

Non-financial
GROUP REPORT
2017

NON-FINANCIAL GROUP REPORT

This is the first separate non-financial group report published by Fresenius Medical Care AG & Co. KGaA and its subsidiaries (referred to in the following as Fresenius Medical Care, the Company or we). It relates to the fiscal year ending December 31, 2017. The report has been prepared in accordance with the provisions of § 315b-c and 289c-e of the German Commercial Code as amended by the Corporate Social Responsibility Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz). Fresenius Medical Care reports selected non-financial information in reference to internationally applicable best-practice standards for sustainability reporting set out by the Global Reporting Initiative (GRI). This report includes a materiality analysis as specified in GRI Disclosure 102-46 (defining the content of the report and topic boundaries), as well as a description of the Code of Conduct referenced in GRI Disclosures 103 (Management Approach). The separate non-financial group report has been subject to a limited assurance engagement conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. KPMG expressed a limited assurance conclusion in an Independent Practitioner's Report.

To determine and prioritize the content of the report, we conducted a materiality analysis in 2017. Related non-financial topics included in Fresenius Medical Care's management report and the corporate governance report in previous years have been merged on basis of this materiality analysis where appropriate.

If not stated otherwise, Fresenius Medical Care is used in this non-financial group report for fiscal year 2017 to refer to the Company or the Company and its consolidated subsidiaries, depending on the context, in accordance with IFRS 10 and IFRS 11.

OUR BUSINESS MODEL

Fresenius Medical Care is the world's largest provider of dialysis products and services, based on published revenue and the number of patients treated. We offer products and services along the entire dialysis value chain.

The Company provides dialysis treatment and related dialysis care services and products to people with chronic kidney failure. Fresenius Medical Care is organized decentrally and divided into the operating segments North America, EMEA (Europe, Middle East and Africa), Asia-Pacific and Latin America; our operating segments correspond to this regional breakdown.

Fresenius Medical Care's global research and development activities, which are managed centrally by the Global Research and Development (GRD) function, focus on developing products effectively and efficiently and on promoting the exchange of knowledge and technology systematically between operating segments. Global Manufacturing and Quality (GMQ) is a central function that manages Fresenius Medical Care's production activities worldwide, including the necessary procurement of relevant raw materials and semi-finished goods, as well as quality management.

A comprehensive description of Fresenius Medical Care's business model can be found in the Group Management Report [on pages 19 to 22](#).

3.1 MATERIAL NON-FINANCIAL TOPICS



MATERIALITY ANALYSIS

Fresenius Medical Care non-financial group report is closely aligned to the business model, legal requirements and the interests of stakeholders. To identify topics for this non-financial group report, Fresenius Medical Care conducted a materiality analysis.

The materiality analysis comprises several steps to determine the materiality in accordance with the CSR Directive Implementation Act.

To identify relevant topics, we conducted benchmarking with other companies in the health care business. We also drew on external ratings and rankings, key sector reports as well as examples proposed by law to assess the effects of Fresenius Medical Care's business activities on the non-financial aspects.

Internal materiality was analyzed in workshops with experts from all relevant operating segments and functions at Fresenius Medical Care, who prioritized the topics that are relevant for our business from an internal business and strategic perspective. The consolidated material topics were then validated and confirmed by the senior management of all relevant operating segments and global functions as well as senior executives of Fresenius Medical Care. They reflect Fresenius Medical Care's responsibility as the global market leader for dialysis services and products with regard to patients and employees, anti-bribery and anti-corruption, human rights and the environment as well as our relationship with suppliers.

In this report, we present the material topics for the five aspects specified in the CSR Directive Implementation Act. In addition, Fresenius Medical Care deals with other topics relating to sustainability.

We see responsibility as our overarching commitment and have structured the material topics in this non-financial group report accordingly – see table 3.1 on page 78.

NON-FINANCIAL RISKS

Fresenius Medical Care has established a Group-wide risk management process. No reportable non-financial risks have been identified in this process for fiscal year 2017.

According to new legal provisions driven by the CSR Directive Implementation Act, Fresenius Medical Care is obliged to disclose all known significant risks in connection with the Company's own business activities and business relations, as well as its products and services as long as they are very likely to occur and would have a severely negative impact on material non-financial topics.

The purpose of the Group-wide risk management process is to identify risks as early as possible, assess their likelihood and impact on Fresenius Medical Care's business objectives, and implement effective risk reduction measures.

A detailed description of risk management at Fresenius Medical Care can be found in the "Risks and opportunities report" starting on page 59.

The Group-wide risk management process has not identified any non-financial risks that would have to be communicated according to the requirements of the CSR Directive Implementation Act, as stated above.

OUR HOLISTIC APPROACH TO GLOBAL RESPONSIBILITY

Operating on a global scale means having global responsibility. As the world market leader in dialysis, Fresenius Medical Care is aware of its responsibilities. We strive every day to improve the lives of our patients worldwide with high-quality products and services.

We take the highest medical standards as our benchmark for quality. We are committed to conducting our business activities in compliance with all relevant legal standards as well as internal and external provisions and requirements. Our patients, customers, payors, investors and regulators as well as all other stakeholders expect Fresenius Medical Care to manage its business responsibly, with an emphasis on integrity, sound corporate governance and adherence to compliance principles.

