer to the purchase of shares in legally independent companies and the acquisition of business divisions and intangible assets (e.g. licenses). The key figures shown with regard to acquisitions present the contractual purchase prices comprising amounts paid in cash (less cash acquired), debts assumed and the issuance of shares,

whereas for the purposes of the statement of cash flows, only cash purchase price components less acquired cash and cash equivalents are reported. The business combination of InterWell Health was not included in the acquisitions as it was conducted as a non-cash transaction.

The EBITDA margin is calculated as a ratio of EBITDA to revenue.

The EBIT margin is calculated as a ratio of EBIT to revenue.

The return on operating assets (ROOA) is defined as the ratio of EBIT to average operating assets. Operating assets are defined as total assets less deferred tax assets, trade accounts payable and advance payments from customers as well as guaranteed subsidies.

In addition, the key indicators "Depreciation and amortization in % of revenue" and "Operating cash flow in % of revenue" are also disclosed.

#### RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	2022	2021
Total EBIT of reporting segments	4,102	4,296
Special items	-683	-94
General corporate expenses		
Corporate (EBIT)	-98	-44
<b>Group EBIT</b>	<b>3,321</b>	<b>4,158</b>
Interest expenses	-694	-630
Interest income	187	124
<b>Income before income taxes</b>	<b>2,814</b>	<b>3,652</b>

#### RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Short-term debt	856	2,841
Short-term debt from related parties	11	8
Current portion of long-term debt	669	473
Current portion of lease liabilities	851	832
Current portion of bonds	649	618
Current portion of convertible bonds	-	-
Long-term debt, less current portion	2,166	2,127
Lease liabilities, less current portion	5,741	5,758
Bonds, less current portion	16,329	14,016
Convertible bonds	491	482
Long-term liabilities to and loans from related parties	-	0
<b>Debt</b>	<b>27,763</b>	<b>27,155</b>
less cash and cash equivalents	2,749	2,764
<b>Net debt</b>	<b>25,014</b>	<b>24,391</b>

Net debt excluding lease liabilities amounted to €18,422 million at December 31, 2022 (December 31, 2021: €17,801 million).

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The following table shows the long-lived assets by geographical region:

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Germany	11,400	11,270
Spain	7,774	7,671
Europe (excluding Germany and Spain)	4,148	3,765
North America	28,749	26,147
Asia-Pacific	2,526	2,612
Latin America	1,035	874
Africa	76	73
<b>Total long-lived assets<sup>1</sup></b>	<b>55,708</b>	<b>52,412</b>

<sup>1</sup> The aggregate amount of long-lived assets is the sum of non-current assets less deferred tax assets and less other non-current financial assets.

In 2022, the Fresenius Group generated revenue of €8,766 million (2021: €8,443 million) in Germany. Revenue in the United States was €15,766 million at actual rates (2021: €14,079 million) and €14,038 million in constant currency in 2022.

In 2022, the segment Fresenius Medical Care generated other revenue in the amount of €555 million (2021: €516 million), Fresenius Kabi €6 million (2021: €3 million), Fresenius Helios €12 million (2021: €12 million) and Fresenius Vamed €4 million (2021: €4 million). All other revenue is revenue from contracts with customers.

## 36. SHARE-BASED COMPENSATION PLANS

### COMPENSATION COST IN CONNECTION WITH THE SHARE-BASED COMPENSATION PLANS OF THE FRESENIUS GROUP

In 2021, the Fresenius Group recognized compensation cost in an amount of €1 million for stock options granted in 2017 for the last time. There will be no further expenses

for stock options granted under the Stock Option Plan 2013. For stock incentive plans which are performance-based, the Fresenius Group recognized compensation cost over the vesting periods, based on the market values of the underlying stock at the grant date.

The expenses related to cash-settled share-based payment transactions are determined based upon the fair value at measurement date and the number of phantom stocks or performance shares granted which will be recognized over the vesting period. In 2022, the Fresenius Group recognized income of €5 million (2021: expenses of €27 million) in connection with cash-settled share-based payment transactions. At December 31, 2022, the Fresenius Group has accrued €25 million (December 31, 2021: €72 million) for its share-based compensation plans.

### SHARE-BASED COMPENSATION PLANS OF FRESENIUS SE & CO. KGAA

#### Description of the Fresenius SE & Co. KGaA share-based compensation plans in place

As of December 31, 2022, Fresenius SE & Co. KGaA had two share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

### LTIP 2018

On April 12, 2018 and March 15, 2018, respectively, the Management Board and Supervisory Board of the general partner, Fresenius Management SE, resolved the Long Term Incentive Plan 2018 (LTIP 2018).

The LTIP 2018 is based solely on virtual stocks (performance shares). The performance shares issued through the plan are non-equity-backed, virtual compensation instruments. When performance targets are reached and other prerequisites are met, they guarantee the entitlement to a cash payment by Fresenius SE & Co. KGaA or one of its affiliated companies.

The plan is available both for members of the Management Board (with the exception of the Chief Executive Officer of Fresenius Medical Care, who received his compensation from Fresenius Medical Care Management AG) and other executives. Performance shares may be granted once annually over a period of five years. The grant to the members of the Management Board is made by the Supervisory Board of the general partner, Fresenius Management SE, the grant to the other executives is made by the Management Board of Fresenius Management SE, in each case on the basis of a grant value determined at its discretion. The grant value is determined in consideration of the personal performance and the responsibilities of the concerned plan participant. The number of performance shares granted is calculated through applying the grant value and the average stock market price of the Fresenius share over the period of 60 stock exchange trading days prior to the grant date.

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The number of performance shares may change over a period of four years, depending on the level of achievement of the performance targets described in more detail below. This could entail the entire loss of all performance shares or also – at maximum – the doubling of their number. The resulting number of performance shares, which is determined after a performance period of four years and based on the respective level of target achievement, is deemed finally earned four years after the date of the respective grant. The number of vested performance shares is then multiplied by the average stock exchange price of Fresenius SE & Co. KGaA's share over a period of 60 stock exchange trading days prior to the lapse of this vesting period plus the total of the dividends per share of Fresenius SE & Co. KGaA paid by Fresenius SE & Co. KGaA between the grant date and the vesting date. The resulting amount will be paid to the respective plan participant in cash. The potential disbursement entitlement of each member of the Management Board is limited to a maximum value of 250% of the grant value, the entitlement of all other plan participants is limited to a maximum value of 400%.

The LTIP 2018 has two equally weighted performance targets: firstly, the growth rate of the adjusted consolidated net income (adjusted for currency effects) and, secondly, the relative Total Shareholder Return based on the STOXX Europe 600 Health Care Index. Disbursement entitlement requires that at least one of the two performance targets must be reached or surpassed over the four-year performance period.

For the performance target "Net Income Growth Rate" a level of target achievement of 100% is reached when the same is at least 8% over the four-year performance period. If the growth rate falls below or corresponds to only 5%, the level of target achievement is 0%. If the growth rate is between 5% and 8%, the level of target achievement is between 0% and 100%, while, where the growth rate is between 8% and 20%, the level of target achievement will be between 100% and 200%. Intermediate values are calculated through linear interpolation. The net income is the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA reported in the consolidated financial statements of Fresenius SE & Co. KGaA prepared in accordance with IFRS, adjusted for extraordinary effects.

The determination of the adjusted net income (adjusted for currency effects) and the change in comparison with the adjusted net income (not adjusted for currency effects) of the previous Fresenius Group fiscal year will be verified in a binding manner by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements. For the ascertainment of the currency translation effects, all line items of the income statements of the companies that are included in the consolidated financial statements and which have a functional currency other than the reporting currency (euro) of the Fresenius Group are translated with the average exchange rates of the Fresenius Group fiscal year of the consolidated financial statements that are the basis for the comparison.

For the "Total Shareholder Return" performance target, a target achievement of 100% is met when the Total Shareholder Return of Fresenius SE & Co. KGaA in comparison

with the Total Shareholder Return of the other companies of the STOXX Europe 600 Health Care Index achieves an average ranking within the benchmark companies, i. e. exactly in the middle (50th percentile), over the four-year performance period. If the ranking corresponds to the 25th percentile or less, the level of target achievement is 0%. Where the ranking is between the 25th percentile and the 50th percentile, the level of target achievement is between 0% and 100%; and, for a ranking between the 50th percentile and the 75th percentile, between 100% and 200%. Intermediate values will also be calculated through linear interpolation. Total Shareholder Return denotes the percentage change in the stock market price within the performance period including reinvested dividends and all capital measures, whereby capital measures are to be calculated through rounding down to the fourth decimal place.

The ranking values are determined using the composition of STOXX Europe 600 Health Care on the grant date. For equalization purposes, the relevant market price is the average market price in the period of 60 stock exchange trading days prior to the beginning and end of a performance period; the relevant currency is that of the main stock exchange of a company, which was listed in STOXX Europe 600 Health Care on the grant date.

A level of target achievement in excess of 200% is not possible for both performance targets.

To calculate the level of overall target achievement, the level of target achievement of the two performance targets are given equal weighting. The total number of performance

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shares vested on each plan participant is calculated through multiplying the number of performance shares granted by the overall target achievement.

