

2020 TCFD Index

Using the disclosure recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), the table below provides information on climate-related risks and opportunities. The table is divided into four key areas in line with the four core categories governance, strategy, risk management, as well as metrics and targets.

Governance

Disclose the organization’s governance around climate-related risks and opportunities.

Information published:

Sustainability at Fresenius is the responsibility of the **CEO** of Fresenius Management SE. Fresenius Management SE is the general partner of Fresenius SE & Co. KGaA. The Group Management Board is **regularly informed** about sustainability issues, including climate change 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.

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 108)

a) Describe the Board’s oversight of climate-related risks and opportunities.

The departments and functions on Fresenius SE & Co. KGaA level support the business segments in the development of guidelines and management concepts relating to these sustainability topics. The business segments have also defined departments and responsible persons – often in the form of sustainability officers who coordinate all sustainability issues within the business segment. Fresenius Medical Care is itself a stock-listed company and has therefore established its own sustainability governance structure.

Group Sustainability Governance Structure, please see our Group Non-financial Report – Our Sustainability Organization (pages 109 ff.)

The **highest governing body for sustainability issues** at Fresenius Medical Care is the Sustainability Decision Board. Co-headed by the CEO, it is responsible for integrating sustainability into the Company’s strategy and business. Together with the Sustainability Decision Board, the Management Board decides on strategic initiatives.

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In the reporting year, we identified potentially relevant sustainability risks that we would like to review regularly in the future, including climate change, water scarcity, and human rights violations, among other risks.

b) Describe management's role in assessing and managing climate-related risks and opportunities

The identification and assessment of **potential sustainability risks** (non-financial risks), including climate related risks, initially takes place at both the Group level and in the four business segments via the existing risk management system. Sustainability risks are assessed that are already covered by the existing risk catalogs and risk reporting of the Fresenius Group. Potential sustainability risks are discussed on a **quarterly basis** at Group level by the corporate functions Corporate Compliance, Group Controlling and Investor Relations & Sustainability of Fresenius SE & Co. KGaA and supplemented if necessary. At our business segment **Fresenius Medical Care**, as part of the **Global Sustainability Program**, the Global Sustainability department is responsible for analyzing and measuring the overall environmental impact, including climate-related impact, to see how the business segment can further improve our efforts. The progress of the Global Sustainability Program is incorporated in the Management Board's compensation of Fresenius Medical Care in the form of sustainability targets (20% variable component). In the AGM 2021, Fresenius SE & Co. KGaA proposes in agenda item 6 a new compensation system for the Management Board. This Compensation System 2021+ also takes into account **non-financial performance targets**. These targets are derived from the Company's materiality analysis and relate to sustainability areas of importance to Fresenius, such as quality/patients, employees, innovation/digitalization, compliance and environment. These are initially implemented as qualitative ESG-targets within the Short-Term Incentive for the years 2021 and 2022. This involves measuring the progress of the development of an ESG strategy, with a defined target picture and transparent metrics. The design of the ESG targets is aimed at quantifying the improvement in ESG performance from 2023 onwards, with quantitative targets to be incorporated into the Long-Term Incentive from this date onwards. As an overarching strategic goal, Fresenius intends to significantly improve its ESG performance over the next ten (10) years, based on reported and audited metrics that reflect the Company's sustainability strategy.

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 108)

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Agenda item 6, see pages 18 to 37 of the agenda to the AGM 2021

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning

Information published:

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

For an overview of risks which could have an impact on our business operations, please see our Opportunities and Risks Report in the Annual Report 2020

Fresenius Group Annual Report 2020 (pages 88 ff.)

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b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning

In the reporting year, we identified **potentially relevant sustainability risks** that we will review regularly in the future, including climate change, water scarcity, and human rights violations, among other risks. In the future, we intend to record and assess sustainability risks across the Group in a more harmonized approach together with financial, legal and compliance risks. This will enable us to achieve an integrated view of our impact on the issues (inside-out perspective) on the one hand and the impact of the issues on Fresenius (outside-in) on the other. This allows us to **assess their short-, medium- or long-term financial impact** as well as their impact on society and the environment.

