FRESENIUS KABI

Human Rights Statement

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Our human rights responsibility

We at Fresenius continuously work to save lives, promote health, and improve the quality of life of our patients. As defined in our Group Code of Conduct, conducting business in an ethical and responsible manner is part of our corporate responsibility. This includes respecting internationally recognized human rights, protecting the environment, and using resources efficiently. We are guided by international standards and applicable legislation.

This Human Rights Statement demonstrates our commitment to upholding and promoting respect for human rights and environmental aspects (in the following referred to as part of human rights). It builds on our Group-wide human rights commitment published in 2018 to encompass the ongoing efforts and progress in integrating human rights principles into our operations. Where applicable, it complements relevant other Fresenius Group and business segment-specific policies and guidelines. This document also reflects the requirements of the German Act on Corporate Due Diligence in Supply Chains (LkSG) to publish a human rights statement.

The principles set out in this statement apply to our own business activities and all employees of the Fresenius Group. The Fresenius Group includes three independently operating business segments, each one active in a major area of healthcare: Fresenius Kabi, Fresenius Helios, and Fresenius Vamed.

Our fundamental principles

To clearly demonstrate our human rights responsibility as a global healthcare company, the human rights aspects described below serve as fundamental principles of how we conduct business – in both our own operations as well as in our supply chains.

Providing a safe and healthy work environment

We are committed to providing a workplace that fosters respect, along with safe and healthy working conditions. We aim to pay fair wages that meet or exceed local industry standards or local minimum wages. Our wage decisions take into consideration the relevant market conditions.[1] For this, we comply with the relevant laws and regulations of the place of employment and are guided by international labor rights. We strive to pay remuneration that allows for a decent living for our employees and their families.

Workplace health and safety are fundamental aspects of our business. We are committed to identifying, mitigating, and preventing occupational health and safety-related hazards and to fostering a work environment that promotes the well-being of our employees.[2]

1 Payment of a fair wage at least equal to the minimum wage established by the applicable law; guided by the International Labour Organization (ILO) Conventions 26 and 131.
2 Respect for occupational health and safety obligations under the laws of the place of employment, where this creates a risk of accidents at work or work-related health hazards; guided by ILO Conventions 1, 155, and 164.

Respecting freedom of association and the right to collective bargaining

We respect freedom of association and the right to collective bargaining. This encompasses the rights of our employees to choose freely whether or not to form and/or be represented by a specific collective body or a trade union in accordance with the laws of the place of employment.[3]

Prohibiting child labor, forced labor, and any form of modern slavery

No one should be subjected to child labor, forced labor, or any form of modern slavery or slavery-like practices. We condemn and strictly stand against child labor and are committed to respecting and complying with the applicable minimum age for employment.[4] We do not tolerate the use or threat of violence or any other form of coercion. We strictly forbid using, supporting, or approving exploitative or forced labor or any form of modern slavery. All employment relationships must be voluntary, and employees have the right to terminate their engagement at any time within a reasonable notice period, in line with applicable laws. Every worker should receive adequate remuneration in exchange for their work or services. Salaries shall be fair and in line with the laws of the place of employment. Wages shall not be unlawfully withheld.[5]

Promoting equal treatment and prohibiting discrimination

We do not tolerate any form of discrimination or harassment based on characteristics or attributes protected under the laws of the place of employment, which may include national or ethnic origin, skin color, social origin, health status, citizenship, disability status, sexual orientation, age, gender, gender identity, gender expression, marital status, pregnancy status, political affiliation, or religious belief. Although the legally protected characteristics differ by place of employment, we fundamentally believe all individuals should be treated fairly and equally.[6]

Safeguarding society and the environment

We are committed to our joint responsibility to protect nature as the basis of life, to use resources efficiently, and to reduce our impact on the environment as all individuals and communities have the right to reside in a clean, safe, and healthy environment.

In all our operations, we aspire to respect the rights and customs of local communities. We are committed to refraining from infringing their livelihood by damaging the soil, polluting water or air, emitting harmful or excessive noise, or using excessive amounts of water that can have adverse impacts on human well-being. We consider these aspects important as we acknowledge the intrinsic connection between environmental protection and the right to life.

3 Guided by ILO Conventions 87, 98, 135, and 154.
4 Guided by the ILO rules on the prohibition of child labor below the minimum age according to ILO Convention 138, by the prohibition of the worst forms of child labor according to ILO Convention 182 as well as by the UN Convention on the Rights of the Child.
5 Respect for the prohibition of forced labor, except for work and services that are in conformity with ILO Conventions 29 and 105 or with the 1966 UN International Covenant on Civil and Political Rights.
6 Guided by ILO Conventions 111 and 159.

We are committed to not engage in the unlawful eviction and takeover of land, forests, or waters which secure the livelihood of people. Instead, we acknowledge that no individual or community should be deprived of their property, land, or access to land and water without proper legal justification or due process.