The performance targets for the 2018 grant and for the 2019 grant were not achieved. Therefore, the performance shares granted in 2018 and 2019 forfeited.

In the event of violation of compliance rules, the Supervisory Board of Fresenius Management SE, in due exercise of its discretion, is entitled to reduce the number of performance shares vested on a member of the Management Board to zero. Regarding all other plan participants, such decision is made by the Management Board of Fresenius Management SE. Furthermore, Fresenius SE & Co. KGaA is entitled to a complete or partial reimbursement in the event of violation of compliance rules in the period of three years following disbursement.

### 2013 LTIP

The 2013 LTIP is comprised of the Fresenius SE & Co. KGaA Stock Option Plan 2013 (2013 SOP) and the Fresenius SE & Co. KGaA Phantom Stock Plan 2013 (2013 PSP). It combines the granting of stock options with the granting of phantom stock awards which entitle the holder to receive cash payments upon exercising the phantom stock. Each of the 2013 SOP and 2013 PSP making up the 2013 LTIP have been established under a stand-alone legal documentation.

### 2013 SOP

Under the 2013 SOP, which was approved by the Annual General Meeting of Fresenius SE & Co. KGaA on May 17, 2013, Fresenius Management SE was originally authorized

to issue up to 8.4 million subscription rights for an amount of 8.4 million non-par value ordinary bearer shares of Fresenius SE & Co. KGaA until May 16, 2018.

Of the up to 8.4 million options, up to 1.6 million options were designated for members of the Management Board of Fresenius Management SE; up to 4.4 million options were designated for members of the management of directly or indirectly affiliated companies (except for Fresenius Medical Care) and up to 2.4 million options were designated for executive employees of Fresenius SE & Co. KGaA and its affiliated companies (except for Fresenius Medical Care).

In connection with the stock split in 2014, the total volume of not yet granted subscription rights increased in the same proportion as the subscribed capital (factor 3) as far as options had not yet been granted under the 2013 SOP. The same applies to the subsets of the subscription rights that are attributable to individual groups of participants. For stock options that were granted before the stock split 2014 came into effect, the entitlement of the participants to receive new shares through the exercise of stock options increased in the same proportion as the subscribed capital (factor 3). The participants are now entitled to receive three bearer ordinary shares of Fresenius SE & Co. KGaA. The exercise price was reduced proportionally.

The granting of the options occurred in five annual tranches, each to the last Monday in July or the first Monday in December. With respect to new options, the Supervisory Board of Fresenius Management SE determined the stock options granted to members of Fresenius Management SE's Management Board, whereas the Management Board of

Fresenius Management SE determined the other participants in the 2013 SOP and the stock options granted to them.

The exercise price of an option equals the volume-weighted average stock market price (closing price) of the non-par value ordinary bearer share of Fresenius SE & Co. KGaA in the electronic Xetra trading of Deutsche Börse AG in Frankfurt am Main, or a comparable successor system, on the last 30 calendar days prior to the respective grant date.

Options granted have an eight-year term but can be exercised only after a four-year vesting period. The exercise of options is subject to the condition precedent, in each case, that the annual success target within a four-year waiting period is achieved. The success target is achieved in each case if, after the granting of the options to the respective entitled person, either (i) the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA according to IFRS, adjusted for extraordinary effects and on a constant currency basis, has increased by at least 8% per annum in comparison to the previous year in each case within the waiting period, or (ii) – if this is not the case – the compounded annual growth rate of the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA according to IFRS, adjusted for extraordinary effects and on a constant currency basis, during the four years of the waiting period amounts to at least 8%. In the event that the success target within the four-year waiting period is not achieved for the individual years or for the

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compounded annual growth rate, the options issued in each case are forfeited in proportion to the non-achievement of the success target within the waiting period, i. e. by one quarter, two quarters, three quarters, or completely. In the years 2013 to 2019, the performance targets for stock options granted in 2013 to 2016 were met. For stock options granted in 2017, only one quarter of the performance target was achieved. Therefore, in 2020, three quarters of the stock options granted in 2017 were forfeited.

The adjusted net income attributable to shareholders of Fresenius SE & Co. KGaA according to IFRS (currency adjusted) and changes thereto compared to the adjusted net income according to IFRS (without currency adjustment) of the relevant comparison year shall be verified with binding effect in each case by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements. Upon exercise of vested options, Fresenius SE & Co. KGaA has the right to grant treasury shares in lieu of increasing capital by the issuance of new shares.

After the expiration of the waiting period, all options in respect of which the success target has been achieved may be exercised at any time outside the designated blackout periods.

The last options were granted in 2017.

#### 2013 PSP

Fresenius SE & Co. KGaA's 2013 PSP was established in May 2013, together with the 2013 SOP in line with the 2013 LTIP. Awards of phantom stocks could be granted on each stock option grant date. Phantom stocks awarded under the 2013 PSP could be granted to the members of

Fresenius Management SE's Management Board, the members of the management of directly or indirectly affiliated companies (except for Fresenius Medical Care) and to executive employees of Fresenius SE & Co. KGaA and its affiliated companies (except for Fresenius Medical Care).

The holders of phantom stocks, that had been issued before the stock split 2014 came into effect, were granted an economic compensation through retroactively tripling the number of phantom stocks granted before the stock split 2014 came into effect.

As under the 2013 SOP, the Supervisory Board of Fresenius Management SE determined the phantom stocks granted to members of Fresenius Management SE's Management Board, whereas the Management Board of Fresenius Management SE determined the other participants in the 2013 PSP and the phantom stocks granted to them.

Phantom stock awards under the 2013 PSP entitled the holder to receive a cash payment. Each phantom stock award entitled the holder to receive the volume-weighted average stock market price (closing price) of the non-par value ordinary bearer share of Fresenius SE & Co. KGaA in the electronic Xetra trading of Deutsche Börse AG in Frankfurt am Main, or a comparable successor system, during the last three months prior to the date the phantom stock was exercised.

The exercise of phantom stock was subject to the condition precedent, in each case, that the annual success target within a four-year waiting period was achieved.

After the expiration of the waiting period, all exercisable phantom stocks were deemed to be exercised and cashed out on March 1 following the end of the waiting period (or

the following banking day). At December 31, 2022, there was no provision for phantom stocks issued under the 2013 PSP. At December 31, 2021, the provision for phantom stocks issued in 2017 that were exercised and paid out on March 1, 2022, amounted to €1 million.

The last phantom stocks were granted in 2017. By the end of 2022, all phantom stocks were paid out.

#### Transactions during 2022 and 2021

On September 12, 2022, Fresenius SE & Co. KGaA awarded 1,528,594 performance shares under the LTIP 2018, the total fair value at the grant date being €40 million, including 328,818 performance shares valued at €9 million to the members of the Management Board of Fresenius Management SE. The fair value per performance share at the grant date was €26.30.

On September 13, 2021, Fresenius SE & Co. KGaA awarded 915,105 performance shares under the LTIP 2018, the total fair value at the grant date being €41 million, including 193,800 performance shares valued at €9 million to the members of the Management Board of Fresenius Management SE. The fair value per performance share at the grant date was €44.75.

During the fiscal year 2022, no stock options were exercised. During the fiscal year 2021, Fresenius SE & Co. KGaA received cash of €32 million from the exercise of 961,234 stock options. The average stock price of the ordinary share at the exercise date was €44.32.

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At December 31, 2022, 3,583,234 stock options issued under the 2013 LTIP were outstanding and exercisable. The members of the Fresenius Management SE Management Board held 461,250 stock options. At December 31, 2022, the Management Board members of Fresenius Management SE held 462,507 performance shares and employees of Fresenius SE & Co. KGaA held 3,294,978 performance shares under the LTIP 2018.

At December 31, 2021, 4,967,507 stock options issued under the 2013 LTIP were outstanding and exercisable. The members of the Fresenius Management SE Management

Board held 603,281 stock options. 38,592 phantom stocks issued under the 2013 LTIP were outstanding at December 31, 2021. The members of the Fresenius Management SE Management Board held 5,059 phantom stocks. At December 31, 2021, the Management Board members of Fresenius Management SE held 582,234 performance shares and employees of Fresenius SE & Co. KGaA held 2,367,562 performance shares under the LTIP 2018.

Stock option transactions are summarized as follows:

Ordinary shares December 31	Number of options	Weighted average exercise price in €	Number of options exercisable
<b>Balance 2020</b>	<b>6,117,024</b>	<b>54.44</b>	<b>5,633,679</b>
exercised	961,234	32.82	
forfeited	168,033	63.77	
expired	20,250	32.12	
<b>Balance 2021</b>	<b>4,967,507</b>	<b>58.40</b>	<b>4,967,507</b>
exercised	–		
forfeited	262,031	62.36	
expired	1,122,242	36.92	
<b>Balance 2022</b>	<b>3,583,234</b>	<b>64.84</b>	<b>3,583,234</b>

The following table provides a summary of outstanding and exercisable options for ordinary shares at December 31:

Range of exercise prices in €	December 31, 2022			December 31, 2021		
	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €
35,01 – 40,00	–			1,144,742	0.58	36.92
60,01 – 65,00	1,508,589	0.58	60.64	1,616,095	1.59	60.66
65,01 – 70,00	1,637,938	1.57	66.05	1,741,963	2.57	66.05
70,01 – 75,00	436,707	2.58	74.77	464,707	3.58	74.77
	<b>3,583,234</b>	<b>1.28</b>	<b>64.84</b>	<b>4,967,507</b>	<b>1.89</b>	<b>58.40</b>

At December 31, 2022, the aggregate intrinsic value of exercisable options for ordinary shares was -€138 million (December 31, 2021: -€114 million).

