

# Report on the LkSG (German Act on Corporate Due Diligence Obligations in Supply Chains)

**Reporting period from 01.01.2023 to 31.12.2023**

**Name of the Organization:** Fresenius SE & Co. KGaA  
**Address:** Else-Kröner-Straße 1, 61352 Bad Homburg, Germany

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## A. Strategy & Anchoring

### A1. Monitoring of Risk Management & Responsibility of Management

#### **What responsibilities for monitoring risk management were defined in the reporting period?**

The Fresenius Management Board oversees our Group-wide Human Rights Program. Operational implementation is regulated by Group-wide governance and clear responsibilities within the business segments and at Group level.

Group Human Rights Office: The Group Human Rights Office is responsible for the overall management of the Fresenius Group-wide Human Rights Program. It supports the business segments in the implementation of measures and monitors their activities to uphold human rights due diligence obligations. The Group Human Rights Office is made up of employees from the Risk & Integrity department of the Fresenius Group.

Human Rights Function in the business segments: Each business segment has appointed a Human Rights Function. This Human Rights Function is responsible for the operational implementation of the Group-wide human rights strategy within its own business segment as well as for those legal entities within the segment directly affected by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

#### **Has management established a reporting process to ensure that it is regularly – at least once a year – informed about the work of the person responsible for monitoring risk management?**

**It is confirmed that the management has established a reporting process which, within the meaning of Section 4 (3) of the LkSG, ensures that it is regularly – at least once a year – informed about the work of the person responsible for monitoring risk management.**

Confirmed

#### **Describe the process for ensuring reporting to senior management at least annually or on a regular basis with respect to risk management.**

As part of the regular and ad hoc risk analysis we conduct for our own operations and for our supply chain, we identify topics and risks that we assess as taking high priority due to their potential impact and likelihood of occurrence, taking into account our ability to influence them. Where risks are identified, we implement suitable preventive and, if applicable, remedial measures.

Reporting on the Human Rights Program is carried out at least annually and on an ad hoc basis to the Management Board and other bodies. In 2023, this included the results of the risk analysis and a report on the implementation of the Human Rights Program. Related Board resolutions and decisions are recorded in the minutes of the meetings and subsequently communicated to the relevant departments via the Human Rights Functions.

## A2. Policy Statement on the Human Rights Strategy

### **Is there a policy statement that has been prepared or updated based on the risk analysis conducted during the reporting period?**

The Policy Statement was uploaded  
<https://www.fresenius.com/human-rights>

### **Was the Human Rights Statement communicated in the reporting period?**

**It is confirmed that the policy statement has been communicated to employees, the works council if applicable, the public and the direct suppliers where a risk has been identified in the risk analysis.**

Confirmed

### **Please describe how the policy statement was communicated to each relevant audience.**

In the reporting year, information was provided internally in a circular letter about the Human Rights Program and its foundation - our Human Rights Statement. In addition, on the occasion of International Human Rights Day (December 10), information on our corporate human rights due diligence activities, our Human Rights Statement and the grievance mechanism was communicated via the intranet and by email.

The Fresenius Workers' Council was also informed separately about the Human Rights Program at a Workers' Council meeting. We have published our Human Rights Statement on our website, in both German and English, so that the interested public can learn about our Human Rights Strategy at any time.

Direct suppliers for which a potential risk was identified in the risk analysis were able to obtain information about our Human Rights Statement from our website. Separate information is planned for the coming reporting year.

### **What elements does the policy statement contain?**

- Establishment of a risk management system
- Annual risk analysis
- Anchoring of preventive measures in the company's own business area, at direct suppliers and, if applicable, indirect suppliers, and their effectiveness review
- Remedial measures in own business segment, at direct suppliers and, if applicable, indirect suppliers, and review of their effectiveness
- Provision of a complaints procedure in own business area, at suppliers and review of their effectiveness
- Documentation and reporting obligation
- Description of the priority risks identified
- Description of human rights-related and environment-related expectations for own employees and suppliers

### **Description of possible update during the reporting period and the reasons for it**

The Human Rights Statement pursuant to the German Act on Corporate Due Diligence Obligations in Supply Chains was published for the first time as of January 1, 2023, replacing the voluntary commitment to respect human rights published for the Fresenius Group in 2018.

We have adjusted our Human Rights Statement in the reporting year due to changes in the Group structure: Information on Fresenius Medical Care has been deleted without replacement following the completion of the deconsolidation in December 2023.

Moreover, an update pursuant to Section 6 (2) of the German Supply Chain Act based on the prioritized human rights and environment-related risks identified in the risk analysis was carried out after completion of the risk analysis.

### **A3. Anchoring the Human Rights Strategy within the Own Organization**

#### **In which relevant departments/business processes was the anchoring of the human rights strategy ensured within the reporting period?**

- Personal/HR
- Environmental Management
- Occupational Safety & Health Management
- Purchasing/Procurement
- CSR/Sustainability
- Legal/Compliance

#### **Describe how responsibility for implementing the strategy is distributed within the various departments/business processes.**

Operational implementation is ensured through a Group-wide governance structure as well as clear responsibilities both within the business segments and at Group level.