Preventing use of force by security forces

We do not tolerate the excessive use of force, degrading treatment, or any form of harm to life or physical well-being. Security personnel shall only behave in a preventive, respectful manner and attempt to resolve any security-related matter with non-violent means.

Taking responsibility in our supply chains

While we hold ourselves to a high standard, we also expect high standards of the third parties we engage with. Hence, we also expect our suppliers and other business partners to uphold human rights in accordance with the principles set out in this statement as well as outlined in the Codes of Conduct across the Fresenius Group. This includes the implementation of appropriate processes to ensure respect for human rights – also in their supply chains. Furthermore, we expect them to refrain from causing, being complicit in, or in any way contributing to the violation of these principles. Upon request, we expect our suppliers and other business partners to provide evidence how they comply with the human rights principles set out in this statement.

Reflecting international standards, frameworks, and legal requirements

Our commitment is guided by the relevant topics set out by the United Nations Guiding Principles on Business and Human Rights (UNGP) as well as by relevant internationally recognized human rights standards and frameworks, such as the United Nations (UN) Universal Declaration of Human Rights, UN International Covenant on Economic, Social and Cultural Rights, UN International Covenant on Civil and Political Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Due Diligence Guidance for Responsible Business Conduct as they apply to our Human Rights Statement. We are committed to complying with applicable national laws such as the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

In cases where international human rights are restricted by local laws, we strive to promote the principles behind the international standards without conflicting with local laws.

How we implement our commitment to respecting human rights

To continue meeting our responsibility towards people and the environment, we pursue and continuously develop our human rights risk analysis and due diligence measures further. Aligned with our Group-wide approach, each business segment has established risk management systems tailored to their distinct business models and organizational structures.

Our human rights due diligence – for our own operations and supply chains – is based on five building blocks:

Graphic 1: The five building blocks of our Human Rights Program

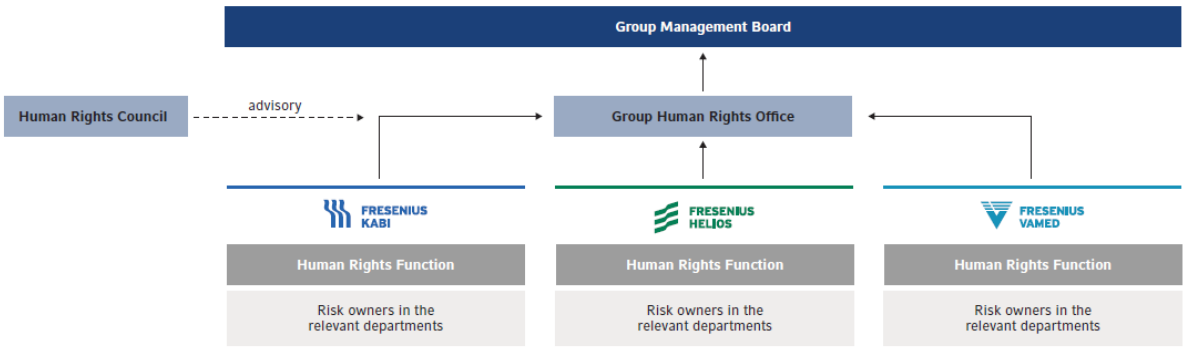
1. Group-wide governance and responsibilities

The Fresenius Management Board oversees our Group-wide human rights due diligence program. Its operational implementation is ensured through a Group-wide governance structure as well as clear responsibilities both within the business segments and at Group level:

The Group Human Rights Office is responsible for the overall management of the 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.

Each business segment has appointed a Human Rights Function who is responsible for the operational implementation of the Group-wide human rights strategy within its business segment. 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.

To foster exchange on current initiatives across the Fresenius Group, we established a Human Rights Council that meets quarterly. It is composed of representatives of the business segments from various functions such as Compliance, Sustainability, Communications, and Procurement, including the Human Rights Functions. The participants discuss Group-wide initiatives and present new concepts and methods. The Human Rights Council is the Group Human Rights Office's advisory body for human rights topics.



Graphic 2: Group-wide human rights governance

Upholding human rights is everyone's business as human rights violations can happen anywhere, to anyone, and at any time. We therefore seek to sensitize our employees about our Human Rights Program through regular trainings and awareness-raising measures. In doing so, we strive to continuously improve our efforts to ensure respect for human rights across the Group.

2. Risk analysis and impact

As one of the world's leading healthcare companies, a clear focus on innovation and efficiency has helped us to make high-quality healthcare accessible to a steadily increasing number of people. For more than 100 years now we have been working to save lives and improve the quality of life of our patients around the globe.

Our efforts depend on complex supply chains. We are sensitive to the fact that human rights risks may potentially be associated with these supply chains, our own operations, or with our products or services. We thus aim to regularly analyze, document, and manage these risks following a risk-based approach.

