FRESENIUS KABI

FRESENIUS KABI SUSTAINABILITY HIGHLIGHTS 2023

SUSTAINABILITY AT FRESENIUS KABI

AT A GLANCE

Fresenius Kabi 2023 Key Performance Indicators

200

BILL. EURO

worldwide can be saved in the global healthcare system within five years through the use of biosimilars[1]

24%

CO_2 REDUCTION IN SCOPE 1 AND 2 COMPARED TO PREVIOUS YEAR

43,269

EMPLOYEES

60 sites
4 continents

7.6%

OF TOTAL REVENUE FOR RESEARCH & DEVELOPMENT

7.9

YEARS

average length of service

100%

of our production facilities were integrated into the ISO 45001 management system at the start of 2024

1 Source: **The center for biosimilars**

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MAGAZINE

Stories from Fresenius Kabi World

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This report is also available online with additional, interactive functions.

TO THE ONLINE REPORT →

We strive to be a socially and environmentally responsible company in the global healthcare market. We want to shape the future of healthcare and position ourselves for sustainable growth.

Pierluigi Antonelli
CEO Fresenius Kabi

MAGAZINE

Stories from Fresenius Kabi World

FRESENIUS KABI USA RECEIVES AWARD

FOR COMMITMENT TO COMBATING DRUG SHORTAGES

Fresenius Kabi USA received the Drug Shortage Guardian Award 2024 from the Angels for Change in May 2024. The mission of this organization is to look after patients during drug shortages. The award saluted the exceptional teamwork and the patient-centric focus, which enabled Fresenius Kabi USA to counter the critical chemotherapy shortage in 2023. The production of the required drugs in order to steward emergency supply to thousands of customers was rapidly increased to ensure access to therapies for the patients in need of treatment.

The initiative also presented individual awards to two Fresenius employees, recognizing the outstanding work and leadership qualities of Karen Twardzik, Vice President (Customer Service Operations), and Danielle Gross, Manager (Customer Service). These two employees made key contributions to ensuring prompt supply of lifesaving medicines to customers and patients across the country.

More about the initiative

More on this in the chapter **Access and Affordability.**

SAFETY EXCELLENCE AWARD:

PRIZE FOR OUR PRODUCTION SITE IN HAINA

Award Ceremony. F.l.t.r.:
Vladimir Francisco (EHS Manager),
Soranlli Perez (EHS Principal Engineer),
Alex Disla (EHS Principal Engineer)

On the World Day for Safety and Health at Work, the Ministry of Labor in the Dominican Republic conferred an award on our Haina site there for its commitment and services for health and safety in the workplace. These include:

- organization of appropriate safety training courses,
- intensive sensitization of our employees, e.g. by communication measures
- the ergonomics program that we offer our employees

The Dominican Labor Minister Luis Miguel de Camps presented the special award to representatives of the company.

Read more about Occupational Health and Safety (OHS) at Fresenius Kabi **here.**

The award also honors the milestone reached by the site during the reporting year:

More than

46

million
working hours without an accident involving absence from work.

GLOBAL COMPETENCE CLUSTER:

The Global Competence Cluster (GCC) Energy, Water & Waste Management was established as a complement to the existing management systems in 2019. The aim is to offer experts at all the production sites a platform where they can share innovative ideas and proposals related to increasing efficiency in the designated categories and collaborate on these solutions. Innovations are promoted in the GCC and resources are provided to implement them. The award of prizes for the best ideas on implementation by the Global EHS Team and the Management Board is an annual highlight at the Championship Day. The GCC also offers other employees the opportunity to participate so they can learn from each other and enhance their own awareness for improving efficiency in the areas of energy, water, and waste, e.g. by Awareness Days and theme-based events.

Watch the video online now

COLLABORATION TO INCREASE EFFICIENCY

Interview with Marvin Hohwieler, Head of GCC

OUR UNDERSTANDING OF SUSTAINABILITY

SUSTAINABILITY AT FRESENIUS KABI

At Kabi, we position environmental, social and economic development of our company at the center of our sustainability activities. Our ambition is to minimize the impacts arising from our business activities while simultaneously exerting an overall positive impact on global healthcare, patient care, and society as a whole.

THE FRAMEWORK FOR OUR SUSTAINABLE DEVELOPMENT

Our sustainable development framework consists of five fields of action: employees, products and services, business ethics, community, and environment.

The commitment and innovative power of our **employees** form the foundation for our success. Every day, our workforce drives the ongoing development of our products and solutions for resource-saving procedures. Kabi's aim is to support this innovative environment by offering fair working conditions and individualized advanced training opportunities.

Our **products and services** offer safe and high-quality healthcare solutions, which also contribute to the economic development of our target markets.

We are dedicated to the principles of **ethical business**. Our company complies with universal ethical standards in our work and in dialog with stakeholder groups, and we are committed to proactively upholding human rights. We take consistent action against bribery, corruption, and unethical practices.

Our **society** is confronted by challenges including poverty and social inequality. As a company, we assume responsibility for the communities where we play an active role – this includes a huge commitment on the part of our employees.

Our **environment** forms the foundation for all life and makes our business possible. To preserve it, we are developing production technologies and services that save resources and protect the climate.

OUR AMBITIONS

Highly effective and integrated working practices are the key levers for successfully implementing our ESG agenda. We are pursuing this goal based on the **Fresenius principles** and have defined the following ambitions:

- **We will harness the power of collaboration: ONE Team**
  Advanced training initiatives and learning programs support our employees to ensure that we will continue to work with the "best in class" in the future. We give employees the opportunity to take responsibility, and the space to develop personally.
  Read more **here.**

- **We ensure excellence and bring healthcare innovations to people**
  Our top priority is the quality and safety of our products and services. We join forces with our partners to bring innovations to our customers and make treatments more accessible, more practical, and more bespoke. Read more **here** and **here.**

- **We do our best for patients**
  We work every day on the culture, integrity, responsibility, and transparency of our company. Particularly in times of transformation, this commitment empowers us to create trust in our decisions, products, and services. Read more **here.**

  We take precautions: for a better tomorrow
  Our goal is to continuously improve the health and well-being of both the people we treat and all those who work for our company. Our mission is to help people with passion and commitment. Read more **here** and **here.**

While we help people with our products, we also work tirelessly on solutions and measures to conserve resources and protect the environment. Read more **here.**

3 ENVIRONMENT

A HEALTHY FUTURE FOR PEOPLE AND THE ENVIRONMENT

As a healthcare company, we are committed to the well-being of people. Consequently, we want to help preserve the fundamentals necessary for life and protect the environment. At the same time, we know that Fresenius Kabi's business activities exert significant impacts on the environment. That's why we are striving to reduce greenhouse gas emissions and waste, promote the efficient use of resources, invest in environmentally friendly technologies, and introduce more sustainable practices.

OUR ENVIRONMENTAL MANAGEMENT

We are continually assessing and identifying potential risks to minimize the impacts of our activities on the environment, and we carry out relevant measures to meet our goals. This process focuses on the fields of action we have defined.

FIELDS OF ACTION FOR OUR ENVIRONMENTAL MANAGEMENT

ENERGY AND EMISSIONS

Our energy management system primarily focuses on improving energy efficiency, as well as the procurement and company-owned generation of renewable energy. Read more **here.**

WATER AND WASTEWATER

Our water management measures reduce the volumes of our water and wastewater. We also monitor the water quality and the approved withdrawal and discharge of wastewater to increase our water use efficiency. Read more **here.**

WASTE AND RECYCLING

When it comes to waste and recycling, we tackle our measures with the following priorities: avoid, reuse, recycle, recover, and remove. Read more **here.**

Fresenius Kabi's environmental management adheres to global **environmental guidelines.** These provide the framework for environmental protection in all of its organizations. The guidelines include general principles for managing and mitigating environmental risks, as well as preventing environmental pollution. We also expect our suppliers to treat nature and its resources carefully and responsibly, as defined in the **Third-Party Code of Conduct.**

Fresenius Kabi also uses an environmental management system in accordance with the international standard ISO 14001 and an energy management system in accordance with ISO 50001, in order to improve environmental and energy performance. The management system focuses on reducing energy and water consumption, as well as wastewater, waste, and emissions – depending on the total production amount.

OUR GOAL FOR ENVIRONMENTAL MANAGEMENT

Up to 2026, the environmental management system (ISO 14001) will be progressively introduced at all of Fresenius Kabi's production sites throughout the world. In 2023, 84% of our sites were already certified in accordance with ISO 14001.[1]

IN CAPABLE HANDS: ORGANIZATION AND RESPONSIBILITIES

Environmental management at Fresenius Kabi is organized according to a centralized model. The Global EHS (Environment, Health, and Safety) department is responsible for its implementation. We have established functions within this structure that monitor our relevant environmental impacts and plan measures to improve. More information is provided in the EHS Management chart.

The global functions and top management define Group-wide environmental targets, develop suitable standard procedures, and support our certified local units by implementing and monitoring the management systems. The local production units define concrete and effective targets, implement appropriate measures, and monitor their effectiveness.