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## SHARE-BASED COMPENSATION PLANS OF FRESENIUS MEDICAL CARE AG & CO. KGAA

### General information on Fresenius Medical Care AG & Co. KGaA long-term incentive plans (performance shares)

As of December 31, 2022, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) has various share-based compensation plans, which may either be equity- or cash-settled.

These plans enable the members of the Management Board, the members of the management boards of affiliated

companies, managerial staff members and the senior members of FMC-AG & Co. KGaA's managerial staff who serve on FMC-AG & Co. KGaA's Executive Committee (Executive Committee) to adequately participate in the long-term, sustained success of Fresenius Medical Care. The Fresenius Medical Care AG & Co. KGaA Long Term Incentive Plan 2016 (LTIP 2016), the Fresenius Medical Care Management Board Long Term Incentive Plan 2019 (MB LTIP 2019), the Fresenius Medical Care AG & Co. KGaA Long Term Incentive Plan 2019 (LTIP 2019), the Fresenius Medical Care Management Board Long Term Incentive Plan 2020 (MB LTIP 2020) and the

Fresenius Medical Care AG & Co. KGaA Long Term Incentive Plan 2022+ (LTIP 2022+) are each variable compensation programs with long-term incentive effects which allocate or allocated so-called performance shares. Performance shares are non-equity, cash-settled virtual compensation instruments which may entitle plan participants to receive a cash payment depending on the achievement of predefined performance targets further defined below as well as FMC-AG & Co. KGaA's share price development.

The following table provides an overview of these plans.

	LTIP 2022+	MB LTIP 2020	LTIP 2019	MB LTIP 2019	LTIP 2016
Eligible persons	Other plan participants	Members of the Management Board and certain members of the Executive Committee	Other plan participants	Members of the Management Board	Members of the Management Board and other plan participants
Years in which an allocation occurred	2022	2020–2022	2019–2021	2019	2016–2018
Months in which an allocation occurred	July, December	November (2020), March (2021, 2022), October (2022)	July, December	July, December	July, December

Under the current compensation system, the Supervisory Board of Fresenius Medical Care (FMC) Management AG defines an initial value for each Management Board member's allocation by applying a multiplier to the relevant base salary. Such allocation value equals 135% (multiplier of 1.35) of the relevant base salary. In case of appointments to the Management Board during a fiscal year, the amount to be allocated to such member can be pro-rated. For other plan

participants, the determination of the allocation value will be made by the Management Board, taking into account the individual responsibility of each plan participant. The initial allocation value is determined in the currency in which the respective participant receives his or her base salary at the time of the allocation. In order to determine the number of performance shares each plan participant receives, the respective allocation value will be divided by the value per

performance share at the time of the allocation, which is mainly determined based on the average price of FMC-AG & Co. KGaA's shares over a period of 30 calendar days prior to the respective allocation date.

The number of allocated performance shares may change over the performance period of three years, depending on the level of achievement of the following:

- (i) revenue growth at constant currency (revenue growth),

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(ii) net income growth at constant currency (net income growth) and (iii) return on invested capital (ROIC).

Revenue, net income and ROIC are determined according to FMC-AG & Co. KGaA's consolidated reported and audited figures in euro for the financial statements prepared in accordance with IFRS, applying the respective plan terms. Revenue growth and net income growth, for the purpose of the relevant plan, are determined at constant currency.

#### **Fresenius Medical Care AG & Co. KGaA long-term incentive plans during 2022 (performance shares)**

The supervisory board of FMC Management AG has approved and adopted the MB LTIP 2020 effective January 1, 2020, for members of the Management Board and, as subsequently agreed, certain members of the Executive Committee. For the members of the management boards of affiliated companies and managerial staff members, the Management Board has approved and adopted the LTIP 2022+ effective January 1, 2022.

For allocations in fiscal year 2022, the target achievements of the performance targets revenue growth and net income growth are calculated based on a compound annual growth rate (CAGR) over the 3-year performance period. The basis for the first annual growth rate is 2021. For ROIC, annual target values apply. For all three performance targets, target achievement corridors which will be used for the calculation of the respective target achievements were defined.

For allocations in fiscal year 2022, the degree of target achievement for all three performance targets is weighted with 1/3 for the purpose of determining the overall target achievement at the end of the performance period. The relevant target achievement for revenue growth and net income growth is determined based on the CAGR over the entire performance period. The relevant target achievement for the ROIC target is determined based on the average annual target achievement for the ROIC during the performance period (i.e., 1/3 weighting per performance year). The overall target achievement will not exceed 200%.

The number of performance shares allocated to plan participants at the beginning of the performance period is multiplied with the degree of overall target achievement to determine the final number of performance shares.

For the MB LTIP 2020, the final number of performance shares is generally deemed earned three years after the day of an allocation. The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 calendar days prior to the lapse of this vesting period. The respective resulting amount, which is capped in total at an amount equaling 400% of the allocation value received by the participant and which can be reduced to meet the respective maximum compensation of the participant, less taxes and contributions, is transferred to a credit institution which uses it for the purchase of shares of FMC-AG & Co. KGaA on the stock exchange on behalf of the participant. The shares acquired

in this way are subject to a holding period of at least one year. After the lapse of this holding period, the participant can decide to further hold or sell these shares.

For the LTIP 2022+, the final number of performance shares generally vests three years after the allocation date. The number of vested performance shares is then multiplied with the average share price of FMC-AG & Co. KGaA during a period of 30 days prior to the end of this vesting period. The resulting amount, which is capped in total at an amount equaling 400% of the allocation value received by the participant, will then be paid to the plan participants as cash compensation.

#### **Fresenius Medical Care AG & Co. KGaA long-term incentive plans during 2016–2021 (performance shares)**

Allocations under the LTIP 2016 could be made throughout 2016 to 2018, under the MB LTIP 2019 in 2019 and under the LTIP 2019 throughout 2019 to 2021. Allocations under the MB LTIP 2020 can be made since January 1, 2020.

For performance shares allocated throughout 2020 to 2021, for the fiscal years 2020, 2021 and 2022, an annual target achievement level of 100% will be reached for the revenue growth performance target if revenue growth is 6%; revenue growth of 1% will lead to a target achievement level of 0% and the maximum target achievement level of 200% will be reached in case of revenue growth of at least 11%. If revenue growth ranges between these values, the degree of target achievement will be linearly interpolated between these values.

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For performance shares allocated throughout 2020 to 2021, for the fiscal years 2020, 2021 and 2022, an annual target achievement level of 100% for the net income growth performance target will be reached if net income growth is 5%. In case of net income growth of 0%, the target achievement level will also be 0%; the maximum target achievement of 200% will be reached in the case of net income growth of at least 10%. If net income growth ranges between these values, the degree of target achievement will be linearly interpolated between these values.

For performance shares allocated throughout 2020 to 2021, for the fiscal years 2020, 2021 and 2022, an annual target achievement level of 100% for the ROIC performance target will be reached if ROIC is 6.0%. In case of a ROIC of 5.5%, the target achievement level will be 0%; the maximum target achievement of 200% will be reached in the case of a ROIC of at least 6.5%. Between these values, the degree of target achievement will be determined by means of linear interpolation.

For performance shares allocated throughout 2016 to 2019, for each individual year of the three-year performance period, an annual target achievement level of 100% will be reached for the revenue growth performance target if revenue growth is 7%; revenue growth of 0% will lead to a target achievement level of 0% and the maximum target achievement level of 200% will be reached in case of revenue growth of at least 16%. If revenue growth ranges between these values, the degree of target achievement will be linearly interpolated between these values.

For performance shares allocated throughout 2016 to 2019, for each individual year of the three-year performance period, an annual target achievement level of 100% for the net income growth performance target will be reached if net income growth is 7%. In case of net income growth of 0%, the target achievement level will also be 0%; the maximum target achievement of 200% will be reached in the case of net income growth of at least 14%. Between these values, the degree of target achievement will be determined by means of linear interpolation.

For performance shares allocated throughout 2016 to 2019, an annual target achievement level of 100% for ROIC will be reached if the target ROIC as defined for the applicable year is reached. For performance shares allocated throughout 2016 to 2019, the target ROIC is 7.3% for 2016, 7.5% for 2017, 7.7% for 2018, 7.9% for 2019, 8.1% for 2020 and 8.1% for 2021. A target achievement level of 0% will be reached if the ROIC falls below the target ROIC for the applicable year by 0.2 percentage points or more, whereas the maximum target achievement level of 200% will be reached if the target ROIC for the respective year is exceeded by 0.2 percentage points or more. The degree of target achievement will be determined by means of linear interpolation if the ROIC ranges between these values. In case the annual ROIC target achievement level in the third year of a performance period for performance shares allocated throughout years 2016 to 2019 is equal to or higher than the ROIC target achievement level in each of the two previous years of such performance period, the ROIC target achievement level of the third year is deemed to be achieved for all years of the applicable performance period.