The approach can be divided into three steps. In a first step, we consider potential country and industry risks as well as business segment-specific aspects through in-depth research.

To assess which of the potential risks identified may be actual risks, we conduct a gap analysis in a second step. To do this, we use standardized questionnaires on a risk-based approach to record processes, responsibilities, and procedures for each potential risk area in our own business area and in our supply chains.

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 likelihood of occurrence while also taking into consideration the extent to which we might contribute to the materialization of the risk through our business activities.

The risk analysis is conducted annually and on an ad hoc basis for our own operations as well as for applicable business partners.

3. Preventive and remedial action

To prevent, end, or minimize human rights risks, each business segment implements appropriate preventive measures within their own operations and their supply chains, tailored to each specific case.

Where our business activities or those of a supplier have caused or contributed to actual human rights violations, we are committed to implementing appropriate and effective remedial actions. We adopt such measures to end, minimize, and remedy the violation or breach in our own business activities as well as in the supply chains on a case-by-case basis, depending on the nature of the violation.

4. Grievance procedure

We value the importance of open communication and aim to create an environment where patients, employees, members of local communities, business partners, or any other potentially affected individual can report human rights violations or non-compliance with environmental obligations.

We have established grievance mechanisms both at Group level as well as in our business segments enabling internal and external individuals to report human rights and environment-related risks or violations in accordance with applicable laws, standards, and principles. The grievance procedures are designed to ensure that all reports received are investigated thoroughly and addressed in a transparent, timely, and fair manner. Should such a report be verified, we are committed to undertaking appropriate and effective remedial action.

Reports can be filed via the respective grievance mechanism of each business segment, their human resources functions as well as through other grievance channels of the Fresenius Group that are accessible to all internal and external stakeholders.

For Fresenius Kabi, grievances can be reported to compliance@fresenius-kabi.com or anonymously here: www.complianceactionline.ethicspoint.com.

The rules of procedure as well as answers to important questions pertaining to our grievance mechanism can be found on our website: https://www.fresenius-kabi.com/responsibility/business-ethics.

5. Documentation and reporting

In accordance with the requirements of applicable legislation, the Fresenius Group continuously documents the fulfillment of its human rights and environment-related due diligence obligations. We report annually on our prioritized risks, on the preventive and remedial measures we have adopted as well as on substantiated cases in our Non-financial Report and other publications such as to the German Federal Office for Economic Affairs and Export Control (BAFA).

Further information can be found on the Fresenius website or on that of Fresenius Kabi.

Human rights measures and priorities for Fresenius Kabi

Fresenius Kabi is a global healthcare company that specializes in lifesaving medicines and technologies for critically and chronically ill patients. Our daily work has a major impact on patients' quality of life. Our goal is to meet the needs of patients and healthcare professionals while driving forward the topic of sustainability in healthcare. We thus consider human rights part of our corporate responsibility.[7]

We carry out a regular risk analysis of human rights topics for both our own businesses and our supply chains in accordance with the specific requirements of applicable international and national laws and regulations. As part of this risk analysis, we identify areas that we consider to have high priority due to the potential severity of possible violations and due to our ability to influence them. With publication of this document, we identified occupational safety and health, freedom of association and the right to collective bargaining as well as environmental pollution as topic areas of high priority.

To minimize potential salient human rights risks connected to our business activities in our supply chains, we have established preventive and mitigation measures. These range, inter alia, from the implementation of a Group Social & Labor Standards Guideline to conducting targeted trainings in relevant departments.

Our Code of Conduct and internal trainings provide guidance for our employees to enable them to identify and prevent risks with regards to human rights. Furthermore, we expect our business partners and suppliers to ensure that their business activities uphold our Third-Party Code of Conduct and to comply with our contractual stipulations with respect to human rights and environmental aspects.

Monitoring effectiveness

We are committed to carefully monitoring all human rights-related regulatory developments that apply to our operations and our supply chains and to reviewing our processes accordingly. Across the Fresenius Group, effectiveness reviews of our human rights risk management process are conducted annually or, where necessary, on an ad hoc basis. If required, we update our preventive or remedial measures.

[7] Our commitment to respecting human rights applies to Fresenius Kabi as a whole and in particular to Fresenius Kabi Deutschland GmbH and Fresenius Kabi AG, which are directly affected by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

Looking ahead

Implementing respect for human rights in the operations of a global healthcare company and across supply chains is a complex task. We are convinced that our stakeholders deserve the patience and thoroughness we are dedicating to our current and ongoing efforts. We are fully committed to engaging with our peers as well as our stakeholders in order to further advance our human rights due diligence program. Accordingly, this Human Rights Statement will be periodically reviewed.

We appreciate your input and feedback via email to humanrights@fresenius-kabi.com.

This Human Rights Statement has been adopted by the Management Board of Fresenius Kabi AG and the Management Board of relevant legal entities within the scope of the German Act on Corporate Due Diligence Obligations in Supply Chains.

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