Group Human Rights Office: The Group Human Rights Office is responsible for the overall management of the Fresenius Group-wide Human Rights Program. It supports the business segments in the implementation of measures and monitors their activities to uphold human rights due diligence obligations. The Group Human Rights Office is made up of employees from the Risk & Integrity department of the Fresenius Group.

Human Rights Function in the business segments: Each business segment has appointed a Human Rights Function. This Human Rights Function is responsible for the operational implementation of the Group-wide human rights strategy within its own business segment as well as for those legal entities within the segment directly affected by the German Act on Corporate Due Diligence Obligations in Supply Chains.

Risk owners and subject matter experts: We have defined risk owners for relevant specialist areas. As subject matter experts, the risk owners are responsible for appropriate risk management and the implementation of risk analyses in their area of responsibility, e.g. Human Resources, Procurement or Occupational Health and Safety.

Human Rights Council: The Human Rights Council is the Group Human Rights Office's advisory body for human rights topics. The members of the Group Human Rights Office and the Human Rights Function of the business segments are represented in the Human Rights Council along with individuals from relevant departments. Its approximately 20 members work in various functions of the Group, including Compliance, Legal, Sustainability, Communications and Procurement, and thus cover diverse perspectives on the topic. The participants discuss Group-wide initiatives and present new concepts and methods.

In 2023, the Human Rights Council met quarterly. The four meetings focused on the further implementation of the Human Rights Program, the development of support materials for carrying out risk analysis, measures in the business segments, and the presentation of a guide for dealing with human rights violations.

### **Describe how the strategy is integrated into operational processes and procedures.**

Our basic principles of human rights due diligence are integrated into operational processes. The specialist departments are responsible for the concrete implementation of human rights due diligence in their functional area. These specialist departments, for example Human Resources or Procurement, contribute their expertise for risk assessments and take appropriate risk management measures in their respective areas of responsibility.

The aspects described in the Human Rights Statement are also integrated into relevant departments and processes through the compliance management systems, the internal control system and the Human Rights Program.

For example, the strategy is integrated into operational processes via the specialist departments as follows: Occupational safety concepts focus on occupational health and safety as well as occupational health management for employees and are designed to minimize the risk of accidents at work and work-related health hazards.

Internally, the voluntary commitment to respect human rights is set out in a Social & Labor Standards guideline, which defines minimum social standards for the Fresenius Group and further specifies the contents of our Code of Conduct.

The Code of Conduct and the associated guidelines for employees also govern our relationships with suppliers and other business partners. We expect them to comply with all applicable laws as well as ethical standards of behavior in their daily business and have also stipulated this in our Code of Conduct for Business Partners. In addition, our purchasing departments conduct risk-based business partner reviews before entering into new business relationships. Explicit human rights and environmental clauses are also included in contracts on a risk basis.

### **Describe what resources & expertise are provided for implementation.**

In 2023, various training sessions were held on the Human Rights Program, risk analysis, dealing with human rights violations and human rights due diligence.

The following resources and expertise are also provided for implementation:

- Training and education for employees involved in risk analysis
- Information material and risk lists
- Group-wide risk management system, questionnaires and digital evaluation platform

- Instructions and handouts on risk identification and analysis
- Workshops on conducting risk analyses
- Handouts and workshops on dealing with specific risks and human rights violations
- Human Rights Council for Group-wide exchange

## B. Risk Analysis & Preventive Measures

### B1. Risk Analysis: Implementation, Approach, and Results

**Was a regular (annual) risk analysis conducted during the reporting period to identify, weight, and prioritize human rights and environment-related risks?**

- Yes, for own operations
- Yes, for direct suppliers

**State the time period during which the annual risk analysis was conducted.**

Human rights risks can change over time. We therefore carry out an annual risk analysis. In the reporting period, this was done in the third and fourth quarters.

**Describe the risk analysis process.**

Identifying and assessing human rights risks is a comprehensive process that consists of risk identification, risk analysis and risk assessment. We follow a risk-based approach which is divided into three phases.

Phase 1: To identify potential human rights risks, Fresenius conducts a country- and industry-specific analysis.

Phase 2: To assess which of the identified potential risks may be actual risks, we conduct a gap analysis. For this purpose, we use standardized questionnaires to gather information on processes, responsibilities, and procedures for each potential risk area. The questionnaires are used for the analysis of our own business area as well as our supply chain. In the company's own business area, risk managers and experts from the relevant specialist areas are closely involved in this gap analysis.

Phase 3: All gaps and, where applicable, risks identified in the course of the gap analysis are analyzed and evaluated in the third and final step of the risk analysis, taking into account the impact on those affected and the probability of occurrence. For prioritized risks, we then define remedial and preventive measures.

**Were event-related risk analyses also carried out during the reporting period?**

Yes, due to other events: Event-driven risk assessment due to reports of human rights risks in the supply chain for single-use medical products.