For performance shares allocated throughout 2016 to 2021, the target achievement level for each of the three performance targets will be weighted annually at one-third to determine the yearly target achievement for each year of the three-year performance period. The level of overall target achievement over the three-year performance period will then be determined on the basis of the mean of these three average yearly target achievements. The overall target achievement can be in a range of 0% to 200%.

For performance shares allocated in fiscal year 2019 under the LTIP 2019, the level of target achievement may be subject to an increase if certain targets in relation to the second phase of FMC-AG & Co. KGaA's Global Efficiency Program (GEP-II targets), which are measured at constant currency, and in relation to the Free Cash Flow (Free Cash Flow target) are achieved. For these performance shares, the overall target achievement shall be increased by 20 percentage points if the GEP-II targets achievement is 100%. Furthermore, the overall target achievement for these performance shares shall be increased by 20 percentage points if the free cash flow target achievement is 200%. In case of a GEP-II targets achievement between 0% and 100% and a free cash flow target achievement between 0% and 200%, the increase of the overall target achievement will be calculated by means of linear interpolation. The overall target achievement shall not exceed 200%.

The number of performance shares allocated to the plan participants at the beginning of the performance period will each be multiplied by the level of overall target achievement in order to determine the final number of performance shares.

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For the MB LTIP 2020, the final number of performance shares is generally deemed earned three years after the day of an allocation. The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 calendar days prior to the lapse of this vesting period. The respective resulting amount, which is capped in total at an amount equaling 400% of the allocation value received by the participant and which can be reduced to meet the respective maximum compensation of the participant, less taxes and contributions, is transferred to a credit institution which uses it for the purchase of shares of FMC-AG & Co. KGaA on the stock exchange on behalf of the participant. The shares acquired in this way are subject to a holding period of at least one year. After the lapse of this holding period, the participant can decide to further hold or sell these shares.

For the LTIP 2019, the final number of performance shares is generally deemed earned three years after the day of a respective allocation. The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 calendar days prior to the lapse of this vesting period. The respective resulting amount, which is capped in total at an amount equaling 400% of the allocation value received by the participant, will then be paid to the plan participants as cash compensation.

For the MB LTIP 2019, the final number of performance shares is generally deemed earned four years after the day of a respective allocation. The number of such vested

performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 calendar days prior to the lapse of this vesting period. The resulting amount will then be paid to the plan participants as cash compensation.

For the LTIP 2016, the final number of performance shares is generally deemed earned four years after the day of an allocation. The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 calendar days prior to the lapse of this vesting period. The resulting amount will then be paid to the plan participants as cash compensation.

#### Fresenius Medical Care AG & Co. KGaA Long Term Incentive Program 2011 (stock options and phantom stocks)

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of FMC-AG & Co. KGaA's Annual General Meeting. The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of FMC Management AG's Management and Supervisory Boards, forms FMC-AG & Co. KGaA's Long Term Incentive Program 2011 (LTIP 2011). Under the LTIP 2011, participants were granted awards, which consisted of a combination of stock options and phantom stocks. Awards under the LTIP 2011 were subject to a four-year vesting period. Vesting of the awards granted was subject to achievement of predefined performance targets. The 2011 SOP was established with a conditional capital increase up to €12 million subject to the issue of up to

12 million non-par value bearer ordinary shares with a nominal value of €1.00 per share. The final grant under the LTIP 2011 was made in December 2015.

Stock options granted under the LTIP 2011 have an eight-year term and can be exercised for the first time after a four-year vesting period. The exercise price of stock options granted under the LTIP 2011 shall be the average stock exchange price on the Frankfurt Stock Exchange of FMC-AG & Co. KGaA's shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the LTIP 2011 to U.S. participants are non-qualified stock options under the United States Internal Revenue Code of 1986, as amended. Stock options under the LTIP 2011 are not transferable by a participant or a participant's heirs, and may not be transferred, pledged, assigned, or disposed of otherwise.

Phantom stock awards under the LTIP 2011 entitled the holders to receive payment in euro from FMC-AG & Co. KGaA upon exercise of the phantom stock. The payment per phantom stock in lieu of the issuance of such stock was based upon the share price on the Frankfurt Stock Exchange of one of FMC-AG & Co. KGaA's shares on the exercise date. Phantom stock awards had a five-year term and could be exercised for the first time after a four-year vesting period. For participants who were U.S. taxpayers, the phantom stock was deemed to be exercised in any event in the month of March following the end of the vesting period.

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### Transactions during 2022 and 2021

During 2022, FMC-AG & Co. KGaA allocated 241,835 performance shares under the MB LTIP 2020 at a measurement date weighted average fair value of €28.37 each and a total fair value of €7 million, which will be revalued if the fair value changes. The total fair value will be amortized over the vesting period.

During 2022, FMC-AG & Co. KGaA allocated 1,737,591 performance shares under the LTIP 2022+ at a measurement date weighted average fair value of €27.33 each and a total fair value of €47 million, which will be revalued if the fair

value changes. The total fair value will be amortized over the vesting period.

During 2021, FMC-AG & Co. KGaA allocated 192,446 performance shares under the MB LTIP 2020 at a measurement date weighted average fair value of €54.69 each and a total fair value of €11 million, which will be revalued if the fair value changes. The total fair value will be amortized over the vesting period.

During 2021, FMC-AG & Co. KGaA allocated 935,814 performance shares under the LTIP 2019 at a measurement date weighted average fair value of €53.27 each and a total

fair value of €50 million, which will be revalued if the fair value changes. The total fair value will be amortized over the vesting period.

During 2022, FMC-AG & Co. KGaA received cash of €20 million from the exercise of stock options. The intrinsic value of stock options exercised in 2022 was €2 million.

During 2021, FMC-AG & Co. KGaA received cash of €6 million from the exercise of stock options. The intrinsic value of stock options exercised in 2021 was €2 million.

### Information on holdings under share-based plans

At December 31, the members of the Management Board and plan participants other than the members of the Management Board held the following performance shares under the share-based plans:

Outstanding Performance Shares	2022			2021		
	Members of the Management Board	Other plan participants	Total	Members of the Management Board	Other plan participants	Total
LTIP 2022+	–	1,676,091	1,676,091	–	–	–
MB LTIP 2020	409,511	163,031	572,542	352,053	–	352,053
LTIP 2019	–	1,525,120	1,525,120	8,869	2,399,649	2,408,518
MB LTIP 2019	24,326	19,372	43,698	102,435	12,564	114,999
LTIP 2016	–	–	–	56,624	366,059	422,683

Additionally, at December 31, 2022, the members of the Management Board of FMC Management AG held 209,400 stock options (December 31, 2021: 455,970) and plan participants other than the members of the Management Board held 2,261,716 stock options (December 31, 2021: 2,557,339) under the 2011 SOP.

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## Additional information on share-based plans

The table below provides reconciliations for options outstanding at December 31, 2022, 2021 and 2020:

Stock options for shares	Number of options in thousands	Weighted average exercise price in €
<b>Balance at December 31, 2020</b>	<b>3,201</b>	<b>71.50</b>
exercised <sup>1</sup>	128	49.83
expired	60	70.60
<b>Balance at December 31, 2021</b>	<b>3,013</b>	<b>72.44</b>
exercised <sup>2</sup>	409	49.93
expired	133	56.55
<b>Balance at December 31, 2022</b>	<b>2,471</b>	<b>77.02</b>

<sup>1</sup> The average share price at the date of exercise of the options was €65.92.

<sup>2</sup> The average share price at the date of exercise of the options was €54.00.

The following table provides a summary of fully vested options outstanding and exercisable at December 31:

Range of exercise prices in €	December 31, 2022			December 31, 2021		
	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €
45,01 – 50,00	–			488,745	0.57	49.93
55,01 – 60,00	–			31,080	0.92	58.63
75,01 – 80,00	2,471,116	0.58	77.02	2,493,484	1.58	77.02
	<b>2,471,116</b>	<b>0.58</b>	<b>77.02</b>	<b>3,013,309</b>	<b>1.41</b>	<b>72.44</b>

## 37. RELATED PARTY TRANSACTIONS

In 2022, €28 million (2021: €18 million) were paid to Fresenius Management SE as compensation for the Management Board and the Supervisory Board, general partners' fees and other reimbursements of out-of pocket expenses. At December 31, 2022, there were outstanding liabilities payable to Fresenius Management SE in the amount of €62 million (December 31, 2021: €49 million),

consisting mainly of pension obligations and Management Board compensation (see page 243 ff.).

The aforementioned payments are net amounts. In addition, VAT was paid.

In 2022 and 2021, the Else Kröner-Fresenius-Stiftung was paid the dividends which it is entitled as a shareholder in the ordinary share capital of Fresenius SE & Co. KGaA.