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 108)

With the introduction of the EU Directive 2014/95/EU on disclosure of non-financial information, we have the **opportunity to promote transparency** of our environmental, social and governance (ESG) efforts, including those related to climate change. By enhancing the consistency and comparability of our climate change information, we help our customers, investors and financial analysts to better evaluate our climate change performance and carbon footprint. Transparency around climate change data also plays an increasing role for other relevant stakeholders.

Thus, we are convinced that transparency on our initiatives, the **resilience of the health care industry** as well as the anticipation of shifts in market and consumer preferences provides for a competitive advantage, if managed responsibly.

To better understand the **impact of climate change** into our business strategy of the four business segments, the Management Board of Fresenius decided, to evaluate relevant strategic KPIs for the material matters Social, Compliance, Employees, Environment, and Human Rights and define a strategy per business segment for improving and reporting these KPIs. This ambition translates into the structure of the Compensation System 2021+.

Ambition: We aim to comprehensively analyze the potential impact of climate change on our organization and our markets going forward.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

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Agenda item 6 - Compensation System 2021+, see pages 18 to 37 of the agenda to the AGM 2021

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Information published:

a) Describe the organization's processes for identifying and assessing climate-related risks.

At Fresenius Group, the **identification and assessment** of potential sustainability risks (non-financial risks) initially takes place at both the Group level and in the four business segments via the existing risk management system. For this purpose, sustainability risks are assessed that are already covered by the existing risk catalogs and risk reporting of the Fresenius Group. In an additional step, potential sustainability risks are discussed on a **quarterly basis** at Group level by the corporate functions Corporate Compliance, Group Controlling and Investor Relations & Sustainability of Fresenius SE&Co.KGaA and supplemented if necessary.

Opportunities and Risk Report, please see Fresenius Group Annual Report 2020 (pages 88 ff.)

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 108)

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b) Describe the organization's processes for managing climate-related risks

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

In the reporting year, we identified **potentially relevant sustainability risks** that we would like to review regularly in the future, including climate change, water scarcity, and human rights violations, among other risks. In the future, we intend to record and assess sustainability risks across the Group in a more **harmonized approach** together with financial, legal and compliance risks. This will enable us to achieve an integrated view of our impact on the issues (inside-out perspective) on the one hand and the impact of the issues on Fresenius (outside-in) on the other. This allows us to assess their short-, medium- or long-term financial impact as well as their impact on society and the environment.

In 2020, our business segment Fresenius Medical Care has performed a water-stress assessment of its manufacturing sites using the TCFD methodology.

Opportunities and Risk Report, please see Fresenius Group Annual Report 2020 (pages 88 ff.)

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 108)

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Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities

Information published:

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We measure and assess several **key performance indicators** as part of our environmental management. This includes water and energy consumption, facilities in water-stressed areas, Scope 1 and 2 greenhouse gas emissions, production sites and health care facilities with ISO 14001 as well as ISO 50001 certification, and resource-friendly products. We calculate our Scope 1 and 2 greenhouse gas emissions following the methodology of the Greenhouse Gas Protocol, using the latest of version of the UK Department for Environment, Food and Rural Affairs (DEFRA) as well as the emission factors of the International Energy Agency for electricity consumption.

Fresenius Group Non-financial Report 2020, please see section "Environment" (pages 169 ff.)

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We currently disclose Scope 1 and Scope 2 greenhouse gas emissions. As part of our **ambition to improve our sustainability performance**, we will also quantify and disclose Scope 3 emissions. Detailed emission reduction targets for the years to come will be developed in a next step.

Sustainability risks, including climate-related risks will be integrated into our company-wide risk management as described before. We are carefully monitoring regulatory developments and market trends. In 2020, we did not identify any material non-financial risks, taking into account risk mitigating measures (net risk assessment), related to our own business activities, business relationships, products or services that are very likely to have an adverse effect on the material non-financial aspects or on our business operations. The Group Management Report in the Group Annual Report 2020 on pages 88 ff. contains further information on opportunities and risks as well as a detailed presentation of risk management.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Fresenius Group Non-financial Report 2020, please see section "Climate Protection - Energy and Emissions" (pages 175-176)

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