**Describe the specific occasions**

Event-driven risk assessment due to reports of human rights risks in the supply chain for single-use medical products.

**Describe what findings the analysis has led to with respect to a materially changed and/or expanded risk situation.**

The event-driven assessment did not find any change in the supply chain risk profile with regard to the suppliers of single-use medical products which we analyzed. This assessment was based on feedback from direct suppliers with corresponding measures, certificates, and commitments to comply with legal requirements.

**Describe the extent to which findings from the processing of tips/complaints have been incorporated.**

Studies and media reports about the human rights situation in the supply chain for single-use medical products were used to develop targeted questions for our business partners within the supply chain. These were used to conduct the risk analysis.

**Results of the risk analysis**

**What risks have been identified in your own business area as part of the risk analysis/analyses?**

- Disregard for occupational health and safety or work-related health hazards
- Disregard for freedom of association – freedom of association and right to collective bargaining
- Prohibition of unequal treatment in employment
- Unlawful violation of land rights
- Prohibition on hiring or using private/public security forces that may cause infringements due to lack of instruction or control

**Results of the risk analysis**

**What risks were identified in the risk analysis/analyses of direct suppliers?**

- Prohibition of child labor
- Disregard for occupational health and safety or work-related health hazards
- Disregard for freedom of association – freedom of association and right to collective bargaining
- Prohibition of unequal treatment in employment
- Destruction of the natural basis of life through environmental pollution

**Results of the risk analysis**

**What risks were identified in the risk analysis/analyses for indirect suppliers?**

- Prohibition of child labor
- Prohibition of forced labor and all forms of slavery
- Disregard for occupational health and safety or work-related health hazards
- Prohibition of unequal treatment in employment

**Describe in more detail how the weighting and prioritization, if any, were done and what considerations were applied.**

- Yes, based on the nature and scope of its own business activities
- Yes, based on own ability to exert influence
- Yes, based on the expected severity of the violation by scale, number of people affected, and irremediability
- Yes, based on the probability of occurrence
- Yes, based on the type of causal contribution



**Describe in more detail how the weighting and prioritization, if any, were done and what considerations were applied.**

To make our contribution towards ensuring that more and more people can access healthcare, we rely on a large number of suppliers from around the world. We focused our analysis primarily on value creation steps located in countries and industries with a potentially high human rights risk. We prioritized suppliers with existing contractual relationships and larger order volumes.

To further weight and prioritize risks, we introduced a comprehensive methodology for assessing their impact and likelihood of occurring. Using this method, the risks were then plotted on a matrix (4x4).

The evaluated impact on those affected ranges from "low" to "severe". It was assessed using four evaluation criteria: scope, scale, possibility for remedial action, and company involvement.

Probability of occurrence ranges from "unlikely" to "almost certain". It was assessed using three different evaluation criteria: process evaluation, evaluation of similar cases which have already arisen, and context factors which could increase the likelihood of the risks materializing.

**Which risks were prioritized in your own business area during the reporting period?**

- Disregard for occupational health and safety or work-related health hazards
- Disregard for freedom of association – freedom of association and right to collective bargaining

**Disregard for occupational health and safety or work-related health hazards**

**What is the specific risk here?**

As a global healthcare Group, occupation health and safety is of great importance to us as the active Group holding company as well as for our three independently operating, fully consolidated business segments. For example, at Fresenius Kabi all production units are either certified as per ISO 45001 or awaiting certification having already implemented this standard.

The risk analysis identified a specific risk in South Africa stemming from insufficient training of night-shift workers. Shift and production workers are exposed to a number of risks, especially workplace health hazards.

The same applies if the permissible working hours are exceeded. This risk was identified during a risk assessment at our Chinese plant, where it arose due to measures to contain the COVID-19 pandemic and to compensate for staff who were off sick with the virus. A detailed description follows in the section on identifying violations and remedial measures in own operation.

As we are a healthcare company, our employees directly or indirectly support the well-being of thousands of patients. Sometimes, for the sake of patients, members of staff work more than the legally permissible number of hours or do not comply with the statutory or company requirements concerning the timing and length of breaks. This may be due to staff shortages or other extraordinary external circumstances.

Additional risks can rise from this, including in connection with the use of operating equipment and supplies. We constantly work to identify and close possible gaps in standard training on the use of operating equipment and supplies. This also includes the documentation and scope of this training.

In looking after patients every day, we work with and for people in the sensitive field of healthcare. This is an important area where situations can arise which have an emotional impact on our patients and their relatives. In situations like these, our employees sometimes receive verbal and/or non-verbal threats. Here, too, we constantly work to minimize any risks and to train our staff in ways of responding to such situations to keep their working environment safe.