Fresenius Medical Care has entered into exclusive supply agreements to purchase certain pharmaceuticals from, as well as certain exclusive distribution agreements with, its associate Vifor Fresenius Medical Care Renal Pharma Ltd. Under the terms of certain unconditional purchase agreements, Fresenius Medical Care is obligated to purchase approximately €1,272 million of pharmaceuticals, of which €363 million is committed at December 31, 2022 for 2023.

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The terms of these agreements extend over four years. In the fiscal year 2022, the Fresenius Group purchased goods and services in a total amount of €463 million from Vifor Fresenius Medical Care Renal Pharma Ltd. (2021: €446 million).

Fresenius Vamed participates in project entities which are established for long-term defined periods of time and for the specific purpose of constructing and operating healthcare facilities and thermal centers. Fresenius Vamed exercises significant influence over these entities, which is why they are consolidated at equity. The project entities generated approximately €144 million in revenue in 2022 (2021: €113 million). Fresenius Vamed has concluded operating and service agreements with the project entities, which generally have an indefinite term and a total annual volume of about €8 million. The project entities finance themselves mainly through debt, profit participation rights and investment grants. Assets and liabilities relating to the project entities are not material. Fresenius Vamed made no payments to the project entities other than contractually stipulated. From today's perspective and due to the contractual situation, Fresenius Vamed is not exposed to any material risk of loss from these project entities.

## 38. SUBSEQUENT EVENTS

In February 2023, Fresenius announced that it intends to deconsolidate the business segment Fresenius Medical Care through a change of legal form of Fresenius Medical

Care AG & Co. KGaA into a stock corporation (Aktiengesellschaft). The conversion shall take effect in the course of the year subject to the required approval of the General Meeting of Fresenius Medical Care AG & Co. KGaA and the registration in the commercial register. For this purpose, an extraordinary General Meeting of Fresenius Medical Care AG & Co. KGaA will decide on the proposal for the conversion into a stock corporation (Aktiengesellschaft).

The months of January and February were characterized worldwide by a regionally varying development of the COVID-19 pandemic. The further development of the global situation and its impact on Fresenius remain uncertain.

Russia's ongoing war against Ukraine and the associated price increases, especially for energy, raw materials, and transport, will continue to have a direct and indirect negative impact on the business activities of the Fresenius Group, which cannot be estimated at present.

The development of personnel costs and the disruption of supply chains also remain issues on a global level. Their impact on Fresenius will be continuously analyzed in detail.

Beyond that, there have been no significant changes in the Fresenius Group's operating environment following the end of the fiscal year 2022 until February 21, 2023. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the fiscal year.

## 39. COMPENSATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Detailed and individualized information regarding the compensation of the members of the Management Board and of the Supervisory Board is disclosed in the Compensation Report.

The compensation of the Management Board of Fresenius Management SE is, as a whole, performance-based and geared towards promoting sustainable corporate development. It is composed of the following elements:

- ▶ non-performance-based compensation (fixed compensation and fringe benefits)
- ▶ short-term performance-based compensation (one-year variable compensation (bonus))
- ▶ components with long-term incentive effects (multi-year variable compensation comprising performance shares and postponed payments of the one-year variable compensation/of the bonus)

The cash compensation paid to the Management Board for the performance of its responsibilities was €12,407 thousand (2021: €16,057 thousand). Thereof, €8,958 thousand (2021: €8,602 thousand) is not performance-based and €3,449 thousand (2021: €7,455 thousand) is performance-based. The amount of the short-term performance-based compensation depends on the achievement of targets relating to the net income and the revenue of the Fresenius Group and the business segments as well as on the achievement of sustainability criteria. As a long-term incentive component, the members of the Management Board received 321,213 performance shares of Fresenius SE & Co. KGaA

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(2021: 193,800) and 48,680 performance shares of Fresenius Medical Care AG & Co. KGaA (2021: 40,894) in the equivalent value of €11,331 thousand (2021: €10,979 thousand).

The total compensation of the Management Board was €23,738 thousand (2021: €27,036 thousand).

In the fiscal year 2022, the Fresenius Group recognized expense, under IFRS, from share-based compensation plans for the Management Board of €308 thousand (2021: €1,131 thousand), a cost for pension plans (current and past service cost) for the members of the Management Board of €4,129 thousand (2021: €5,774 thousand) and expenses for early termination of service agreements of €13,309 thousand (2021: €6,336 thousand). In accordance with IFRS, the total compensation expense for the Management Board recognized in the statement of income amounted to €30,153 thousand (2021: €29,298 thousand). In addition, there were outstanding balances of €13,111 thousand (2021: €53,158 thousand) for members of the Management Board at the

end of the fiscal year, mainly for pension commitments and performance-related compensation. Terms and conditions of long-term variable compensation are detailed under note 36, Share-based compensation plans. Pension commitments arise under defined benefit and defined contribution plans. The amount of the benefits is calculated based on the amount of the pensionable income and is generally paid out in installments or as a lump sum upon retirement or attainment of retirement age.

The total compensation paid to the Supervisory Board of Fresenius SE & Co. KGaA and its committees was €2,447 thousand in 2022 (2021: €2,502 thousand). The total compensation paid to the Supervisory Board of Fresenius Management SE and its committees was €1,305 thousand in 2022 (2021: €1,353 thousand).

The members of the Supervisory Board receive a fixed compensation, fringe benefits (consisting of reimbursement of expenses and insurance coverage) and, if they perform

any duties on the Audit Committee of the Supervisory Board, remuneration for this committee activity. At the end of the fiscal year, there were outstanding balances for the remuneration of the members of the supervisory boards amounting to €3,752 thousand (2021: €3,855 thousand). In addition, the employee representatives on the Supervisory Board receive a regular salary from their respective employment contracts.

In 2022, based on pension commitments to former members of the Management Board, €13,166 thousand (2021: €8,102 thousand) was paid. The pension obligation according to IFRS for these persons amounted to €49,346 thousand in 2022 (2021: €34,714 thousand).

In the fiscal years 2022 and 2021, no loans or advance payments on future compensation components were granted to any member of the Management Board of Fresenius Management SE.

## 40. AUDITOR'S FEES

In 2022 and 2021, fees for the auditor PricewaterhouseCoopers GmbH, Frankfurt am Main (PwC), and its affiliates were expensed as follows:

€ in millions	2022		2021	
	Total	Germany	Total	Germany
Audit fees	29	9	23	8
Audit-related fees	3	2	3	3
Tax consulting fees	1	–	1	0
Other fees	3	3	2	2
<b>Total auditor's fees</b>	<b>36</b>	<b>14</b>	<b>29</b>	<b>13</b>

The leading auditor has been responsible for the audit of the consolidated financial statements since 2020.

In the fiscal years 2022 and 2021, both worldwide and in Germany, audit-related fees and other fees mainly related to the review of quarterly financial statements, audit

services for the German hospitals of the Fresenius Group and in connection with financing activities and consulting fees with regard to corporate governance. In 2022 and

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2021, tax consulting fees are fees for professional services rendered by Fresenius Group's auditor for tax compliance, tax consulting associated with international transfer prices, as well as support services related to tax audits.

## 41. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)), and of Fresenius Medical Care AG & Co. KGaA ([www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com)).

## 42. PROPOSAL FOR THE DISTRIBUTION OF EARNINGS

The general partner and the Supervisory Board of Fresenius SE & Co. KGaA propose to the Annual General Meeting that the earnings for 2022 of Fresenius SE & Co. KGaA are distributed as follows:

in €

Dividend proposal	<u>518,178,294.84</u>
Balance to be carried forward	<u>443,212.62</u>
Retained earnings	<u>518,621,507.46</u>

For the fiscal year 2022, a dividend of €0.92 per bearer ordinary share on 563,237,277 ordinary shares entitled to dividend is planned, corresponding to a total distribution of €518,178,294.84.

Bad Homburg v. d. H., February 21, 2023

Fresenius SE & Co. KGaA,  
represented by:  
Fresenius Management SE, its general partner

The Management Board

Dr. S. Biedenkopf

Dr. E. Wastler

Dr. F. De Meo

H. Giza

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## RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the

Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Bad Homburg v. d. H., February 21, 2023

Fresenius SE & Co. KGaA,  
represented by:  
Fresenius Management SE, its general partner

The Management Board



M. Sen



Dr. S. Biedenkopf



Dr. F. De Meo



H. Giza



S. Hennicken



Dr. E. Wastler

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The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the consolidated financial statements and the group management report prepared for disclosure purposes in accordance with § 317 Abs. 3b HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

## INDEPENDENT AUDITOR'S REPORT

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

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

#### Audit Opinions

We have audited the consolidated financial statements of Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report of Fresenius SE & Co. KGaA for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the disclosure marked as unaudited in section "Internal Control System as Part of the Risk Management System" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the disclosure in section "Internal Control System as Part of the Risk Management System" referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

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## Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

### I. Recognition and measurement of goodwill

Our presentation of this key audit matter has been structured as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matter:

#### I. Recognition and measurement of goodwill

1. In the Company's consolidated financial statements goodwill amounting in total to EUR 31,444 Mio (41.1% of total assets or 97.6% of equity) is reported under the "Goodwill" balance sheet item. In the financial year 2022, goodwill increased by EUR 2,501 million. This increase mainly results from the business combination Interwell Health and the acquisitions of mAbxience Holding S.L. und Ivenix, Inc.

Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the cash-generating units to which the relevant goodwill, including additions in the financial year, is allocated individually or as a group. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective

cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the approved three-year budgets as well as projections for years 4 to 10 of the respective cash-generating units form the starting point which are extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments the effects of the changed macroeconomic environment, including mitigating measures, are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore also against the background of the changed macroeconomic environment, including mitigating measures, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

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2. As part of our audit, we assessed with the support of our internal valuation specialists the methodology used for the purposes of performing the impairment test, among other things. In doing so, we also assessed the acceptability of projecting beyond the budget period. Moreover, we reconciled, among other things, the future cash inflows used for the calculation with the approved three-year budgets and projections for years 4 to 10 of the respective cash-generating units. In doing so, we also assessed the appropriateness of the calculation including the applied growth rates, in particular by reconciling it with underlying documentation, the expected growth rate in respective markets and general and sector-specific market expectations. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the changed macroeconomic environment, including mitigating measures, and assessed their consideration in the respective budgets of the respective cash-generating units and how they were taken into account in estimating the future cash flows. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate or the

growth rates applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate as well as growth rates applied, and assessed the calculation models. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company and carried out our own sensitivity analyses for those groups of cash-generating units with low headroom (recoverable amount compared to carrying amount) and verified that the necessary disclosures were made in the notes to the consolidated financial statements.

Overall, the estimations made as well as the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3. The Company's disclosures on the balance sheet item "Goodwill" are contained in note 1. III. o), note 1.IV. a), note 2 and note 20 of the notes to the consolidated financial statements.

## Other Information

The executive directors are responsible for the other information. The other information comprises the disclosure marked as unaudited in section "Internal Control System as Part of the Risk Management System" of the group management report as an unaudited part of the group management report.

The other information comprises further

- ▶ the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- ▶ the separate non-financial group report to comply with §§ 315b to 315c HGB
- ▶ the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- ▶ all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

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In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- ▶ is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- ▶ otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable

the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ▶ Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- ▶ Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- ▶ Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- ▶ Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- ▶ Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 ABS. 3A HGB

#### Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file FSE\_KGaA\_KA\_KLB\_ESEF-2022-12-31.zip and prepared

for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

#### Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic

Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

#### Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

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## Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- ▶ Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- ▶ Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- ▶ Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- ▶ Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- ▶ Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

## FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 13 May 2022. We were engaged by the supervisory board on 19 July 2022. We have been the group auditor of the Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group

management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

## GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Bernd Roese.

Frankfurt am Main, February 21, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft  
(Original German Version signed by:)

Dr. Ulrich Störk  
Wirtschaftsprüfer  
(German Public Auditor)

Dr. Bernd Roese  
Wirtschaftsprüfer  
(German Public Auditor)

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# BOARDS

## SUPERVISORY BOARD FRESENIUS SE & CO. KGAA

Membership of statutory supervisory boards  
and comparable domestic or foreign supervisory bodies

Name	Occupation	Year of birth	Initial appointment	External positions as at Dec. 31, 2022	Fresenius Group company positions as at Dec. 31, 2022
<b>Wolfgang Kirsch</b> Chair	Member of various Supervisory Boards	1955	2021	Adolf Würth GmbH & Co. KG Bankhaus Metzler (Deputy Chair)	Fresenius Management SE (Chair)
<b>Prof. Dr. med. D. Michael Albrecht</b>	Medical Director and Spokesman of the Management Board of the University Hospital Carl Gustav Carus Dresden	1949	2011		
<b>Stefanie Balling</b>	Full-time Works Council Member Fresenius Medical Care Deutschland GmbH	1968	2016		
<b>Bernd Behlert</b>	Full-time Works Council Member Helios Vogtland-Klinikum Plauen GmbH	1958	2018		Helios Vogtland-Klinikum Plauen GmbH
<b>Michael Diekmann</b> Deputy Chair	Member of various Supervisory Boards	1954	2015	Allianz SE <sup>1</sup> (Chair) Siemens AG <sup>1</sup> (until February 10, 2023)	Fresenius Management SE
<b>Grit Genster</b> Deputy Chair	Secretary of the Trade Union ver.di, Vereinte Dienstleistungsgewerkschaft Division Manager Health Care/Health Policy	1973	2020		
<b>Konrad Kölbl</b>	Full-time Works Council Member VAMED-KMB Krankenhausmanagement und Betriebsführungsgees. m.b.H.	1959	2007		
<b>Frauke Lehmann</b>	Full-time Works Council Member Helios Kliniken Schwerin GmbH	1963	2016		Helios Kliniken Schwerin GmbH (Deputy Chair)
<b>Prof. Dr. med. Iris Löw-Friedrich</b>	Chief Medical Care Officer and Executive Vice President, Head of Development, UCB S.A.	1960	2016	Evotec SE <sup>1</sup> (Chair)	

The term of office expires at the end of the Annual General Meeting 2025.

<sup>1</sup> Stock-listed company

# BOARDS

## SUPERVISORY BOARD FRESENIUS SE & CO. KGAA

Name	Occupation	Year of birth	Initial appointment	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies		Fresenius Group company positions as at Dec. 31, 2022
				External positions as at Dec. 31, 2022	Fresenius Group company positions as at Dec. 31, 2022	
Klaus-Peter Müller (until May 13, 2022)	Honorary Chairman of the Supervisory Board of Commerzbank AG	1944	2008			
Oscar Romero de Paco	Production staff member Fresenius Kabi España S.A.U.	1974	2016			
Hauke Stars (until January 31, 2022)	Member of supervisory bodies Volkswagen AG <sup>1</sup>	1967	2016			
Susanne Zeidler (since February 9, 2022)	Member of various Supervisory Boards	1961	2022	DWS Investment GmbH		Fresenius Management SE
Dr. Christoph Zindel (since May 13, 2022)	Self-employed; former Member of the Managing Board Siemens Healthineers AG	1961	2022			
Dr. Gerd Krick	Honorary Chairman of the Supervisory Board of Fresenius SE & Co. KGaA and Fresenius Management SE					

The term of office expires at the end of the Annual General Meeting 2025.

<sup>1</sup> Stock-listed company

## COMMITTEES OF THE SUPERVISORY BOARD

Nomination Committee	Audit Committee	Joint Committee <sup>1</sup>
Wolfgang Kirsch (Chair) Michael Diekmann Susanne Zeidler (since May 13, 2022)	Bernd Behlert (since February 17, 2023) Grit Genster Wolfgang Kirsch Konrad Kölbl (until February 17, 2023) Klaus-Peter Müller (until May 13, 2022; Chair) Hauke Stars (until January 31, 2022) Susanne Zeidler (since May 13, 2022; Chair) Dr. Christoph Zindel (since May 13, 2022)	Dr. Dieter Schenk (Chair) Michael Diekmann Wolfgang Kirsch Hauke Stars (until January 31, 2022) Susanne Zeidler (since May 13, 2022)

<sup>1</sup> The committee consists equally of two members each of the Supervisory Board of Fresenius SE & Co. KGaA and of Fresenius Management SE

# BOARDS

## MANAGEMENT BOARD FRESENIUS MANAGEMENT SE

(General partner of Fresenius SE &amp; Co. KGaA)

Name	Segment	Year of birth	Initial appointment	Term expires	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies		Fresenius Group company positions as at Dec. 31, 2022
					External positions as at Dec. 31, 2022	Fresenius Group company positions as at Dec. 31, 2022	
Michael Sen	Chairman (since October 1, 2022) Business Segment Fresenius Kabi	1968	2021	2027			Fresenius Medical Care Management AG (Chair)
Stephan Sturm (until September 30, 2022)	Chairman	1963	2005	2026			
Dr. Sebastian Biedenkopf	Responsible for Human Resources (Labor Relations Director), Risk Management and Legal	1964	2020	2023			Fresenius Kabi AG (Deputy Chair; since October 5, 2022)
Dr. Francesco De Meo	Business Segment Fresenius Helios	1963	2008	2026			
Rachel Empey (until August 31, 2022)	Chief Financial Officer	1976	2017	2025	BMW Group <sup>1</sup>		
Helen Giza (until December 6, 2022)	Business Segment Fresenius Medical Care	1968	2022	2027			Fresenius Medical Care Holdings, Inc., USA (since December 6, 2022 Chair) Vifor Fresenius Medical Care Renal Pharma Ltd., Switzerland
Sara Hennicken (since September 1, 2022)	Chief Financial Officer	1980	2022	2025			Fresenius Kabi AG (Chair; since October 5, 2022) Fresenius Medical Care Management AG (since September 8, 2022) VAMED AG, Austria (Deputy Chair; since December 14, 2022)
Carla Kriwet (October 1 until December 5, 2022)	Business Segment Fresenius Medical Care	1971	2022	2025			
Rice Powell (until September 30, 2022)	Business Segment Fresenius Medical Care	1955	2013	2022			
Dr. Ernst Wastler	Business Segment Fresenius Vamed	1958	2008	2025			Vamed-KMB Krankenhausmanagement und Betriebsführungsge. m. b. H., Austria (Chair)

<sup>1</sup> Stock-listed company

# BOARDS

## SUPERVISORY BOARD FRESENIUS MANAGEMENT SE

(General partner of Fresenius SE & Co. KGaA)