1 On the date of publication, ISO 14001 had already been implemented at 94% of the sites. Certification of the remaining 10% is currently being implemented.

EHS MANAGEMENT

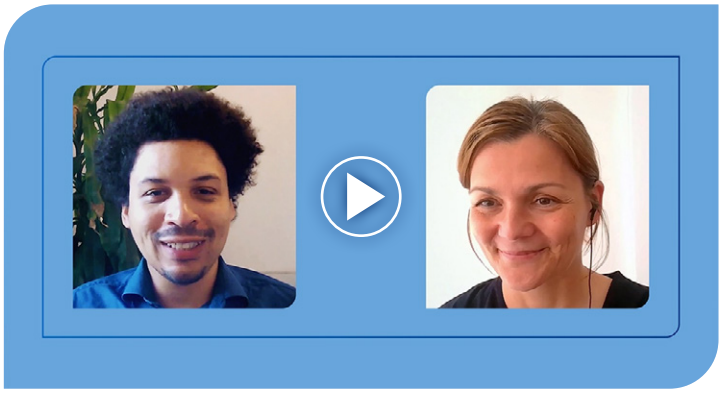
Main tasks and responsibilities

Environment, Health and Safety	Energy	Occupational, Health and Safety
ISO 14001	ISO 50001	ISO 45001
Worldwide maintenance and rollout of ISO 14001 at all PU's till latest 2026 – covering implementation, support, audits, global documents, templates and education	**Worldwide maintenance and rollout of ISO 50001 at all PU's till latest 2026** – covering implementation, support, audits, global documents, templates and education	**Worldwide maintenance and rollout of ISO 45001 at all PU's till latest 2023** – covering implementation, support, audits, global documents, templates and education
• Improvement of waste and waste recycling rates • Improvement of water consumption and wastewater	• Improvement of energy & GHG performance	• Accident Reduction & Prevention

CSRD, ESG and other topics

ESG:
- Reporting of all environmental, energy and occupational (LTIFR) data – CSRD, Taxonomy, ESG and internal reports
- Participation in FSE Climate Working Group, ESG WG, CSRD WG

Others:
- Sustainability data in Resource Advisor according GRI Protocol for Non-financial reports, EOHS reports, Q reports and future ESG targets
- Tender support for all Market Units
- AMR IA Manufacturing Framework / Standard
- Human Rights Due Diligence – own operations



»DEFINING THE ROADMAP – CREATING INCENTIVES INTERVIEW WITH MARVIN HOHWIELER, SENIOR MANAGER ENERGY & PROJECT MANAGEMENT, HEAD OF GCC«

Watch the Video online

BEST PRACTICE EXCHANGE FOR ENERGY, WATER, AND WASTE MANAGEMENT

The Global Competence Cluster Energy, Water & Waste Management was established in 2019 alongside existing management systems. The objective is to offer experts from all our production sites a platform where they are able to share innovative ideas and proposals for enhancing efficiency in the defined categories and work together on solutions. The GCC promotes innovations and provides resources for their implementation. As a highlight, the best ideas for implementation are awarded prizes by the global EHS team and members of the Executive Leadership Team as part of the annual Championship Day. In addition to the exchange of experts, the GCC offers other interested employees the opportunity to participate, e.g. through awareness days and topic-related events, in order to learn from each other and further increase awareness of the topics.

OUR APPROACH TO ENERGY AND EMISSIONS

Rising temperatures and more frequent extreme weather events as a result of climate change pose a threat to our earth's ecosystems. At the same time, economic stability can be shaken by the associated damage to infrastructure, and increase insurance costs. At Fresenius Kabi, we want to fight against this trend and make our contribution to a healthy world through our commitment to climate protection.

OUR ENERGY MANAGEMENT: HOW WE IMPLEMENT OUR COMMITMENT TO CLIMATE PROTECTION

Fresenius Kabi operates on the global stage with 50 production sites and more than 42,000 employees. Consequently, we have to observe a large volume of statutory framework conditions relating to the environment. Even beyond these, we are always looking for ways to minimize our impact on the climate. We also implement our management approaches in line with this trajectory.

OUR FOCUS TOPICS FOR 2023

- Energy saving and efficiency
- Procurement and company-owned generation of renewable energy
- Reduction of CO_2 emissions

MANAGEMENT SYSTEMS WITH CERTIFICATION

Improving efficiency and avoiding unnecessary consumption – this is the focus of our energy management system. In 2023, the system was certified in accordance with the standard ISO 50001 at 30 sites. We want to expand the number of certified sites to 100% by the end of 2026.

UNITS CERTIFIED IN ACCORDANCE WITH ISO 50001[1]

ISO 50001, in %	2022[2]	2023[2]	Goal 2026
Market segment Healthcare products/Fresenius Kabi	53	74	100%

1 Units are included for which environmental data are consolidated.

2 The coverage is based on the units that have already been certified or that are to be certified in future, depending on the applicable standards or regulations. The provision of the certificates by the relevant certification company can extend into the following year.

GREENHOUSE GAS EMISSIONS: CLIMATE NEUTRALITY BY 2040

The Fresenius Group has set a target of achieving climate neutrality in Scopes 1 and 2 by 2040. We plan to achieve this primarily by implementing reduction measures, and offsetting any remaining greenhouse gas emissions. The first step towards achieving this goal is to reduce all **Scope 1 and Scope 2 emissions** by 50% in absolute terms by 2030 (base year: 2020).

Fresenius Kabi intends to contribute to our Group target particularly by utilizing renewable energies and energy efficiency measures. In 2023, we were able to reduce our Scope 1 and Scope 2 emissions by 24% in comparison with the previous year.

GREENHOUSE GAS EMISSIONS SCOPE 1 AND 2 (MARKET-BASED APPROACH)

in thousand t CO_2 equivalents	2023	2022	2021	2020
Fresenius Kabi	**324**	**425**	**416**	**396**
Scope 1	168	169	172	160
Scope 2	155	256	243	237

In 2023, Fresenius carried out work on the systematic recording and evaluation of the Group-wide Scope 3 emissions in accordance with the Greenhouse Gas Protocol Scope 3 Accounting and Reporting Standard, and is publishing these statistics for the first time in this **report.** Fresenius Kabi will provide a more detailed report on its Scope 3 emissions for the first time in 2024.

EXPANSION OF RENEWABLE ENERGIES

In 2023, Fresenius Kabi purchased electricity generated from renewable energies for seven of its production facilities. This switch to renewable/CO_2 neutral energy at all our production sites is intended to bring about an annual reduction of 6% in our Scope 1 and Scope 2 emissions, and also contributed to our 2023 reduction target. Furthermore, we already operate photovoltaic systems at nine production facilities, and three additional installations were approved for operation in 2023. They will go live on the grid in 2024.

SOLAR ENERGY FOR MEDTECH PRODUCTION

This form of power is an important pillar for greater sustainability: solar energy. In 2022, we started up three new power stations at our production facilities in Guangzhou (China), Haina (Dominican Republic) and San Germán (Puerto Rico). The combined output of these power plants generates around 5,600,000 KWh of energy each year for the production of MedTech products – as much electricity as about 2,000 average two-person households consume over the same period.

RELATED LINKS

Interactive Tool

WATER MANAGEMENT AT FRESENIUS KABI

Periods of drought, flooding, and diseases caused by contaminated water – water risks are one of the most urgent global challenges. As a healthcare company operating across the world, we want to be part of the solution. Water management promoting conservation of resources is therefore a top priority for us.

EVERY DROP IS VALUABLE: THE FACTS AROUND OUR APPROACH TO WATER

Our objective is to use the vitally important resource of water responsibly. This is why we closely monitor the quantities we consume through our business activities. The absolute volume of water that we withdrew and used in the course of our business activities during 2023 amounted to 9.9 million m^3.

WHERE DOES 9.9 MILLION M^3 OF WATER FLOW TO? WATER USAGE AND WITHDRAWAL

In the areas of clinical nutrition, intravenously administered drugs, infusions, and biopharmaceuticals, it is vital for patients that the purity of the products is guaranteed and the cold chain is maintained. Some of the water we use is to produce steam for sterilization, and water-based cooling and cleaning processes. However, sterile water is highly purified and it is an essential component in the manufacture of medical products, and medicines. Sterile water used for purposes like infusion and rinsing solutions such as sodium chloride must meet stringent quality requirements to ensure product quality and patient safety.

HOW WE IDENTIFY WATER RISKS AND DEAL WITH THEM

Like most manufacturing companies, Fresenius Kabi is dependent on water as a raw material in its production processes. But clean water is in increasingly short supply throughout the world.

We therefore make it a priority to precisely assess the **water risks** present at our various production sites. Fresenius-Kabi uses the **Aqueduct Water Risk Atlas of the World Resources Institute (WRI)** to analyze the availability of water at specific locations.