### **Where does the risk arise?**

- China
- Germany
- Spain
- South Africa

### **Disregard for freedom of association – freedom of association and right to collective bargaining**

#### **What is the specific risk here?**

Research and media reports as well as indices such as the Global Rights Index of the International Trade Union Confederation (ITUC) describe a particularly high risk of disregard for freedom of association in Colombia. For this reason, and because trade unions and employees in South America informed us in 2021 that two employees of our Spanish hospital subsidiary Quirónsalud had received alleged death threats from unknown persons - outside our business activities and outside their working environment - this remains a prioritized risk for us. Threats in general, but especially threats of this nature, are completely unacceptable and incompatible with the principles and values at Fresenius Helios and throughout the Fresenius Group. We do not tolerate violence, threats of violence or other forms of coercion or intimidation in our Group. We clearly state this in our Business Partner Code of Conduct as well as in our Human Rights Statement.

The allegations described have been investigated by the local management of Quirónsalud in Colombia in close cooperation with the Fresenius Management Board member responsible for Human Resources, Risk Management and Legal Affairs appointed at that time. All necessary precautions have been taken to protect the lives of our employees within their business activities and to support the investigating authorities. We have also reported on this in our online Sustainability Report 2021.

The principle of respecting the right to freedom of association and collective bargaining applies throughout the Fresenius Group. This includes the right of our employees to decide freely whether they want to form a workers' representation or a trade union and/or be represented by one, always in accordance with the law in the respective place of work. We communicate this clearly in our Human Rights Statement as well as in our social and labor standards guideline, which sets out these points clearly and bindingly for all companies of the Fresenius Group.

## **Where does the risk arise?**

- Colombia

## **B2. Preventive Measures for Own Business Area**

### **What preventive measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?**

Conducting training in relevant business areas

Implementation of risk-based control measures

Other/additional measures

- Introducing a Social & Labor Standards guideline
- Introducing a guideline on managing human rights and risk analysis (SOP)
- Introducing human rights governance with risk owners at the various departments, such as human resources, procurement, compliance, occupational health and safety, or environmental protection
- Individual and local measures to provide our employees with the best possible protection within our sphere of influence

### **Conducting training in relevant business areas**

#### **Describe the measures implemented and specify in particular their scope (e.g., number, coverage/area of application).**

- Communications and information about the Human Rights Statement: accessible to all staff
- Communications and information about the human rights program: accessible to all staff
- Information about the whistleblower system: accessible to all staff
- Training on occupational health and safety: all staff
- Training on risk analysis: staff who are involved in risk assessment are risk owners and subject matter experts

#### **Describe the extent to which training is appropriate and effective in preventing and minimizing priority risks.**

Our training sessions cover different areas and take various approaches. These range from online to in-person training, compulsory training, and additional information, through to training on specific topics such as conducting a human rights risk assessment or dealing with human rights violations.

By taking an approach which addresses specific topics and target groups, we disseminate relevant content on human rights due diligence with a practical focus for both the individuals affected (e.g., occupational health and safety training) and risk owners (e.g., individuals who are involved in assessing risks or developing preventive measures). In doing so, we cater for the many different aspects of human rights and instill the necessary knowledge in our workforce. This enables staff to identify and prevent risks.

## **Implementation of risk-based control measures**

### **Describe the measures implemented and specify in particular their scope (e.g., number, coverage/area of application).**

Internal Audit also examines human rights issues in the course of its audits. The Group Human Rights Office supports the business segments and supervises their activities to implement human rights due diligence. It also monitors the findings of risk analyses and the implementation of measures to mitigate risk. Internal analyses (e.g., questionnaires) were also used to monitor processes in a risk-based manner.

In the reporting year, we added further human rights aspects to our internal control system. These are implemented continually and in a risk-based manner. Compliance with key core processes will be checked by random sampling.

### **Describe the extent to which training is appropriate and effective in preventing and minimizing priority risks.**

The described monitoring and control measures by different, unrelated departments did not give rise to any indications that the preventive measures were inappropriate or ineffective.

## **Other/additional measures**

### **Describe the measures implemented and specify in particular their scope (e.g., number, coverage/area of application).**

- Introducing a Social & Labor Standards guideline
- Introducing a guideline on managing human rights and risk analysis (SOP)
- Introducing human rights governance with risk owners at the various departments, such as human resources, procurement, compliance, occupational health and safety, or environmental protection
- Individual and local measures, such as in Colombia, to provide our employees with the best possible protection within our sphere of influence. For instance, in Quirónsalud's clinics in Colombia, we employ more security staff than is usual in clinics to provide even better protection for our employees and patients in the clinic area 24 hours a day. In addition, monthly meetings with participants from local management and employees have been set up to further strengthen the dialog, to discuss employee issues and to find solutions together.

### **Describe the extent to which training is appropriate and effective in preventing and minimizing priority risks.**

With the introduction of the Social & Labor Standards guideline, defined minimum social standards that go beyond the legal requirements were introduced; these apply for the whole Fresenius Group, including our company. The introduction of the Human Rights Guideline (SOP) lays out the creation and development of a human rights structure and a risk-based approach to human rights due diligence at the Fresenius Group. This means it also applies to our company where risks are present.

Guidelines and standard operating procedures embed measures in more specific form. They therefore act as a bedrock and an effective means of preventing and minimizing risks.