Name	Occupation	Year of birth	Initial appointment	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies	
				External positions as at Dec. 31, 2022	Fresenius Group company positions as at Dec. 31, 2022
<b>Wolfgang Kirsch</b> Chair	Member of various Supervisory Boards	1955	2020	Adolf Würth GmbH & Co. KG Bankhaus Metzler (Deputy Chair)	Fresenius SE & Co. KGaA <sup>1</sup> (Chair)
<b>Dr. Frank Appel</b>	Chief Executive Officer Deutsche Post DHL Group <sup>1</sup> (until May 4, 2023)	1961	2021	Deutsche Telekom AG <sup>1</sup> (since April 7, 2022; Chair)	
<b>Michael Diekmann</b>	Member of various Supervisory Boards	1954	2015	Allianz SE <sup>1</sup> (Chair) Siemens AG <sup>1</sup> (until February 10, 2023)	Fresenius SE & Co. KGaA <sup>1</sup> (Deputy Chair)
<b>Dr. Heinrich Hiesinger</b>	Member of various Supervisory Boards	1960	2020	ZF Friedrichshafen AG (Chair since January 01, 2022) BMW AG <sup>1</sup> Deutsche Post AG <sup>1</sup>	
<b>Dr. Dieter Schenk</b> Deputy Chair	Member of various Supervisory Boards	1952	2010	HWT invest AG (until September 30, 2022) Gabor Shoes AG (Chair) TOPTICA Photonics AG (Chair) Else Kröner-Fresenius-Stiftung (Chair of Foundation Board)	Fresenius Medical Care AG & Co. KGaA <sup>1</sup> (Chair) Fresenius Medical Care Management AG (Deputy Chair) VAMED AG (Chair; since December 14, 2022)
<b>Susanne Zeidler</b>	Member of various Supervisory Boards	1961	2021	DWS Investment GmbH	Fresenius Management SE
<b>Dr. Gerd Krick</b>	Honorary Chairman of the Supervisory Board of Fresenius SE & Co. KGaA and Fresenius Management SE				
<b>Dr. Karl Schneider</b>	Honorary Member of the Supervisory Board of Fresenius Management SE				

The term of office expires at the end of the Annual General Meeting 2025.

<sup>1</sup> Stock-listed company

# GLOSSARY

## Healthcare terms/Products and services

### Apheresis

A medical technology in which the blood of a person is passed through a device that separates out one particular blood component and returns the remainder to the circulation. This technology is used for the collection of various blood components by donors, as well as for therapeutic applications for patients.

### Biosimilars

A biosimilar is a drug that is "similar" to another biologic drug already approved.

### CUE

Cue is an automated cell processing system capable of washing, concentrating, and preparing white blood cell suspensions for cryopreservation (freezing in liquid nitrogen) and/or dispensing into final containers.

### Cytostatics

Substances that slow or stop the growth of cells, including cancer cells, without killing them. These agents may cause tumors to stop growing and spreading without causing them to shrink in size.

### Dialysis

Form of renal replacement therapy where a semipermeable membrane – in peritoneal dialysis the peritoneum of the patient, in hemodialysis the membrane of the dialyzer – is used to clean a patient's blood.

### Dialysis machine

The hemodialysis process is controlled by a dialysis machine, which pumps blood, adds anticoagulants, regulates the cleansing process, and controls the mixture of dialysate and its flow rate through the system.

### Dialyzer

Special filter used in hemodialysis for removing toxic substances, waste products of metabolic processes, and excess water from the blood. The dialyzer is sometimes referred to as the "artificial kidney".

### DRG flat rate per case

The Diagnosis Related Group (DRG) is a flat rate per case and forms the basis for the reimbursement of inpatients treated in German hospitals.

### Enteral nutrition

Application of liquid nutrition as a tube or sip feed via the gastrointestinal tract.

### Evidence-based medicine

Evidence-based medicine (EBM) builds on expert knowledge, the experience of those treating patients and their needs, as well as on current scientific findings. The aim is to provide the best possible care for people who are ill.

### FDA (U.S. Food & Drug Administration)

Official authority for food observation and drug registration in the United States.

### HD (Hemodialysis)

A treatment method for dialysis patients where the blood of the patient is cleansed by a dialyzer. The solute exchange between blood and dialysate is dominated by diffusive processes.

### Immunogenicity

The ability of an antigen to cause an immune response (immunization, sensitization).

### LOVO

LOVO is a cell processing system to wash differentiated and undifferentiated white blood cells for laboratory and research use. It is designed to offer a simple, fast, and automated method to remove supernatant, add and reduce volume in a fully closed system.

### Outpatient clinic

Interdisciplinary facility for outpatient care, managed by physicians. The responsible body of a medical care center includes all service providers (such as physicians, pharmacists, healthcare facilities) that are authorized to treat patients with statutory health insurance.

### Parenteral nutrition

Application of nutrients directly into the bloodstream of the patient (intravenously). This is necessary if the condition of a patient does not allow them to absorb and metabolize essential nutrients orally or as sip and tube feed in a sufficient quantity.

### PD (Peritoneal dialysis)

Dialysis treatment method using the patient's peritoneum as a filter to cleanse their blood.

### Pharmacokinetics

The effect of the body on the drug.

### PPP (public-private partnership model)

Public-private partnership describes a government service or private business venture that is funded and operated through a partnership of government and one or more private-sector companies. In most cases, PPP accompanies a part-privatization of governmental services.

### Signal detection

Various activities used to determine whether new risks exist in connection with an active ingredient or pharmaceutical product, or whether risks known to us have changed. A review is based on our safety reports, aggregated data from the pharmacovigilance systems, and studies and information from the scientific literature or other data sources available to us. Signal management also includes the assessment of new evidence and related recommendations, decisions, communications, and follow up on the information.

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# GLOSSARY

## Healthcare terms/Products and services

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**Subcutaneous injection**

An injection of vaccines or drugs into the subcutaneous fat tissue.

**Telematics infrastructure**

The telematics infrastructure is intended to network all those involved in the German healthcare system and enable a secure exchange of information across sectors and systems.

**Multi-chamber bag**

The multi-chamber bag contains all the macronutrients like amino acids, glucose, and lipids, as well as electrolytes, in separate chambers. Immediately before infusion, all nutrients are mixed thoroughly within the bag simply by opening individual chambers. This reduces the risk of contamination and saves time when preparing the infusions.

**UNE**

The Spanish Association for Standardization, UNE, is the body legally responsible for the development of standards in Spain. It is the Spanish representative in ISO.

# GLOSSARY

## Financial terms<sup>1</sup>

### **After adjustments**

In order to measure the operating performance extending over several periods, key performance measures are "adjusted" where applicable. Adjusted measures are labelled with "after adjustments". A reconciliation table is available within the respective quarterly or annual report and presents the composition of special items.

### **Audit & Inspection Score**

The Audit & Inspection Score at Fresenius Kabi is based on the number of critical and serious non-conformances from regulatory GMP inspections and the number of serious non-conformances from TÜV ISO 9001 audits in relation to the total number of inspections and audits performed. The score shows how many deviations were identified on average during the inspections and audits considered.

### **Before special items**

In order to measure the operating performance extending over several periods, key performance measures are adjusted by special items, where applicable. Adjusted measures are labelled with "before special items". A reconciliation table is available within the respective quarterly or annual report and presents the composition of special items.

### **Cash flow**

Financial key figure that shows the net balance of incoming and outgoing payments during a reporting period.

### **Operating cash flow**

Operating cash flow is a financial measure showing cash inflows from operating activities during a period. Operating cash flow is calculated by subtracting non-cash income and adding non-cash expenses to net income.

### **Cash flow from investing activities**

Cash flow from investing activities is a financial measure opposing payments for the acquisition or purchase of property, plant and equipment and investments versus proceeds from the sale of property, plant and equipment and investments.

### **Cash flow from financing activities**

Cash flow from financing activities is a financial measure showing how the investments of the reporting period were financed.

Cash flow from financing activities is calculated from additions to equity plus proceeds from the exercise of stock options, less dividends paid, plus proceeds from debt increase (loans, bonds, etc.), less repayments of debt, plus the change in noncontrolling interests, plus proceeds from the hedge of exchange rate effects due to corporate financing.

### **Cash flow before acquisitions and dividends**

Fresenius uses the cash flow before acquisitions and dividends as the financial measure for free cash flow. Cash flow before acquisitions and dividends is calculated by operating cash flow less investments (net). Net investments are calculated by payments for the purchase of property, plant and equipment less proceeds from the sale of property, plant and equipment.

### **Cash Conversion Rate (CCR)**

The cash conversion rate is defined as the ratio of adjusted free cash flow (cash flow before acquisitions and dividends; before interest, tax and special items) to operating income (EBIT) before special items. This allows us to assess our ability to generate cash and amongst others, also to pay dividends.

### **Constant currencies**

Constant currencies for income and expenses are calculated using prior-year average rates; constant currencies for assets and liabilities are calculated using the mid-closing rate on the date of the respective statement of financial position.

### **CSR (Corporate Social Responsibility)**

CSR refers to the social responsibility of companies. Their operations can affect economic, social, and environmental conditions all over the world.