AQUEDUCT WATER RISK ATLAS OF THE WORLD RESOURCES INSTITUTE (WRI)

In collaboration with companies, governments, and research partners, the institute set out to drive forward proven procedures for managing water resources, and facilitating sustainable growth in a world beset by water shortages.

The tool allows us to access publicly available peer-reviewed data to map water risks such as floods, droughts and water stress[1]. This gives us information about the current and future water risks at our locations.

All our production sites carry out a climate risk assessment. This includes water risks like flooding, droughts, and heavy rainfall, and the sites must take appropriate measures if a risk is identified.

OUR MEASURES FOR REDUCTION OF WATER CONSUMPTION

A number of different approaches have been adopted to reduce our water consumption. At some production sites, we use water a number of times, e.g. through the use of steam condensate recovery systems at our sites.

In 2023, we launched several projects at the production sites directed toward saving water. One example is the objective of using water more sustainably in wastewater treatment systems and recycling programs. In addition, we optimized the cleaning and sterilization processes at several sites.

1 Currently we are assessing water stress.

OUR APPROACH TO REDUCING WATER CONSUMPTION AT OUR SITES

Beijing, China: Water recycling during coating

The coating of tablets is common practice for pharmaceuticals, for example to control the time and amount for the release of active ingredients. This process also uses solvents that release organic gases. These gases have to be absorbed by spray water in scrubbers. At our production site in Beijing, around 35% of the water consumption is for operation of these scrubbers. In order to reduce our water consumption, we have introduced an innovative recycling process. After water has been used repeatedly, quartz sand and activated carbon are used to filter and disinfect this water so that we can feed it back to the scrubbers. This means that we save an estimated 14,000 m^3 each year at our Chinese location.

At the production site we have also adjusted the frequency of changing the pure water required for steam sterilization. By replacing the water every two days (previously once a day), we have been able to reduce annual consumption from 225 m^3 to 147 m^3.

Zapopan, Mexico: Water savings with a purification procedure

At our Zapopan site, we replaced the static spray balls used to clean solvent containers with dynamic nozzles. The design and mode of operation of the newly launched model enable us to clean the interior tank surface more efficiently. This empowers us to reduce the rinsing water by half for each cleaning cycle and save 300 liters of water with each process.

Friedberg, Hessen: Treatment of demineralized water

Conventional minerals (salts) are removed from fully demineralized water (DI water). This is an important resource for the production of pharmaceutical substances. Reverse osmosis systems are used at our production facility in Friedberg to produce demineralized water from municipal water. A concentrate results from the process that consists of water with an increased salt content (10 m^3/h). An additional reverse osmosis system enables us to reprocess 40% of the concentrate using a new purification stage, and return it to the input stage of the water treatment system. The returned water has a higher quality than the municipal water. As a result, we are able to cut our consumption by more than 35,000 m^3 of water a year and reduce our wastewater volume.

KEEPING THE WATER CLEAN: OUR WASTEWATER MANAGEMENT

Wastewater from industrial production processes can impact the water quality of rivers and springs. In order to prevent this and not put the water quality at risk, we discharge water decentrally at the locations in accordance with applicable local regulations. Production units regularly report wastewater volumes within production to the responsible EHS (Environmental, Health, and Safety) department in accordance with internal standards and guidelines.

RISK OF ANTIBIOTIC RESISTANCES – MEASURES TO PRESERVE WATER QUALITY

Antibiotics belong in people, not in the environment. Nevertheless, drugs can enter the environment through wastewater discharges, and cause antibiotic-resistant bacteria to develop. The consequences can be fatal, if medical treatments lose their efficacy as a result.

To counter this risk, we have been a member of the **Antimicrobial Resistance (AMR) Industry Alliance (AMRIA)** since 2020, and we have been playing an active role in the management bodies of the alliance since 2021. Furthermore, we have been working on the introduction of the **Common Antibiotic Manufacturing Framework (CAMF)** of AMRIA.

You can find more on this in the Fresenius online Annual Report 2023 in the section **water management.**

In 2022, AMRIA and BSI Standards Limited released the **Antibiotic Manufacturing Standard**, providing guidance to the manufacturers on responsible antibiotic production.

The standard complements the environmental and safety management at our production sites. A pivotal component of the approach involves the use of a risk-based methodology to evaluate and control the aquatic waste and water streams generated during antibiotic production – and communication about this at the corporate level.

THE MASS BALANCE APPROACH

We began implementation of the Antibiotic Manufacturing Standard already in 2022. The focus was on introducing a methodology for the quantification of the mass balance. The template is intended to assist antibiotic manufacturing sites in determining antibiotic concentrations in wastewater discharge from production and in conducting gap analyses. Furthermore, we established a dedicated communication channel to connect local sites together and with the global EHS team. This initiative fosters continuous exchange between the production sites and the global EHS Team to promote the introduction and compliance with the Antibiotic Manufacturing Standard requirements.

RELATED LINKS

ESG KPI Overview 2023

Interactive Tool

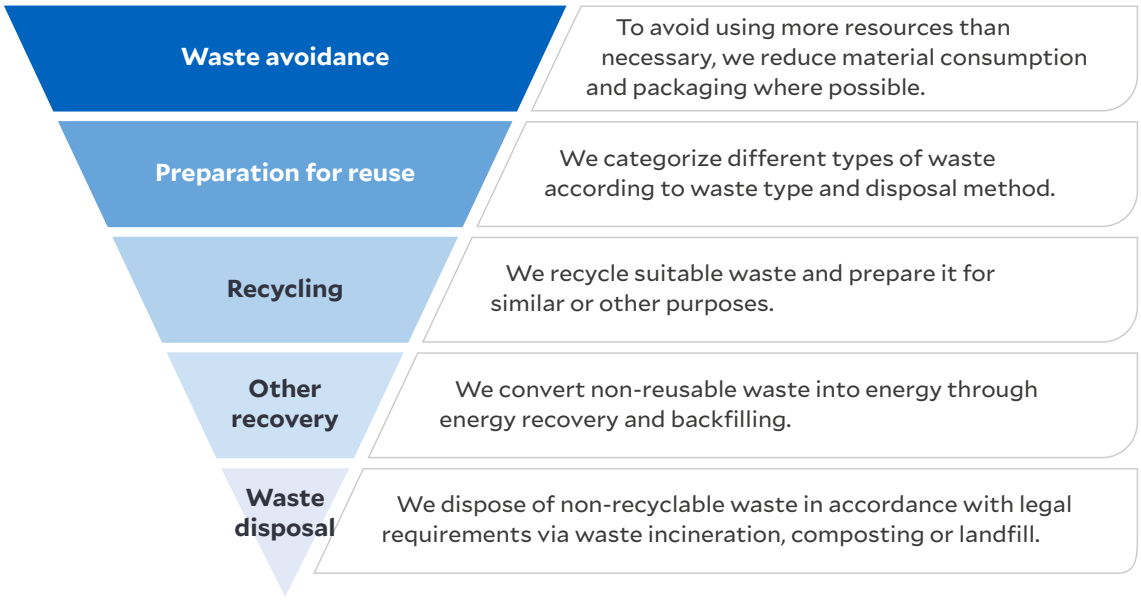
AVOID, REUSE, RECYCLE: WASTE MANAGEMENT AND RECYCLING AT FRESENIUS KABI

According to reports by the World Health Organization, around 15% of the waste generated by the healthcare sector are hazardous materials that can negatively impact the environment if they are not properly disposed of. A responsible, safe approach to waste and resources is therefore a top priority for Fresenius Kabi.

MORE THAN WASTE: HOW WE MANAGE WASTE – AND CONSERVE RESOURCES

A key target of our waste management is to protect valuable resources. By handling waste carefully, we are able to conserve resources and reuse them in the production process. As a consequence, our focus is on recycling waste and utilize properly, as well as on avoiding waste in the first place. The waste generated at Fresenius Kabi is mainly in the form of a byproduct from manufacturing processes or in the downstream value chain as packaging material from product containers in hospitals, private households, and nursing homes. The waste is treated consistently in accordance with the legal regulations and we adopt independent initiatives to close the recycling loops.

We have defined the following sequence for waste management:



RESPONSIBILITY FOR PEOPLE AND ENVIRONMENT: OUR APPROACH TO WASTE

Local EHS (Environment, Health, and Safety) managers or special waste managers are generally responsible for waste management at the Fresenius Kabi production sites.

At Fresenius Kabi, we record waste volumes generated at our production sites, logistics centers, **compounding centers**, and other ISO 14001-certified organizations. We categorize the waste according to waste type and disposal method. Plastic waste represents the largest proportion of non-hazardous waste. Hazardous waste is avoided wherever possible and unavoidable waste is disposed of properly and verifiably.

WASTE MANAGEMENT AT OUR LOCATIONS

Villadose, Italy: Reusable workwear

At our Villadose site, we have significantly reduced the number of disposable suits used in production departments. We have replaced disposable clothing with reusable, sterilized clothing. This measure has reduced the amount of waste by around 1,300 kg each year.