Introducing human rights governance at the Fresenius Group – including our company – requires the risk-based implementation of preventive measures along with other human rights due diligence practices.

Individual and local measures also help to counter specific risks.

### **B3. Preventive Measures for Direct Suppliers**

#### **Which risks were prioritized at direct suppliers in the reporting period?**

- Destruction of the natural basis of life through environmental pollution
- Disregard for freedom of association – freedom of association and right to collective bargaining
- Violation of prohibition on production and/or use of substances within the scope of the Stockholm Convention (POPs) or non-environmentally sound management of waste containing POPs

#### **Destruction of the natural basis of life through environmental pollution**

##### **What is the specific risk here?**

Insufficient documentation of measures and procedures at suppliers can lead to environmental pollution in the supply chain, for instance through excessive water consumption by suppliers, harmful emissions, or insufficient documentation of preventive measures.

##### **Where does the risk arise?**

- Brazil
- China
- India

#### **Disregard for freedom of association – freedom of association and right to collective bargaining**

##### **What is the specific risk here?**

In the supply chain, a lack of trade unions or failure to recognize them results in a risk of individual companies not respecting or enabling pay negotiations and freedom of association.

##### **Where does the risk arise?**

- India

#### **Prohibition on production and/or use of substances within the scope of the Stockholm Convention (POPs) or non-environmentally sound management of waste containing POPs**

##### **What is the specific risk here?**

If a supplier can only provide insufficient documentation on how persistent organic pollutants are handled, there is a risk that waste containing POP may also be handled incorrectly and in breach of the regulations.

### **Where does the risk arise?**

- China
- India

### **What preventive measures were implemented for the reporting period to prevent and minimize priority risks at direct suppliers?**

- Obtaining contractual assurance for compliance and implementation of expectations along the supply chain
- Training and continuing education to enforce contractual assurances

### **Describe the extent to which the measures to prevent and minimize the priority risks are appropriate and effective.**

Our Code of Conduct for Business Partners is binding for suppliers and business partners. It sets out our specifications for companies with whom we do business, including concrete requirements for respecting human rights.

By introducing human rights and environment-related clauses in contracts and implementing these in a risk-based manner, we also embed concrete requirements concerning collaboration and disclosure in the case of human rights violations or suspected shortcomings.

We make risk-based use of self-assessments by suppliers. These provide us with information about respecting human rights and allow us to initiate and agree on additional concrete measures.

## **B4. Preventive Measures for Indirect Suppliers**

### **Which risks have been prioritized for indirect suppliers based on the event-related risk analysis?**

None

### **If no risks were selected, please explain.**

Supplier feedback enabled us to establish that none of the potential risks previously identified led to a high-priority risk at indirect suppliers. This was based on our measures set out in this report, such as the risk-based use of supplier self-assessments and further risk analyses, along with additional measures.

### **What preventive measures were implemented for the reporting period to prevent and minimize priority risks at indirect suppliers?**

Other/additional measures: Binding Code of Conduct for Business Partners

### **Describe the measures implemented and specify in particular their scope (e.g., number, coverage/area of application).**

Our Code of Conduct for Business Partners is binding for suppliers and business partners. It sets out our specifications for companies with whom we do business, including concrete requirements for respecting human rights. This explicitly requires our business partners to demand that their own suppliers uphold the same standards as a prerequisite for their contractual relationship.

**Describe the extent to which the measures to prevent and minimize the priority risks are appropriate and effective.**

No risks were prioritized for indirect suppliers. However, our Code of Conduct for Business Partners is binding for suppliers and business partners. It sets out our specifications for companies with whom we do business, including concrete requirements for respecting human rights. This explicitly requires our business partners to demand that their own suppliers uphold the same standards as a prerequisite for their contractual relationship.

**B5. Communication of Results**

**Have the results of the risk analysis/analyses for the reporting period been communicated internally to key decision-makers?**

**It is confirmed that the results of the risk analysis/analyses for the reporting period have been communicated internally to the relevant decision-makers, such as the management board, the management, or the purchasing department, in accordance with Section 5 (3) LkSG.**

Confirmed

**B6. Change in the Risk Situation**

**What changes have occurred with regard to priority risks compared with the previous reporting period?**

In 2024, prioritized risks for the company's own business area and in the supply chain are reported for the first time retrospectively for the 2023 financial year. For this reason, there is not yet a basis for comparison with the previous period to which reference can be made.

## C. Identification of Violations and Remedial Measures

### C1. Identification of Violations and Remedial Measures in Own Business Area

**Were any violations identified in the own business area during the reporting period?**

Yes, abroad only

**Please state: regarding which topics have violations been identified in your own business area?**

Disregard for occupational health and safety or work-related health hazards

**Specify the number**

1

**Describe the appropriate remedial measures you have taken.**

To comply with measures to contain the COVID-19 pandemic and compensate for staff who were off sick with the virus, our manufacturing facilities temporarily switched production from a three-shift model to a two-shift model. At one production site, this placed additional strain on staff. Occupational health and safety measures were observed at all times and there was no increase in workplace accidents. Production processes have been adjusted to eliminate the additional strain. Further remedial measures – such as hiring more staff– were introduced and remain in place.