### **DSO (Days Sales Outstanding)**

Indicates the average number of days it takes for a receivable to be paid.

### **EBIT (Earnings before Interest and Taxes)**

EBIT does include depreciation and write-ups on property, plant and equipment.

EBIT is calculated by subtracting costs of revenue, selling, general, and administrative expenses, and research and development expenses from revenue.

### **EBIT margin**

EBIT margin is calculated as the ratio of EBIT to revenue.

### **EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)**

EBITDA is calculated from EBIT by adding depreciations recognized in income and deducting write-ups recognized in income, both on intangible assets as well as property, plant and equipment.

### **EBITDA margin**

EBITDA margin is calculated as the ratio of EBITDA to revenue.

### **Employee-Engagement Index (EEI)**

The Employee Engagement Index measures how positively employees identify with their employer, how committed they feel, and how engaged they are at work. The key figure can be reported in relation to a business segment or for the entire Group.

# GLOSSARY

## Financial terms<sup>1</sup>

### Inpatient Quality Indicator

The Inpatient Quality Indicator at Fresenius Helios comprises the measurement of a set of standardized German inpatient quality indicators (G-IQI). These are based on routinely collected hospital billing data from hospital information systems. The number of indicators achieved compared to the total number of indicators is calculated to measure the overall success rate. There is individual target setting and measurement of target achievement in the two Helios segments Helios Germany and Helios Spain. Subsequently, target achievement is consolidated at Helios company level with equal weighting (50% each) for Executive Board compensation.

### Net debt/EBITDA

Net debt/EBITDA is a financial measure reflecting the ability of Fresenius to fulfill its payment obligations. Net debt and EBITDA are calculated at LTM (last-12-month) average exchange rates, respectively.

Calculation of net debt:

- Short-term debt
- + Short-term debt from related parties
- + Current portion of long-term debt and capital lease obligations
- + Current portion of Senior Notes
- + Long-term debt and capital lease obligations, less current portion
- + Senior Notes, less current portion
- + Convertible bonds
- = Debt
- Less cash and cash equivalents
- = Net debt

### Net Promoter Score (NPS)

The Net Promoter Score is designed to ensure that Fresenius Medical Care maintains excellent patient relationships and that the patient voice is used to provide strategic insights to improve patient relationships. Improving the Net Promoter Score leads to better service, higher quality of care, improved quality of life and loyalty to remain with Fresenius Medical Care as the provider of choice.

### NOPAT

Net Operating Profit After Taxes (NOPAT) is calculated from operating income (EBIT), as stated in the profit and loss statement, less income taxes.

### Organic growth

Growth that is generated by a company's existing businesses and not by acquisitions, divestitures, or foreign exchange impact.

### ROE (Return on Equity)

Measure of a corporation's profitability revealing how much profit a company generates with the money shareholders have invested.

ROE is calculated by fiscal year's net income / total equity × 100.

### ROIC (Return on Invested Capital)

Calculated by: (EBIT - taxes) / Invested capital.

Invested capital = total assets + accumulated amortization of goodwill - deferred tax assets - cash and cash equivalents - trade accounts payable - accruals (without pension accruals) - other liabilities not bearing interest.

### ROOA (Return on Operating Assets)

Calculated as the ratio of EBIT to operating assets (average).

Operating assets = total assets - deferred tax assets - trade accounts payable - cash held in trust - payments received on account - approved subsidies.

### Patient satisfaction

Fresenius Vamed measures the level of patient satisfaction in the VAMED healthcare facilities and the overall patient satisfaction with the services offered in the VAMED healthcare facilities. Each patient receives a questionnaire at or immediately after discharge, which contains 16 standardized questions that are evaluated for the patient satisfaction target.

### SOI (Scope of Inventory)

Indicates the average number of days between receiving goods as inventory and the sale of the finished product.

Calculated by: (Inventories / Costs of goods sold) × 365 days.

### Working capital

Current assets (including prepaid expenses) - accruals - trade accounts payable - other liabilities - deferred income.

# GLOSSARY

## Financial terms<sup>1</sup>

### RECONCILIATION OF AVERAGE INVESTED CAPITAL AND ROIC

€ in millions, except for ROIC	December 31, 2022	December 31, 2021
<b>Total assets</b>	<b>76,415</b>	<b>71,962</b>
Plus: Cumulative goodwill amortization	753	719
Minus: Cash and cash equivalents	-2,749	-2,764
Minus: Loans to related parties	-42	-63
Minus: Deferred tax assets	-831	-858
Minus: Accounts payable	-2,070	-2,039
Minus: Accounts payable to related parties	-94	-92
Minus: Provisions and other current liabilities <sup>1</sup>	-9,320	-8,925
Minus: Income tax payable	-458	-495
<b>Invested capital</b>	<b>61,604</b>	<b>57,445</b>
<b>Average invested capital as of December 31, 2022/2021<sup>2</sup></b>	<b>60,401</b>	<b>55,893</b>
Operating income <sup>3,4</sup>	4,044	4,260
Income tax expense	-960	-964
<b>NOPAT<sup>3,4</sup></b>	<b>3,084</b>	<b>3,296</b>
<b>ROIC in %</b>	<b>5.1%</b>	<b>5.9%</b>

<sup>1</sup> Includes non-current provisions and payments outstanding for acquisition; does not include pension liabilities and noncontrolling interests subject to put provisions.

<sup>2</sup> Includes adjustments for acquisitions in the respective reporting period with a purchase price above a certain level (2022: €1,752 million; 2021: €752 million).

<sup>3</sup> Includes adjustments for acquisitions in the respective reporting period with a purchase price above a certain level (2022: €40 million; 2021: €8 million).

<sup>4</sup> Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 63–66.

### RECONCILIATION OF AVERAGE OPERATING ASSETS AND ROOA

€ in millions, except for ROOA	December 31, 2022	December 31, 2021
<b>Total assets</b>	<b>76,415</b>	<b>71,962</b>
Minus: Contract liabilities	-185	-535
Minus: Payments received on account	0	0
Minus: Cash held in trust	-180	-154
Minus: Loans to related parties	-42	-63
Minus: Deferred tax assets	-831	-858
Minus: Accounts payable	-2,070	-2,039
Minus: Accounts payable to related parties	-94	-92
Minus: Approved subsidies due to Hospital Funding Act ("Krankenhausfinanzierungsgesetz", KHG)	-140	-118
<b>Operating assets</b>	<b>72,873</b>	<b>68,103</b>
<b>Average operating assets as of December 31, 2022/2021<sup>1</sup></b>	<b>70,959</b>	<b>65,384</b>
Operating income <sup>2,3</sup>	4,044	4,260
<b>ROOA in %</b>	<b>5.7%</b>	<b>6.5%</b>

<sup>1</sup> Includes adjustments for acquisitions in the respective reporting period with a purchase price above a certain level (2022: €1,806 million; 2021: €868 million).

<sup>2</sup> Includes adjustments for acquisitions in the respective reporting period with a purchase price above a certain level (2022: €40 million; 2021: €8 million).

<sup>3</sup> Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 63–66.

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# IMPRINT

Commercial Register: Bad Homburg v. d. H.; HRB 11852

Chairman of the Supervisory Board: Wolfgang Kirsch

General Partner: Fresenius Management SE

Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673

Management Board: Michael Sen (President and CEO), Pierluigi Antonelli (since March 1, 2023), Dr. Sebastian Biedenkopf, Helen Giza, Sara Hennicken,

Dr. Francesco De Meo, Dr. Ernst Wastler

Chairman of the Supervisory Board: Wolfgang Kirsch

The German version of this Annual Report is legally binding.

The editorial closing date of this Annual Report was on March 16, 2023, and it was published on March 23, 2023. Rounding differences may occur.

The Annual Report and the financial statements of Fresenius SE & Co. KGaA are available on our website at: <https://www.fresenius.com/financial-reports-and-presentations>.

You will find further information and current news about our company on our website at: [www.fresenius.com](http://www.fresenius.com).

Forward-looking statements:

This Annual Report contains forward-looking statements. These statements represent assessments that we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based not occur, or if risks should arise – as mentioned in the risk report and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.

Design concept/realization: Hilger Boie Waldschütz Design, Wiesbaden

## FINANCIAL CALENDAR

Report on 1st quarter 2023 Conference call, live webcast	May 9, 2023
Virtual Annual General Meeting, Bad Homburg, Germany	May 17, 2023
Report on 2nd quarter 2023 Conference call, live webcast	August 2, 2023
Report on 3rd quarter 2023 Conference call, live webcast	November 2, 2023

Schedule updates, information on live webcasts, and other events at [www.fresenius.com/events-and-roadshows](http://www.fresenius.com/events-and-roadshows)

## FRESENIUS SHARE/ADR

	Ordinary share	ADR
Securities identification no.	578 560	35804M105
Ticker symbol	FRE	FSNUY
ISIN	DE0005785604	US35804M1053
Bloomberg symbol	FRE GR	Sponsored Level 1 ADR
Reuters symbol	FREG.de	4 ADR = 1 share
Main trading location	Frankfurt/Xetra	OTC
	Trading platform	

## CONTACT

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