Aquiraz, Brazil: Utilization of filter capacities and reuse of pallets

An evaluation of the utilization of filters at our site in Aquiraz was carried out, which revealed potential savings of approximately 250 kg/year for hazardous waste. Filtration reduces the biological burden of parenteral nutrient solutions and is therefore mandatory. Our analysis demonstrated that the site was using the filters below their rated capacity, and hence generating additional costs and waste. Additionally, there was evidence that the maximum retention time of the filters in the process could be increased without affecting the quality of the product.

We have also introduced a measure to reuse wooden pallets for finished products. Instead of selling the pallets for recycling, we now sort them out and put them through a heat treatment process to ensure the required hygiene standards. As an effect, we were able to bring down the amount of wood required by 188 tons. Deducting the costs of the treatment and the lost sales revenues, this produced savings of BRL 410,000 (around €73,000) a year.

4 SOCIAL

BIOSIMILAR DEVELOPMENT: IMPROVING ACCESS AND AFFORDABILITY

Biological drugs from genetically modified cell lines enable the treatment of serious diseases such as rheumatoid arthritis, psoriasis, and cancer. Fresenius Kabi is actively engaged in the development of such biosimilars. Our efforts focus on auto-immune diseases and cancer, providing patients with alternative treatment options through biological products that are similar to the reference product.

WHY BIOSIMILARS?

Chronic diseases are on the rise worldwide, and more and more people need access to high-quality therapies. However, the drawback is that these therapies are costly and therefore constitute a burden on healthcare systems. Affordable therapy options like **biosimilars** can help mitigate some of this financial strain.

WHAT ARE BIOSIMILARS?

A biosimilar is a biological product that is similar to another authorized biological product known as the reference product. The biosimilar product has a comparable analytical profile, with similar **pharmacokinetics**, and equivalent efficacy, safety, and **immunogenicity** to the reference product. Our biosimilar products are subject to the same high quality standards as the reference product. The authorization and acceptance of biosimilars has increased significantly worldwide, and progressively more patients are being treated with high-quality biological medicines.

In addition to the growing need for high-quality medicinal products to treat chronically ill patients, the requirements for the care of the critically ill are also increasing. This will result in a burgeoning demand for effective therapies in combination with sophisticated medical devices and technologies in the future. We strive to be the preferred partner for doctors and nursing staff in the care of both patient groups and have prioritized this mission in our business model.

BIOPHARMACEUTICALS: ONE OF OUR THREE STRATEGIC GROWTH AREAS

Our **vision 2026** defines three clear areas of growth for Fresenius Kabi: enhancing our biopharmaceutical offering, advancing our clinical nutrition products, and launching them globally, and expanding in the MedTech segment.

OUR FOCUS ON BIOSIMILARS: IMMUNOLOGY AND ONCOLOGY

Our growing product pipeline of biosimilars includes a number of molecules that are in various stages of development on the pathway to market maturity. Their development is focused mainly in the fields of immunology and oncology. Our work is guided by the goal of providing more patients and healthcare providers around the world with access to biologics. Fresenius Kabi's central aim is to enable healthcare professionals to deliver high-quality, effective, and safe therapy concepts, and consequently improve patient care and quality of life.

Following the acquisition of a 55% stake in mAbxience in 2022, we have diversified our biosimilars pipeline. This move expands our research, development, and production capacities, and extends our offering as a B2B contract development and manufacturing organization (CDMO). Joining forces with our colleagues at mAbxience gives us a wealth of experience in conducting high-quality biological research and development projects for the production of biopharmaceuticals and complex molecules.

Fresenius Kabi's research and development center at Eysins, Switzerland, has become an important location for our work on new biosimilars used in treating autoimmune and oncological diseases. mAbxience maintains research and development laboratories in Europe (Léon, Spain), and South America (Garín and Munro, Argentina). Our research and development centers also include small facilities and pilot plants focusing on process optimization, clinical batches, and new technologies.

€
200
billion

can be saved worldwide over a period of five years by using biosimilars.[1]

1 Source: **The center for biosimilars**

You will find further information on our Biopharma Unit **here.**

RELATED LINKS

Our Expertise – Fresenius Kabi Biopharma

Biosimilars

Biopharma solutions for autoimmune diseases and oncology

PATIENT SAFETY BASED ON PRODUCT QUALITY: QUALITY MANAGEMENT AS KEY FACTOR

Patients across the world rely on the safety of our products and services. The same applies to medical personnel and other customers. That's why we rely on stringent quality and safety standards at Fresenius Kabi. Our quality management is vital for safety. It monitors the applicability, efficacy, and safety of products and services, and thereby contributes to the success and ongoing development of medical treatments.

MONITORING SIDE EFFECTS: QUALITY ASSURANCE SYSTEMS AT FRESENIUS KABI

An important goal of quality management at Fresenius Kabi is to monitor the applicability, efficacy, and safety of products and services, as well as the success of therapies, and their continuous improvement.

This includes the monitoring of adverse reactions or events (side effects) associated with the use of medicinal products. It takes place in the context of pharmacovigilance (drug safety). The statutory pharmacovigilance commitments relate to our medicinal products for human use. Equivalent regulations exist for medical devices. In order to fulfil these obligations at Fresenius Kabi, our integrated Quality Management System (QMS), is complemented by a monitoring and reporting system, which we have established alongside product risk management that is integrated in the overarching QMS.

AT A GLANCE: THE FOUR ASPECTS OF OUR MONITORING AND REPORTING SYSTEM

Recording side effects
An early warning system is used to gather information from various sources that is relevant to pharmaceuticals and quality. This enables us to identify product-related risks at an early stage and take corrective or preventive actions.

Evaluating side effects
We always need to be certain that the use of a drug outweighs the risk of adverse side effects. Company-wide standard operating procedures (SOPs) help us to assess the benefit-risk profiles of our products and to monitor them.

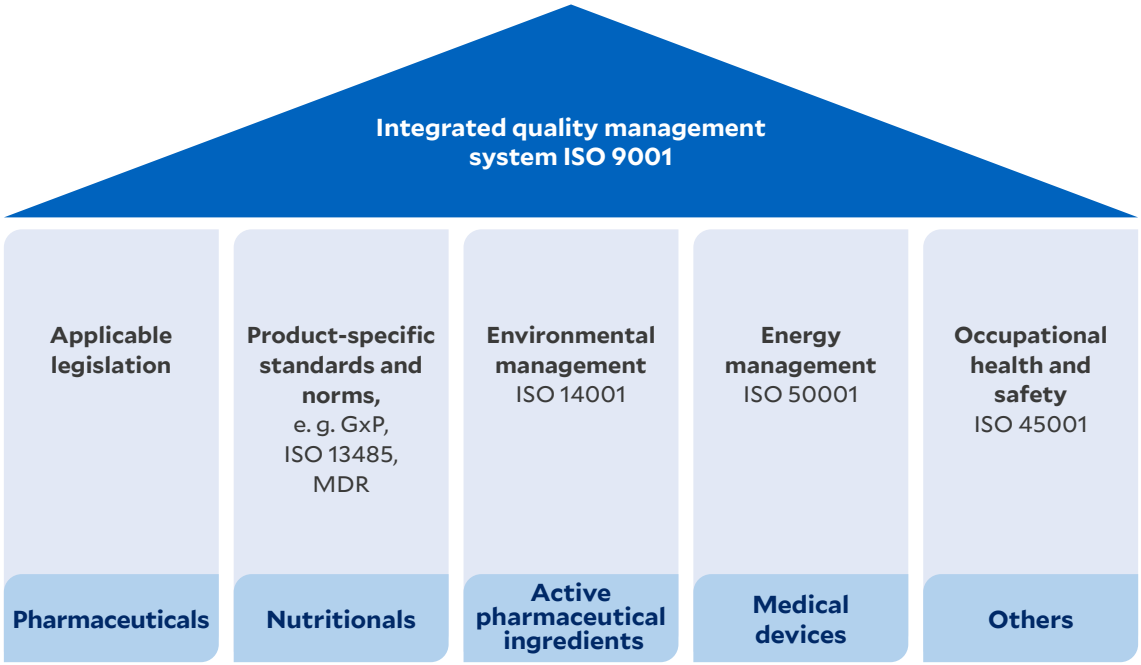
Notifying the authorities
We continuously and regularly evaluate safety-relevant information from various sources, e.g. adverse event reports from doctors or patients, and specialist medical literature, and submit the results to the regulatory authorities.

Communicating with customers and the public
We promptly inform our customers and the public about any changes we identify in product or patient safety. We either reach out directly, or as necessary by means of appropriate publication.