The violation described here did not stem from a structural risk. It was a temporary situation which is being addressed with the help of extensive corrective actions.

**If it was not possible to put an end to violations, describe where they occurred.**

- China

**Describe what long-term remedial measures (e.g., supplementary concepts) have been taken and what considerations have been applied with respect to the selection and development of actions to put an end to or further minimize violations.**

In selecting and implementing remedial measures, we aim to prevent future human rights violations. Adjusting production processes creates a structural framework to prevent violations of working hours in the future.

**Describe how the effectiveness of the remedial measures is verified.**

The aim of each remedial measure is to put an end to or minimize the respective human rights or environment-related violation and – where possible – reverse it. Regular reporting is in place to enable us to measure effectiveness. The reporting intervals are chosen on a case-by-case basis. We initiate further measures where necessary. A process is only considered to have been completed once all remedial measures have been implemented in full.



**Did the remedial measures result in cessation of the violation?**

Partially

**Please explain.**

The adjustment of production processes has largely been completed and will be finalized in 2024.

**Have you analyzed the extent to which the identified violation is an indication that existing preventive measures may need to be adjusted/supplemented? Please describe the process, results, and implications of your analysis.**

The violation was identified by an internal risk analysis, which itself represents a supplement to the existing preventive measures and leads to greater awareness concerning occupational health and safety practices and dangers to health in the workplace.

**C2. Identification of Violations and Remedial Measures at Direct Suppliers**

**Were any violations identified at direct suppliers for the reporting period?**

Yes

**Describe the basis on which the identified violations were weighted and prioritized and the trade-offs involved.**

We treat every report and every potential and actual violation with great care. If prioritization is necessary, we carry this out on the basis of clear parameters: We consider the severity of the impact on those affected, as well as the possibility of restoring the original state. In addition, we consider the scale, i.e., how many people are affected by the violation.

If more than one human rights violation is identified in a case, the remedial measures are prioritized immediately after the more serious violation. In doing so, we continue to include all impacts on human rights in order to pursue a holistic remedial approach.

**In what topics have violations been found among direct suppliers?**

Prohibition of the withholding of a reasonable wage

**Specify the number**

1

**Describe the appropriate remedial measures you have taken.**

In the fall and winter months of 2022, it came to irregularities in the pay slips of two temporary employees employed by an external service provider. On the one hand, salaries were not paid in the agreed amount and according to the agreed payment model. On the other hand, no social benefits were paid by the service provider for a deviation period due to deviations in the contract data. We received the report in

2023. All temporary employees were duly remunerated after the dispute was clarified and remedied. The deviating salary payments and social benefits were settled by the service provider in the reporting year.

**Describe what trade-offs were made with respect to the selection and design of measures under the appropriate follow-up cessation and minimization approaches.**

When selecting and implementing remedial measures, our aim is to correct any violations as quickly as possible and to prevent future human rights violations. The service provider has submitted a comprehensive corrective action plan outlining measures to remedy the violations, prevent recurrence and make good the damage caused.

Moreover, to proactively prevent future violations and ensure immediate communication in the event of such incidents, a human rights agreement was signed with the service provider. In this agreement, the service provider commits to respect human rights in its business activities as part of its business relationship with Fresenius.

**Describe how the effectiveness of the remedial measures is verified.**

The aim of every remedial measure is to end or minimize the human rights or environmental violation and, if possible, to reverse it. To measure effectiveness, we inform ourselves about the implementation of the measures at intervals determined for each case. If necessary, we initiate further measures. A process is only considered complete when all remedial measures have been fully implemented.

**Did the remedial measures result in cessation of the violation?**

Yes

**Please explain.**

All temporary employees were properly remunerated. The outstanding salary payments and social benefits were settled. The service provider's accounting system was adjusted.

**Have you analyzed the extent to which the identified violation is an indication of a possible adjustment/addition to existing prevention measures? Describe the process, results, and implications.**

The violation was due to irregularities in the service provider's accounting system. There is no indication of any necessary adjustments to preventive measures, as we carry out risk-based business partner checks. Where necessary, we conclude additional contractual agreements and communicate our Code of Conduct for Business Partners. In addition to the annual and event-driven risk analyses, we offer potentially affected parties an external whistleblower system operated by an independent provider accessible through our website. Further information on this can be found in chapter 4 of this report.

### C3. Identification of Violations and Remedial Measures at Indirect Suppliers

**Were any violations identified at indirect suppliers during the reporting period?**

Yes

**Describe on what basis the identified violations were weighted and prioritized and what considerations were applied.**

We pay close attention to each reported issue and all possible and actual violations. If issues have to be prioritized, we do this on the basis of clear parameters, looking at the severity of the impact on those affected and whether it is possible to restore things to how they were. We also consider the scope of the violation, i.e. how many people are affected by it.

If more than one human rights violation is identified, remedial measures are prioritized based on the most severe violation. All impacts on human rights are still taken into account, however, to ensure that we take a comprehensive approach to remedying the situation.

