

2022 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:
<p>a) Describe the Board’s oversight of climate-related risks and opportunities.</p> <p>Sustainability at Fresenius is the responsibility of the Chief Executive Officer (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 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. The Supervisory Board as a whole is responsible for monitoring the Company’s sustainability performance, which is monitored through various sustainability KPIs and targets.</p> <p>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.</p> <p>Fresenius Group will consider TCFD in its processes were applicable in the forthcoming years.</p>	<p>Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 103 f.)</p> <p>Group Sustainability Governance Structure, please see our Group Non-financial Report – Our Sustainability Organization (pages 105 f.)</p> <p>Environmental Management - Annual Report 2022 (see pages 200 ff.)</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities</p> <p>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 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.</p> <p>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.</p>	<p>Sustainability risk management, please see our Group Non-financial Report 2021– Sustainability Risks (page 103 f.)</p> <p>Our Sustainability Goals and Programs, please see our Group Non-financial Report 2022 (page 104 f.)</p> <p>Environmental Management - Annual Report 2022 (see pages 200 ff.)</p>

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.

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 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 of the Annual Report 2022.

Going forward, **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 scarcity**. 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.

Fresenius Group Annual Report 2022 - Opportunities and Risk Report (pages 85 ff.)

Sustainability risk management, please see our Group Non-financial Report – Sustainability Risks (page 103 f.)

Our **Sustainability Goals and Programs**, please see our Group Non-financial Report 2022 (page 104 f.)

Environmental Management - **Water Management** - Annual Report 2022 (see page 208)

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

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 CO2e emissions is planned.

In the reporting year, the members of the Executive Board achieved the ESG targets.

Going forward, 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 scarcity. 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.

Sustainability risk management, please see our Group Non-financial Report 2022 – Sustainability Risks (page 104 f.)

Compensation Report 2022, part of the Fresenius Group Annual Report (pages 243 ff.)

ESG Compensation Methodology (website): https://www.fresenius.com/sites/default/files/2023-02/2022_ESG_Targets_%20MB_Compensation_EN.pdf

Fresenius Group Performance Indicators: <https://www.fresenius.com/financial-performance-indicators>

Environmental Management - **Water Management** - Annual Report 2022 (see page 208)

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.

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

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: In February 2022, the Management Board of Fresenius Management SE has implemented a climate target, complementing the existing sustainability goals and programs for the Fresenius Group. 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.

Our Sustainability Goals and Programs, please see our Group Non-financial Report 2022 (page 104 f.)

Environmental Management - **Water Management** - Annual Report 2022 (see page 208)

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.

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.

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.

Going forward, 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 scarcity. 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.

Opportunities and Risk Report, please see Fresenius Group Annual Report 2022 (pages 85 ff.)

Sustainability risks, please see our Group Non-financial Report – Sustainability Risks (page 103 f.)

Environmental Management - Annual Report 2022 (see page 200)

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

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 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. 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.

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.

Opportunities and Risk Report, please see Fresenius Group Annual Report 2022 (pages 85 ff.)

Sustainability risks, please see our Group Non-financial Report 2022 – Sustainability Risks (page 103 f.)

Environmental Management - Annual Report 2022 (pages 200 ff.)

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

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.

Example:

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.

Opportunities and Risk Report, please see Fresenius Group Annual Report 2022 (pages 85 ff.)

Sustainability risks, please see our Group Non-financial Report 2022 – Sustainability Risks (page 103 f.)

Environmental Management - Annual Report 2022 (page 208)

Metrics and targets

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

Information published:

<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>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. 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.</p> <p>The current reporting covers KPIs like: Energy consumption by source, energy consumption in relation to FTE or EUR 1 million revenue, water withdrawal by business segment and source, water withdrawal in relation to FTE or EUR 1 million revenue, CO2 equivalents per business segment and by Scope 1 and Scope 2 emissions, among others.</p> <p>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.</p> <p>The focus of the remuneration-related 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 CO2e emissions is planned.</p>	<p>Fresenius Group Non-financial Report 2022, please see section "Environment - Our Ambitions" (page 204)</p> <p>Fresenius Group Non-financial Report 2022, please see section "Environment - Evaluation" (pages 205 f.)</p>
<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>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. In February 2022, a climate target was set by the Management Board of Fresenius Group.</p> <p>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 204 f of the Annual Report 2022. 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.</p> <p>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.</p>	<p>Fresenius Group Non-financial Report 2022, please see section "Environment - Our Ambitions" (page 204)</p> <p>Fresenius Group Non-financial Report 2022, please see section "Environment - Evaluation" (pages 205 f.)</p> <p>Fresenius Group Non-financial Report 2022, please see section "Environment - Climate protection - energy and emissions - Evaluation (pages 216 ff.)</p>
<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>In February 2022, the Management Board of Fresenius Management SE has implemented a climate target, complementing the existing sustainability goals and programs for the Fresenius Group. 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.</p> <p>As part of our ambition to improve our sustainability performance, we will also quantify and disclose Scope 3 emissions.</p>	<p>Climate Target, see Our Sustainability Goals and Programs, Group Non-financial Report 2022 (page 104)</p>