EVERYTHING UNDER ONE ROOF: OUR INTEGRATED QUALITY MANAGEMENT SYSTEM

Our QMS is organized in accordance with the **ISO 9001** standard, and it is binding for all organizations of Fresenius Kabi. Compliance with the standard at global level is reviewed by TÜV SÜD in annual audits. This covers an audit of 123 Fresenius Kabi organizations through a matrix certification for which several organizations with the same alignment are audited together. One further organization holds a local ISO 9001 certification. In addition, our manufacturing plants have supplementary certifications, such as ISO 13485 for medical devices, ISO 22000 for food safety, and Good Manufacturing Practice (GMP) for pharmaceuticals.

INTEGRATED QUALITY MANAGEMENT



HOW WE ENSURE THE EFFECTIVENESS OF OUR QUALITY MANAGEMENT SYSTEM: THE AUDIT AND INSPECTION SCORE

We carry out annual internal QMS audits and we are also subject to external audits.

58

internal audits were carried out in total during 2023 (2022: 45).

111

external audits and inspections took place in the reporting year (2022: 87).

The external audits included 22 GMP inspections carried out by the United States Food and Drug Administration (FDA), the Australian Therapeutic Goods Administration (TGA), the Canadian drug regulatory authority Health Canada, and the European pharmaceutical authorities. TÜV SÜD as the certifying body for the ISO 9001 standard carried out 15 audits for the QMS. An **audit and inspection** key figure is determined annually from the GMP inspections of these authorities and the TÜV audits.

This key figure shows how many so-called major deviations were discovered on average during inspections and audits. To calculate it, we take the sum of the number of serious (major) deviations identified by the authorities and TÜV Süd and divide it by the total number of audits and inspections carried out.

THE AUDIT AND INSPECTION SCORE OF 2.3 IN THE PREVIOUS YEAR FELL TO

1.9

in 2023. This represents an improvement of approximately one fifth.

ALWAYS IN FOCUS: THE BENEFIT-RISK RATIO OF OUR PRODUCTS

We continually monitor and analyze the benefit-risk ratio of the products, and we have established various standard operating procedures for the process. For purposes of the analysis, we assess safety-relevant information from different sources, e.g. adverse event reports from doctors, patients, and specialist medical literature. We submit the results of these analyses to the relevant responsible regional or national regulatory authorities, e.g. as periodic safety reports. We monitor this statutory mandatory activity using performance indicators.

Fresenius Kabi aims to submit all periodic safety reports worldwide to authorities in due time – and hence to achieve a 100% compliance rate. In 2023, the figure for all performance indicators was above 99%.

The benefit-risk ratio of all pharmaceutical products remained unchanged in 2023.

RESPONDING QUICKLY AND APPROPRIATELY TO ADVERSE EVENTS: OUR EARLY-WARNING SYSTEM IN PRODUCT RISK MANAGEMENT

Fresenius Kabi uses the early warning system to collect information relevant to drug safety and quality from various topic areas and then evaluate it in order to identify risks at an early stage and take corrective or preventive actions. We use databases in which complaints and side effects are logged, together with internal and external audits, and key performance indicators applied for internal control and optimization of pharmacovigilance processes. This enables us to continuously evaluate the benefit-risk ratio of products worldwide.

When quality-relevant events occur, it is extremely important to act quickly and initiate and coordinate the necessary measures such as product recalls. Fresenius Kabi has named global safety officers, who take action immediately if an announcement is made.

Internal procedure instructions also ensure that we promptly forward reports on new, previously unknown side effects caused by our products to the healthcare professionals. The information is communicated e.g. in a Dear Health Care Professional Letter.

FACILITATING SAFE HANDLING: LABELING AND PRODUCT INFORMATION

Complete fact-based information and labeling in accordance with statutory regulations are absolutely essential to ensure correct applications of drugs and medical devices. Fresenius Kabi's products are classified on the basis of global or national regulations and standards, e.g. as pharmaceuticals, nutritional products, active pharmaceutical ingredients, or medical devices. The information and labeling obligations we have to comply with depend on the category of product. The marketing of these products is also subject to various legal standards and regulations. We draw up our information using global standard operating procedures in order to comply fully with our information obligations and to ensure that the product information for correct use is clear, accurate, and not misleading.

IN THE TEAM FOR HIGHEST QUALITY STANDARDS: OUR QUALITY CULTURE INITIATIVES

In 2020, Fresenius Kabi launched a Quality Culture Initiative on continuous improvement of quality awareness specially for our local units. After a pilot phase with selected production sites, the initiative was rolled out at all production facilities worldwide with the slogan **Quality starts with me**. The initiative is directed by the Head of Global Quality Management. Every quarter, the director receives the relevant product segment status report from the quality assurance managers with information about the local initiatives at the level of the production site.

As part of the Quality Culture Initiative, the local organizations carry out surveys on the status of quality awareness regularly. They use the results to plan local campaigns on providing further support for quality awareness of all employees.

INNOVATIVE DATA TECHNOLOGIES FOR BETTER HEALTHCARE

Digitalization of processes is a key field of innovation for Fresenius Kabi. We use data-driven insights to optimize production, sales and logistics to continuously improve the supply of outstanding medical products and services for our patients. At the same time, careful risk assessment and consistent defense against cyberattacks enable us to ensure that customers, partners, and employees can always rely on our products.

OUR DIGITAL CONTRIBUTION TO SUCCESSFUL TREATMENT

Consistent digitalization of processes is crucially important at Fresenius Kabi so that we can provide effective support for our customers in their work. We are continually developing new and more powerful digital applications to enhance the quality and safety of treatment, improve the care and quality of life for patients, open up new business areas, and ensure compliance with regulatory requirements. Therefore, we leverage and make use of a wide range of data derived from various sources including interaction with our customers. These data also help us to optimize our service, and improve communication with customers through digital and analog channels.

DIGITAL STRATEGY: ENHANCED FOUNDATIONS FOR DECISION-MAKING – COMPETENCIES EXPLAINED

Our objective is to provide our customers with precisely the solutions they need to deliver optimum healthcare to their patients. With this end in mind, we target consistent digital transformation. This primarily impacts the areas of innovation, production, delivery, sales, and customer support in our company and its entire value chain. Business intelligence and analytics form the foundation for optimizing our decision-making processes, and many operational workflows.

Alongside the Fresenius IT Executive Board, we have also established the Fresenius Kabi Digital Transformation Board to control the internal digitalization of business processes. The function of the latter is to drive forward a uniform digital strategy, ensure transparency for decision-making, and harmonize initiatives across the Group.

MONITORING AND AUTOMATION: COMPLEX PROCESSES FIRMLY UNDER CONTROL

During the course of the reporting year 2023, we continued to expand our digital process landscape with the aim of improving the efficiency and quality of our internal and external workflows. Priority areas included production, quality management, sales, and customer service, where we set up platforms for automation and monitoring of complex processes. In production and quality management, we use the applications for a variety of purposes including implementation of process control systems for industrial production plants. Furthermore, we apply them to monitor the efficiency of equipment, manage data, and support workflows in laboratories. We also utilize the applications to analyze decision-making processes and automate them wherever possible.

Digital **track-and-trace systems** follow products and empower us to share information with our customers. In the United States, we use smart labels to automatically manage inventories. The transponders in the labels are based on radio frequency identification technology (RFID) that allows hospitals to automatically monitor the inventory management of specific drugs.

Other examples of our digital processes and applications include the following:

PreparePlus – digital support for parenteral nutrition
In 2023, we launched PreparePlus on the market. The application supports pharmacy personnel in preparing physically and chemically stable formulations for parenteral, i.e. artificial, nutrition of patients.

KetoApp – digital nutrition advice for renal patients
The KetoApp was developed for patients with chronic kidney disease. The application provides patients with nutritional values and other information on food so that they can eat a varied diet appropriate for the disease. The KetoApp has now been rolled out in Chile, Ecuador, Columbia, Mexico, and Peru.

KabiCare® – digital support program for the use of biopharmaceuticals
KabiCare® is a support program for healthcare professionals using our **biosimilars products,** or for patients who are being treated with biosimilars. The Platform provides them with information about dealing with the individual's disease and the relevant treatment.

Innovative infusion systems – digital error avoidance for greater patient safety

Since the acquisition of Ivenix Inc. in 2022, we have been offering our customers a broad portfolio of advanced infusion pumps and solutions covering the entire spectrum of healthcare. In 2023, we further expanded the offerings to meet increased customer demand in important healthcare regions such as the United States. At the same time, we improved the clinical workflows by embedding our products in the digital hospital environment. We use these solutions to help reduce the risk of medication errors, and improve patient safety.

CYBERSECURITY: GROUP-WIDE APPROACH TO ENHANCING PROTECTION OF SENSITIVE DATA

Ongoing digitalization offers opportunities for increased quality and efficiency in healthcare, while at the same time entailing risks for information security and data protection. Our goal is to minimize these cyber risks, and to prevent damage to patients, customers, and the company itself. This is achieved by following the Group-wide cybersecurity approach adopted by Fresenius. Cyber risks are regularly evaluated and reduced by targeted security measures. This enables patients and our employees and customers to steadfastly rely on the security of our digital solutions and services.