**Describe what remedial measures, if any, have been taken and, in particular, what considerations have been applied with respect to the selection and development of measures under the relevant cessation and minimization approaches.**

The violation occurred at the construction site for a supplier's new plant, not in a direct connection with materials or pre-products for the supplies of our company. Our supplier provided comprehensive information on how the violation was eliminated. Building on this we entered into a contractual agreement with our supplier about establishing further preventive measures as well as their effectiveness review.

**Regarding which topics have violations been found among indirect suppliers?**

Prohibition of forced labor and all forms of slavery

**Specify the number**

1

**Insofar as violations at indirect suppliers could not be prevented, terminated, or minimized within a foreseeable period of time despite corresponding concepts**

**Describe your further actions.**

The violation was ended.

## D. Complaints Procedure

### D1. Establishment of or participation in a complaints procedure

#### **In what form was a complaints procedure offered for the reporting period?**

In-house complaints procedure

#### **Describe the company's own process and/or the third-party process in which your company participates.**

To make it as easy as possible for those potentially affected, we offer an external whistleblowing system operated by an independent provider, which is accessible via our website.

It offers all parties the opportunity to report a grievance without any restrictions in terms of location or time. The system is currently available in German, English and Spanish. The reporting system is certified in accordance with European data protection law and meets the highest data security standards. Neither the operator nor third parties have access to the information. Only those responsible in the Fresenius Business Integrity Team can/will access it. They treat the information confidentially and process it conscientiously.

Reports can also be submitted anonymously. In this case, no conclusions can be drawn about the identity of the whistleblower. A protected mailbox within the reporting system, accessible only to the whistleblower, enables anonymous communication with the responsible employees of the Fresenius Business Integrity Team, if desired.

Information on the topic of human rights can also be sent to our dedicated email address set up especially for this purpose ([humanrights@fresenius.com](mailto:humanrights@fresenius.com)) or via post to the following address:

Fresenius SE & Co. KGaA  
Business Integrity  
Else-Kröner-Str. 1  
61352 Bad Homburg v.d.H.  
Germany

Fresenius employees and service providers can also contact the Fresenius Business Integrity Team by email, telephone or in person. Employees can find the relevant contact person, the link to the whistleblower system and a description of the complaints procedure on the Fresenius intranet.

#### **Which potential stakeholders have access to the complaints procedure?**

- Own employees
- Communities near own sites
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc.
- Other: The complaints procedure is open to all persons, including patients as well as customers.

**How is access to the complaints procedure ensured for different groups of potential stakeholders?**

- Publicly available rules of procedure in text form
- Information on accessibility
- Information on responsibilities
- Information about the process
- All information is clear and understandable
- All information is publicly available

**Were the rules of procedure applicable during the reporting period publicly available?**

File was uploaded

**Link where the rules of procedure can be accessed**

Our web-based Code of Procedure is publicly available both via the Fresenius intranet for employees and via our website to all individuals at the following address:

<https://www.fresenius.com/de/hinweisgebersystem>

**D2. Requirements for the Complaints Procedure**

**Indicate the person(s) responsible for the procedure and their function(s)**

All reports are processed by specially trained employees of our Business Integrity Team. Depending on the circumstances, it may be necessary to involve other subject matter experts and functions to further clarify an incident.

**It is confirmed that the criteria for the responsible persons contained in Section 8 para. 3 LkSG are fulfilled, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions, and are obliged to maintain confidentiality.**

Confirmed

**It is confirmed that for the reporting period arrangements have been made to protect potentially involved parties from being disadvantaged or penalized as a result of a complaint.**

Confirmed

**Describe what arrangements have been made, in particular how the complaints procedure ensures the confidentiality of whistleblowers' identities.**

Fresenius commits itself and all employees involved in this process to handle all information professionally, independently and impartially, carefully, and confidentially. In accordance with the principles of fair trial, all relevant circumstances of the case are taken into account. In addition, the principle of proportionality must always be upheld. Accused persons are presumed innocent until proven otherwise.

The employees involved in the various process steps are experienced in dealing professionally with reports on violations and the underlying facts. They receive

ongoing training on our processes and the relevant topics. In addition, they work on incoming reports independently of instructions.

Everyone has the possibility to report anonymously, both by telephone and via our grievance mechanism. In addition, a company policy on case management as well as strict access restrictions to the grievance mechanism system ensure that the identities of whistleblowers are only known to the people dealing with the complaint.

**Describe what precautions have been taken, in particular any additional measures that are in place to protect whistleblowers.**

In our Fresenius Code of Conduct and our Group-wide process descriptions, we have clearly laid out that we will not tolerate any retaliation against employees who in good faith report possible or actual violations or support investigations. This protection is supported by our measures to maintain confidentiality (need-to-know principle) and strict rules for dealing with conflicts of interest. In the case of external reporting individuals, we strive to achieve a comparable level of protection and have formulated corresponding expectations in our Code of Conduct for Business Partners ([https://www.fresenius.com/sites/default/files/2022-01/Business%20Partner%20Code%20of%20Conduct\\_en.pdf](https://www.fresenius.com/sites/default/files/2022-01/Business%20Partner%20Code%20of%20Conduct_en.pdf)).