You will find comprehensive information on our Group-wide cybersecurity strategy **here.**

RELATED LINKS

Digital transformation

Cybersecurity

OUR CONTRIBUTION TO TREATMENT SUCCESS: PRODUCT DEVELOPMENT AT FRESENIUS KABI

Chronic diseases increase worldwide. The demand for effective therapies in conjunction with intelligent medical technology applications and devices is therefore greater than ever – today and in the future. In order to meet this demand, we have defined clear development fields for Fresenius Kabi in our Vision 2026. We intend to expand and improve our range of biopharmaceuticals and generics alongside our clinical nutrition products and our portfolio of medical technology, while simultaneously facilitating access to them.

RESEARCH AND DEVELOPMENT: PROGRESS FOR BETTER, MORE ACCESSIBLE HEALTHCARE

More and more people need access to high-quality therapies. At the same time, the requirements for successful treatment of critically ill patients are becoming even higher. By developing new products and making continuous improvements to existing ones, we want to help drive forward medical progress in acute and post-acute care, and improve patients' quality of life. Our goal is also to enable more and more people around the world to access high-quality and modern therapies through our products. These aspirations encourage us to continue investing substantial funding in research and development, and in 2023 we devoted 7.6% (2022: 8.0%) of our total revenues to this purpose.[1]

At Fresenius Kabi, we define innovations as new substances, devices, software, containers, or services introduced in the marketplace, as well as reformulations of existing substances for a new market, and the registration and launch of established products in new countries. We focus our research and development activities on our core competencies in the following areas:

1 Before special items and excluding impairment losses from capitalized in-process R&D activities.

Biopharmaceuticals

In the biopharmaceutical area, our currently expanding product pipeline of biosimilars includes a range of commercialized medicines and molecules in various development stages. Predominantly targeting the areas of immunology and oncology, we are committed to providing access to biologics for more patients and healthcare providers around the world.

Infusion and nutrition therapies

Clinical nutrition provides care for patients who are unable to nourish themselves normally, or who are only able to do so insufficiently. This includes patients in intensive care, and those who are critically or chronically ill. Clinical nutrition that is appropriate to the indication and introduced at an early stage can avoid the common problem of malnutrition among hospital patients and avoid its consequences. There are two types of clinical nutrition therapy: parenteral nutrition and enteral nutrition.

- **Parenteral nutrition**
  The focus of our research and development in the product segment of parenteral nutrition is on product solutions that help improve the clinical treatment and nutritional condition of patients. Apart from the products themselves, these also include containers such as our multi-chamber bags. We want these bags to be safer and more convenient in everyday medical use, both in a hospital and in a homecare setting, and our development is consistently focused on this objective. Carrying out life cycle assessments also helps us to analyze and improve the environmental impacts of our multi-chamber bags. Furthermore, in 2023 we continued our development work on parenteral nutrition products. We are concentrating on new formulations that are specially tailored to the needs of individual patient groups. Alongside our global development projects, we are also working on appropriate projects for specific markets and regions in China, Europe, and the United States.

- **Enteral nutrition**
  In the area of enteral nutrition, we are focusing our research and development activities on product concepts that support therapeutic compliance, and thereby ensure successful treatment. The flavor of the enteral products is a critical parameter determining the acceptance of the products and compliance with medical instructions for nutritional therapy. For many years, we have been focusing on developing products with excellent flavors and a range of variations. These offer users variety and make it easier for them to carry

out the prescribed nutritional therapy. The launch of the PLANT-BASED Drink in 2023 also enabled us to respond to the needs of those patients who are committed to plant-based nutrition. Furthermore, we are increasing our focus on developing products with higher calorie and protein concentration. They are geared toward empowering users to take in the necessary amount of nutrients even when product volumes are reduced.

Medical devices

Fresenius Kabi continues to develop medical devices for the administration of pharmaceuticals and nutrients. We create completely new products and carry out further development of existing products. Our product range includes infusion and nutrition pumps, infusion management systems, and devices for anesthesia monitoring, as well as disposables such as infusion sets, extension lines, enteral nutrition tubes, and monitoring electrodes. A specific segment of these products has been designed for pediatric use.

Successful digitalization is a more crucial factor in medical technology than in any other of our product segments because it is a critical factor in ensuring the success and efficiency of treatments. Devices have to be continuously developed in relation to their applications and they also have to be increasingly embedded in the IT system landscape of hospitals, blood donation centers, and plasma centers. Our research and development department is therefore focusing particularly on the continuous development of our software solutions.

Generic intravenous pharmaceuticals

Fresenius Kabi provides a wide range of intravenous (IV) generics (biosimilars are drugs with the same active ingredients that are similar to an original reference biologic product). They are infused directly into a patient's vein through an access port. The group of patients treated with these medications is primarily made up of seriously ill people in hospital – for example in emergency medicine and intensive care.

In the area of generic IV drugs, we are working continuously on the expansion of our product range and in 2023 we continued to launch new medicines on the market. In addition, we are working on the continuous improvement of our drugs that are already on the market. For example, we are developing IV drugs with new formulations and dosage forms, and optimized primary packaging to make application easier. In 2023, we worked on more than 100 active generic drug projects.

DIGITALIZATION FOR MORE EFFICIENCY AND QUALITY

Innovative digital processes and applications are intended to further enhance the quality of treatment, improve the care and quality of life of patients, and open up new business areas. We want to harness our digital technical services to contribute to improving the efficiency of workflows in hospitals and nursing homes. Digital applications for technical services can accelerate maintenance processes and keep service-related downtimes for medical devices to a minimum. Our goal is to offer our solutions in as many countries of the world as possible.

You can find information on digital processes and applications at Fresenius Kabi **here.**

RELATED LINKS

Research and development

Digital transformation

Product innovation

Digitalization at Kabi

ATTRACTING TALENTED INDIVIDUALS, SUPPORTING AND PROTECTING EMPLOYEES

We want to create a work environment which appeals to qualified and committed employees and generates loyalty to our company. This endeavor involves offering a wide range of career development opportunities. Employees need to be able to unleash their full potential at every stage of their career – irrespective of their origin, gender, and other dimensions of diversity. At the same time, our ISO-45001 certified management system ensures occupational health and safety in accordance with international quality standards.

43,269

employees were employed by Fresenius Kabi in 2023 – and the workforce has therefore grown by more than 1,200 employees (2022: 42,063) in comparison with the previous year.

ON THE RIGHT PATH: OUR VISION 2026

VISION 2026

Our aim is to attract the most talented and attain the status of Employer of Choice. As part of Fresenius Kabi's business strategy Vision 2026, we are seeking to achieve this goal by further developing our HR organization and our strategies for talent retention and development. This approach is supported by digitalizing our tools for global human resource recruitment and strengthening training and development measures for managers and employees alike.

Vision 2026 is an integral component of the **#FutureFresenius** program of our Group. You can find out more about **Vision 2026** here.

In 2023, Fresenius Kabi received the Top Employer certificate from the prestigious Top Employers Institute in several countries (China, Dominican Republic, India, Philippines, Austria, Poland, Puerto Rico, Switzerland, United States). The certification process consists of a survey on HR best practices, which is made up of six sections with a total of more than 250 questions. The topics covered include human resources strategy, working environment, talent acquisition, diversity, integration, and well-being.

Four of our country organizations also received the **Great Place to Work** certification: Ecuador, Columbia, Mexico, and Poland. The organizations were certified by the Great Place to Work Institute after they had passed through a two-stage process. First of all, employees answered a series of questions, and the country organization then completed a questionnaire about the workforce and corporate culture.

17
%

new hires were achieved in 2023 (2022: 16.9%).

7.9
years

was the average period of service for our employees at Fresenius Kabi. This value remains unchanged for the fourth year in succession.

FROM YOUNG PROFESSIONAL TO MANAGER: OUR TALENT MANAGEMENT

The mission of Fresenius Kabi is to structure the future of global healthcare and exert a positive impact on it. Our employees are driving this mission forward day by day. So as to provide them with the best possible support, we offer employees tailormade development opportunities at every stage of their professional career.

FOR EVERY CAREER STAGE: DEVELOPMENT PROGRAMS AT FRESENIUS KABI

Career Starters Program – Juniors und Young Professionals
The Career Starters Program supports early-career professionals when they start their job. The participants spend five modules identifying their strengths, trying out different methods of communication and presentation, and receiving tips on organizing their work. The attendees come from different business segments. The learning pathway therefore also offers the opportunity to network across companies.

New Leaders Program – first leadership function
Our New Leaders Program is intended to prepare employees for taking up their first leadership role. The participants work through five modules learning about the most important leadership tools, training in applying them, and developing their personal understanding of leadership. The modules are complemented by a personality inventory to reflect the individual's own management style.

Advanced Leaders Program – for experienced managers
The program offers experienced managers space to reflect on their management abilities, improve them, and refresh their knowledge in order to equip them to master challenging leadership situations. As part of the program, the leaders learn about new methods, receive feedback, and have an opportunity to network and exchange views on ideas and best practices in relation to current challenges. They also receive training on how to identify and deploy the personal strengths and development needs of their teams.

Strategy Execution & Change Management Program – in cooperation with the University of St. Gallen
A management program operated in collaboration with the University of St. Gallen targets middle management. The training focuses on strategy implementation, change management, and collaboration.

Top Executive Program – in cooperation with Harvard Business School
The Top Executive Program is directed toward the most senior management levels. This program is delivered in conjunction with Harvard Business School. In 2023, the program underwent a fundamental revision and it is being delivered for the first time in a new form in 2024. The aim of the program is to promote collaboration and networking in the top executive team, improve their general leadership skills, and strengthen their entrepreneurial approach.

PUTTING COMMON VALUES INTO PRACTICE

They include expansion into new markets, a broadly based product and service portfolio, investments in future market segments, and a management team with a concrete and quantifiable corporate vision: All these factors are intended to provide our employees with a solid foundation for their individual careers. Moreover, the values we represent in our daily work together are crucial for retaining our employees. We communicate our Group-wide values clearly to our employees to make it easy for them to identify with Fresenius Kabi. More on the **Fresenius Principles.**

APPRECIATION OF SPECIALIST KNOWLEDGE AND COMMITMENT: OUR BENEFITS

The employees of Fresenius Kabi make an important contribution to the well-being of patients across the world with specialist knowledge, commitment, and creativity. We value their dedication and our aim is to enhance the satisfaction of our employees as far as possible. That's why we offer a range of benefits, which include the following:

- **Retirement provision:** In addition to their salary, our employees receive an employer-financed company pension.
- **Flexible working time models, hybrid working, and childcare support:** These offers are directed toward promoting a good work-life balance between career and home.
- **Company Medical Service and sports packages:** If our employees have an occupational accident, or require reintegration into the workplace, they are able to rely on counseling meetings to assist them. We also offer our employees nutrition advice and prevention screening in order to contribute to their health in the workplace.

More on the topic of benefits within the Fresenius Group.

SUPPORTING DIVERSITY AND EQUAL OPPORTUNITIES DURING THE WORKING DAY

Our international and interdisciplinary work means we put diversity into practice at Fresenius Kabi – every day. We perceive working within intercultural teams as one of our great strengths. Diverse backgrounds, experiences, and perspectives can lead to better decisions and results, while driving forward the development of our company. This empowers us to improve care for patients, optimize internal processes, and inspire potential applicants with our corporate culture.

43,269 employees

60 sites

distributed over **4** continents

Diversity, equal opportunities, and an integrating work environment are important to us and they are therefore defined as a focus in our Vision 2026. We focus on equal opportunities for all employees in all our processes related to human resources – regardless of origin, age, gender, sexual orientation, or abilities. The corporate values of Fresenius form the cornerstone for the daily actions of all employees and are part of the **Fresenius Kabi Code of Conduct.**

EMPLOYEES (HEADCOUNT) AT FRESENIUS KABI BY REGION

	2023
Germany	3,503
Europe without Germany	12,326
North America	4,523
Asia Pacific	9,581
Latin America	12,255
Africa	1,081
Total	**43,269**

MENTORING: APPRECIATION AND EXCHANGE OF EXPERIENCES

The **Cross2Connect** program is a mentoring program established to promote appreciative collaboration. The aim is to facilitate processes for sharing interdisciplinary, intercultural, and global experiences across departments and segments. In this context, young employees have the opportunity to learn from their experienced colleagues. In 2023, eleven employees took part in the mentoring program.

PREPARING WOMEN FOR LEADERSHIP ROLES

In 2023, 52% of our employees were women. That's why great emphasis is placed on preparing our talented female employees individually for management roles. In cooperation with the University of St. Gallen, we offer our female employees the program **Leadership for Women – Boost your Self-Positioning**. Various topic modules cover aspects like communication, negotiating techniques, and leadership competence. In 2023, 99 female employees took part in the program.

At Group level, we have defined the goal of increasing the proportion of women in management positions in the Corporate segment to more than 30% by 2025. This relates to the first and second management levels below the Group Management Board. In 2023, the proportion of women on the first management level was already 30.0% and in the second management level 24.1%.

Read more **here** about diversity and equal opportunities in the Fresenius Group.

WELL LOOKED AFTER IN THE WORKPLACE: HEALTH AND SAFETY

As a healthcare company, we are in a position of considerable responsibility – for the well-being of the patients who take advantage of our products and services, and for the health and safety of our employees. We have introduced numerous management systems and measures across the Group in order to protect our employees from accidents and work-related illnesses.

Prevention is our fundamental principle for healthcare. That's why we offer our employees comprehensive programs that are geared to promoting their health and preventing occupational illnesses.

WORK-RELATED ACCIDENTS AND INCIDENTS

At Fresenius Kabi, we steer our measures for health and safety on the basis of specific goals and ambitions that we primarily define at local level.

Our global Occupational Health and Safety (OHS) management assesses incident investigation reports on work-related accidents. It decides on the need for technical improvements, additional working equipment, work instructions, and further training. The appraisal also serves to avoid a recurrence of the incident in future and to improve occupational health and safety for our employees.

The Lost Time Injury Frequency Rate (LTIFR) is an important indicator for the effectiveness of our measures. It describes the number of work-related accidents resulting in at least one day of absence from work in relation to 1,000,000 worked hours. The goal was to keep the rate below 3.0. During the course of the reporting year, we succeeded in improving the LTIFR to 2.8 (2022: 2.9) and this represented achievement of our aim.

DEALING WITH WORK-RELATED ACCIDENTS

Work-related accidents that result in at least one day of absence must be reported to the OHS function within two working days. Other less severe accidents without absence or with less than one day of absence are reported on a quarterly basis. Accidents that lead to at least one calendar day of absence are investigated and the results of the investigation are documented in reports. We calculate the LTIFR from the data collected on occupational accidents, and on their severity.

OUR MANAGEMENT SYSTEM FOR OCCUPATIONAL HEALTH AND SAFETY

All the sites of Fresenius Kabi are subject to the relevant local regulations and legislation on occupational health and safety. In addition to the statutory regulations, internal guidelines and directives such as management manuals and standard operating procedures also play an important role in occupational health and safety. The requirements for occupational health and safety of the Group-wide Fresenius Code of Conduct are complemented with our own documentation such as our **Code of Conduct.** We also integrate our production sites in the ISO 45001 management system. This supports occupational health and safety at Fresenius Kabi so that it can be certified in accordance with this standard.

We are currently working on creating a uniform occupational health and safety management system in all business segments of the company in order to optimize occupational health and safety in a standardized framework. We achieved this ambition in the reporting year.

100
%

of our production sites were integrated in the ISO 45001 management system at the beginning of 2024.

RELATED LINKS

Fresenius career

5 GOVERNANCE

ACTING ETHICALLY AND LAWFULLY: COMPLIANCE AND HUMAN RIGHTS

Fresenius Kabi is committed to integrity, responsibility, and dependability in all matters relating to our business activity. We believe that our company can only guarantee the safety and efficacy of our products through responsible corporate governance. Such integrity is essential if we are to ensure the well-being of our patients. That's the reason we foster a compliance culture at Fresenius Kabi which supports an ethical approach in all our activities, and conformity with the rule of law. Lawfulness covers a wide spectrum from compliance with statutory regulations to upholding human rights in our supply chain.

DOING THE RIGHT THING TOGETHER: RESPONSIBLE CORPORATE GOVERNANCE IN THE GROUP

We are continually working to save lives, promote healthy living, and improve the quality of life for patients. This guides our aspiration to act responsibly and in accordance with the law. Our compliance culture follows the Group-wide approach of Fresenius to business ethics.

Fresenius believes that compliance means doing the right thing. Our ethical values are therefore based on more than just regulatory requirements. As far as we are concerned, this means acting in accordance with the law, and complying with the applicable sector codices, our internal guidelines, and our values. Internal checks and balances ensure that we adhere to the applicable requirements. Compliance also forms the foundation for all the activities carried out by our employees. Our approach is all about ensuring that everyone can rely on us as a partner of trust and integrity.

One of our key ambitions is to prevent corruption and bribery in our business environment. Other key areas we address through our compliance measures are violations of antitrust law, data protection, trade restrictions and international trade, anti-money-laundering laws, preventing the finance of terrorism, and protecting human rights.

You will find more on the Group-wide compliance approach at Fresenius **here.**

PREVENTIVE: GROUP-WIDE COMPLIANCE MANAGEMENT SYSTEM

We oppose any form of corruption or anti-competitive behavior. This is because fair competition is ideally suited to fostering positive market development and innovation.

We have established the Group-wide Compliance Management System (CMS) to ensure that all the employees at Fresenius Kabi comply with laws, standards, internal guidelines, and our strict anti-corruption rules. The system comprises three pillars: P**revent, Detect, and Respond**. Our measures to prevent compliance violations have particular priority in this context.