Violations of this prohibition of retribution may be reported and investigated under the same rules as described in this chapter.

### D3. Implementation of the Complaints Procedure

**Were any complaints/tips/cases received during the reporting period via the grievance mechanism?**

Yes

**Provide more detail on the number, content, duration, and outcome of the procedures.**

In the reporting period, a total of 47 human rights-related reports were received through our existing reporting channels at Fresenius SE & Co. KGaA and the business segments Fresenius Kabi, Fresenius Helios and Fresenius Vamed. We review all complaints for human rights aspects as part of our case management processes. If the complaint is substantiated, we take appropriate remedial action. In the reporting year, this concerned three reports, two of which related to our supply chain. All reports were investigated. Where necessary, corrective actions were initiated or are continuing. On average, investigative procedures took several months.

**On which topics have complaints been received?**

- Prohibition of forced labor and all forms of slavery
- Disregard for occupational health and safety or work-related health hazards
- Disregard for freedom of association – freedom of association and right to collective bargaining
- Prohibition of unequal treatment in employment
- Prohibition of the withholding of a reasonable wage

**Describe what conclusions have been drawn from the complaints/tips/cases received and to what extent these findings have led to adjustments in risk management.**

The results of our risk analysis and the findings on potential target groups of our grievance and whistleblower channels are incorporated into the further development of our grievance and whistleblowing procedures and the processing of grievances and whistleblowing reports. Based on our findings, we review the effectiveness of the procedure described above on an annual basis, or more frequently if required. Where necessary, we make appropriate adjustments and changes with regard to accessibility and the process of the procedure. In order to continuously improve, we also welcome suggestions and feedback from whistleblowers.

As we always strive for transparency, we regularly publish information on the number of reports received, the underlying topics, the conclusions drawn from the reports and the measures taken. Such publications are always prepared in anonymized form.

The aforementioned also applies to our handling human rights violations in the supply chain: the results of our risk analyses and the findings on potential target groups are considered in the further development of our grievance and whistleblowing procedure and the processing of reports. Based on these findings, we review the effectiveness of the procedure described above on an annual and ad hoc basis. Where necessary, we make appropriate adjustments and changes to accessibility and the process of the procedure.

## E. Review of Risk Management

**Is there a process in place to review risk management across the board for adequacy and effectiveness?**

**In which of the following areas of risk management is adequacy and effectiveness assessed?**

- Resources & expertise
- Risk analysis and prioritization process
- Complaints procedure

**Describe how this review is conducted for the respective area and what results it has led to – especially with regard to the prioritized risks.**

The Group Human Rights Office supports the business segments and monitors their activities for implementing human rights due diligence.

The appropriateness and effectiveness of these are monitored via the implemented processes, measures and corresponding documentation. This includes, for example, how many training sessions and workshops on the topic of human rights risk analysis have been held with risk owners and subject matter experts.

The risk analysis and prioritization processes build on a Group-wide risk analysis process. All steps throughout the risk analysis and prioritization process are documented. These are consolidated in a special software tool and can be evaluated. Here, the available internal and external data, assessments, explanations and preventive measures are checked for appropriateness and effectiveness.

Grievances reported by internal or external stakeholders are investigated in an appropriate manner. If a grievance proves to be justified, we take effective remedial action. We carefully review all grievances in order to improve our business processes. Corrective actions and/or improvement measures are taken when necessary.

In addition, alongside the review by the Group Human Rights Office, internal controls are an integral part of Fresenius' risk management. Our internal control system (ICS) consists of a comprehensive set of internal controls and complementary processes. The results are incorporated into the regular review of the adequacy and effectiveness of our human rights program.

**Are there processes or measures in place to ensure that the interests of your employees, employees within your supply chain, and those who may otherwise be directly affected in a protected legal position by the business activities of your company or by the business activities of a company in your supply chain are adequately considered in the establishment and implementation of risk management?**

**In which areas of risk management do processes or measures exist to take into account the interests of those potentially affected?**

Complaint procedure



**Describe the processes or measures in place for each area of risk management.**

Implementing respect for human rights in our own operations and supply chain is an important yet complex task. We believe that all stakeholders deserve the patience and thoroughness we invest in our current and ongoing efforts. We are committed to listening and learning from other organizations and stakeholders as we continue to make progress. For example, our Workers' Council has been involved in the development of our complaints procedure. A report on all findings from the complaints procedure is also regularly submitted to the General Workers' Council. In addition, our employees as well as external stakeholders such as customers, suppliers and other rights holders can submit a report via our grievance mechanism, either by name or anonymously; such reports are taken into account as we continue to develop our activities to ensure respect for human rights.

For the further development of our human rights program, we plan to expand exchange with relevant internal and external stakeholders and their representatives on the basis of the results of our risk analysis.