You can find out more about our Group-wide Compliance Management **here.**

REPORTING PATHS: DUE DILIGENCE IN DEALING WITH NOTIFICATIONS

We encourage our employees, customers, suppliers, and other third parties to report potential compliance violations or human rights concerns in connection with our business activities. Fresenius-Kabi has set up global reporting channels specifically for this purpose.

Stakeholders can ask questions and report potential compliance breaches or human rights violations by sending a mail to a dedicated email address and filing a report on a reporting platform 24/7. Reports can also be submitted anonymously. Translation services are available, and assist in eliminating potential language barriers.

Compliance experts in the Global Risk & Compliance division department deal with any question or report confidentially and carefully. This specialist independent body is made up of experienced investigators who operate worldwide and report to the Chief Compliance Officer of Fresenius Kabi.

We do not tolerate actions of reprisal against whistleblowers. These are consistently handled as compliance violations. You will find further detailed information on our case management process and other possible reporting channels in our **Speak Up Policy.**

COMMITMENT TO HUMAN RIGHTS RESPONSIBILITY

In line with the entire Fresenius Group, Kabi is committed to upholding all internationally recognized human rights. This commitment is enshrined in the Fresenius Kabi **Statement.** All our business activities are based on the relevant human rights standards and frameworks, including the United Nations Guiding Principles on Business and Human Rights (UNGP). This principle applies to our work every day, and to our dealings with employees,

patients, business partners, suppliers, customers, all healthcare professionals, and other partners. All our business activities are based on the relevant human rights standards and frameworks, including the United Nations Guiding Principles on Business and Human Rights (UNGP). This principle applies to our work every day, and to our dealings with employees, patients, business partners, suppliers, customers, all healthcare professionals, and other partners.

In line with our Group-wide human rights due diligence program (**Human Rights Program**), we also take human rights aspects into account in our own business units, and when selecting and cooperating with our suppliers and business partners. We expect them to respect human rights in their value chain as well. Kabi specifies and communicates these expectations in its **Third-Party Code of Conduct** and in applicable contractual clauses.

The Management Board of Fresenius monitors the Group-wide human rights program. An overarching governance structure and clearly defined responsibilities within our business segment determine the operational implementation of the program.

ASSESSMENT OF HUMAN RIGHTS RISKS IN OUR SPHERE OF INFLUENCE

Our Human Rights Risk Assessment methodology is also integrated in the Group-wide risk management of Fresenius. As part of this continuous risk analysis focused on human rights, we consider potential human rights risks based on specific aspects relating to country, sector, and business segment. We assess potential human rights risks taking into account the possibility of impact, and the probability of the risk occurring. This also takes into account the influence we exert as a company on the probability of occurrence. On the basis of the results, we define preventive and – if necessary – remedial measures.

You will find more information on the management and assessment of human rights risks **here.**

IN ACCORDANCE WITH THE SUPPLY CHAIN DUE DILIGENCE ACT

For the first time in March 2024, Fresenius Kabi published its **Report in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz).** This report provides detailed information on anchoring the human rights due diligence obligation within the company, and on risk analyses, remedial measures, and grievance procedures.

CLEARLY DEFINED: DATA PROTECTION AND INFORMATION SECURITY

Increasingly digitalized healthcare demands require particularly careful handling of personal data and sensitive medical data at Fresenius Kabi. Our data protection concept follows the Group-wide approach of Fresenius on protecting the data of patients, employees, customers, and suppliers and business partners. A secure IT infrastructure, clearly defined data processing workflows, and comprehensive sensitization of all employees help us to ensure that data are professionally processed and protected appropriately.

You will find more information on our data protection concept, reporting pathways, and rights of data subjects **here.**

OUR DATA PROTECTION COMPETENCE CENTER: GUARANTEE OF HIGH STANDARDS

At Fresenius, the company segments are responsible for implementing governance structures relating to data protection, and putting data protection measures into operational practice. Fresenius Kabi has set up a central Data Protection Competence Center for this purpose. This competence center organizes our data protection management.

The aim of the Competence Center is to ensure uniform and consistent procedures for processing personal data in all the companies of Fresenius Kabi. It defines the principles, procedures, and standards for data protection. The center also provides the tools and processes, and training and information material to sensitize employees for data protection and information security. The Data Protection Competence Center also contributes its expertise from product development to administration on a day-to-day basis. Our data protection officer monitors progress in relation to compliance on data protection law.

RELATED LINKS

Fresenius Code of Conduct

Compliance Management System

Human Rights

Report in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains
(Lieferkettensorgfaltspflichtengesetz)

Data Protection
(German language only)

GLOSSARY

GLOSSARY

A

ABSOLUTE SCOPE 1 AND SCOPE 2 EMISSIONS

Absolute Scope 1 and Scope 2 emissions refer to the actual total amount of greenhouse gas emissions released. In contrast to relative emissions, these are correlated to a unit, e. g. emissions per manufactured product.

AUDIT & INSPECTION SCORE

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

B

BIOSIMILARS

Biosimilars are biological drugs that are manufactured to have similar biological properties to already approved reference products. They are developed after patent protection for the reference product has expired. Biosimilars must undergo extensive testing and demonstrate similarity to the reference product in terms of efficacy, safety, and quality in order to be approved by regulatory authorities.

C

COMPOUNDING CENTERS

Compounding centers are specialized facilities that produce custom or individualized pharmaceutical products for patients who cannot be treated with standardized products. This allows us to respond to individual needs.

E

ENTERAL NUTRITION

Enteral nutrition is administered in the form of sip or tube feeding via the gastrointestinal tract. Fresenius Kabi is one of the few companies in the world to offer both enteral and parenteral forms of clinical nutrition.

G

GENERICS

Generics are medicines produced after patent protection expires that contain the same active ingredient as the original medicine. They must meet the same stringent safety and quality requirements as the original medicine, and are often cost-effective alternatives, providing wider access to vital medicines.

I

IMMUNOGENICITY

Potential to trigger an immune response in the body.

ISO 9001

The ISO 9001 quality management standard is an internationally recognized and widely-used standard for quality management systems (QMS). The standard specifies minimum requirements for a QMS. Its focus is on a process-oriented approach that accompanies, documents, and reviews all key operational procedures. Even in well-functioning organizations this usually results in finding further optimization opportunities.

GLOSSARY

M

MULTI-CHAMBER BAGS

The purpose of multi-chamber bags is to keep individual components of parenteral nutrition products separated by several chambers before use. This contributes to the stability, i.e. the shelf life, of the nutrient solutions. Shortly before use, the separation is removed, and the individual components are mixed.

P

PARENTERAL INFUSION SOLUTIONS/ NUTRITION

Parenteral infusion solutions allow the supply of nutrients directly into the bloodstream of the patient (intravenously). This is necessary if the condition of a patient does not allow them to absorb and metabolize essential nutrients orally or as sip and tube feed in a sufficient quantity.

PHARMACOKINETICS

All the processes that a drug undergoes in an organism.

S

SCOPE 1, SCOPE 2, SCOPE 3

The **GHG Protocol Corporate Standard** divides a company's greenhouse gas emissions into three scopes. Scope 1 emissions are direct emissions from sources owned or controlled by the company. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not in Scope 2) that arise in the reporting company's value chain, including upstream and downstream emissions.

T

THERAPEUTIC COMPLIANCE

The term therapeutic compliance refers to the degree to which patients actively participate in their treatment. It indicates how well patients adhere to the doctor's instructions regarding dosage and intake times for their medication or nutritional products.

TRACK-AND-TRACE SYSTEMS

Track-and-trace systems are software solutions that enable a product to be tracked along the entire supply chain, from production to delivery to the end consumer. They are used for several purposes, such as the increase of counterfeit protection of products or in inventory management. Various technologies such as barcodes RFID (radio frequency identification), so-called smart labels, are used. Fresenius Kabi in the us, for example, uses smart labels for some of its pharmaceuticals. They enable hospitals to manage their inventory automatically.

U

REVERSE OSMOSIS SYSTEMS

Reverse osmosis systems work by means of two chambers separated by a semi-permeable membrane. The membrane is designed to only allow water molecules, i.e. water in its purest form, to pass through. One chamber contains pure water, the other unfiltered or tap water that contains impurities, e.g. salts. The unfiltered water is pressed through the membrane, which ensures that the pure water does not flow back again. This produces pharmaceutical quality water.

W

WATER RISKS

Water risks are the potential hazards associated with the availability, quality, and use of water for our operations. These risks can arise from water shortage, water pollution, or regulatory restrictions. Water risk analysis enables us to identify and assess risks, and take appropriate measures to maintain our operations, and meet our social and environmental responsibilities.

IMPRINT

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Sara Hennicken, Robert Möller, Dr. Michael Moser
Chairman of the Supervisory Board: Wolfgang Kirsch

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Edited by:
Fresenius Kabi AG
Else-Kröner-Str 1
61352 Bad Homburg
Germany
FK-sustainability@fresenius-kabi.com

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