FRESENIUS MEDICAL CARE'S CODE OF ETHICS AND BUSINESS CONDUCT

Our Code of Ethics and Business Conduct governs everything Fresenius Medical Care and its employees do, whether in their dealings with patients, colleagues, suppliers or in relation to society as a whole. The Code defines practices beyond the legal requirements. It covers material non-financial topics that are relevant for Fresenius Medical Care, such as patient care, quality and innovation, anti-corruption and bribery, worker protection, environment, health and safety, as well as non-discrimination. Furthermore, it reflects the Company's core values of quality, honesty and integrity, innovation and improvement, respect and dignity. The Code of Ethics and Business Conduct and the Company's underlying core values also include Fresenius Medical Care's commitment to respecting the material human rights topics such as working conditions, non-discrimination and grievance mechanisms. It applies to every function and division worldwide, to all of the Company's employees, and

the operations of all direct and indirect subsidiaries that are majority-owned or controlled in some other way by Fresenius Medical Care. Our employees are obliged to adhere to the principles in the Code of Ethics and Business Conduct.

ENSURING COMPLIANCE

All employees of Fresenius Medical Care are encouraged to report any potential cases of non-compliance with laws, regulations, internal policies, as well as actual or suspected misconduct that violates the Code of Ethics and Business Conduct. Several options are available for this: For example, employees can report actual and potential misconduct to their superiors or to the compliance function. Any suspected misconduct may also be reported anonymously via a dedicated telephone number, the Compliance Action Line, or e-mail addresses set up for this purpose.

Compliance with the rules is essential for Fresenius Medical Care's long-term success as it dictates the corporate culture and is an integral part of day-to-day work. Specialized functions at a global, regional and local level ensure that these principles and core values are implemented and communicated within the organization. Training programs on the Code of Ethics and Business Conduct increase awareness of the applicable rules and help employees to understand them better and comply with them. They are held regularly and are mandatory for all relevant employees. Standardized processes are in place to ensure that these employees take part in the courses.

To comply with government regulations, Fresenius Medical Care relies on the Company's management structure, its regulatory and legal resources and the effective implementation of its compliance programs to direct, manage and monitor its operations. The Company is involved in various legal proceedings and investigations resulting from its business operations. A negative outcome of these legal proceedings or investigations leading to legal proceedings could have an adverse impact on the Company's financial condition and results of operations. Additional information regarding legal matters can be found [on pages 192 to 197](#) of the notes. The corresponding management concepts are described in more detail in the following sections.

RESPONSIBILITY FOR PATIENTS

Fresenius Medical Care aims to create a future worth living for dialysis patients, worldwide, every day. To live up to this vision, Fresenius Medical Care does all it can to improve patients' lives with high-quality products and services.

The standards developed by the GRI as an internationally acknowledged framework for sustainability reporting define social matters as the impact of companies' activities on their customers' health, among others. The guidelines for non-financial reporting drawn up by the European Commission demand for example that companies disclose material information regarding health, safety and consumer satisfaction under the aspect of social matters. At our company, caring for patients is a social responsibility that we take very seriously. To this end, we ensure the very best clinical care.

Fresenius Medical Care focuses on the following three social topics, which are dealt with on the next pages:

- ▶ quality of care and patient satisfaction – in this section we outline the relevant concepts of the quality management system in our dialysis clinics;
- ▶ customer health and product safety – this section focuses on our quality management system for the development and production of our products as well as handling of adverse events;
- ▶ protection of patients' medical information – here we explain measures to protect patient data.

QUALITY OF CARE AND PATIENT SATISFACTION

Fresenius Medical Care has set out clear and consistent general principles regarding patient care for all members of staff who come into contact with the patients we treat in our own dialysis centers. According to these principles, clinical care must be in line with the Company's policy and the order of the responsible physician's. Fresenius Medical Care expects all staff to adhere to the following, among others, in their dealings with patients:

- ▶ act ethically, fairly, courteously, competently and timely,
- ▶ treat all patients with dignity and respect,
- ▶ involve patients and families in treatment planning and processes whenever appropriate,
- ▶ respond carefully and accurately to patients' and families' questions.

Quality standards and guidelines

We measure and assess the quality of care at our dialysis clinics in all operating segments on the basis of generally recognized quality standards and international guidelines (Kidney Disease: Improving Global Outcomes [KDIGO], Kidney Disease Outcome Quality Initiative [KDOQI], European Best Practice Guideline [EBPG]), industry-specific clinical benchmarks and our own quality targets. Our Chief Medical Officers (CMOs) as well as other relevant specialist departments in each segment are responsible for this task. Together they maintain and further develop internal quality policies, standards and guidelines taken from the guidelines and standards mentioned above, employing their individual medical experience and judgement. Our specialists use different IT systems and algorithms that fulfill local requirements to calculate and monitor key performance indicators (KPIs) relating to quality. In addition, we derive valuable insights from this data with the help of IT-supported systems and processes within the scope provided by the policies and guidelines. The results of this extensive analysis of treatment indicators are constantly reviewed to improve the quality of Fresenius Medical Care's dialysis care services.

Quality parameters

We attach particular importance to the quality of care we provide to our patients. For this reason, executives in the individual business segments regularly receive aggregated data on the quality of care together with the financial results – see table 3.2 on page 82.

In addition, Fresenius Medical Care publishes selected results of its treatment analyses every quarter to provide information about the quality of patient care and to underscore Fresenius Medical Care's social responsibility towards its patients. Fresenius Medical Care uses the following quality parameters for public reporting:

- ▶ Kt/V provides information about the effectiveness and efficiency of dialysis. It is calculated by dividing the product of urea clearance (K) and the duration of treatment (dialysis time, t) by the filtration rate of certain toxins (the urea distribution volume in the patient, V).
- ▶ Albumin, calcium and phosphate levels in the blood are indicative of a patient's general nutritional status and point to disorders in the mineral and bone metabolism of patients with chronic kidney disease.

- ▶ The hemoglobin value in patients' blood must be kept within a defined range. Hemoglobin is the component of red blood cells that transports oxygen within the human body. An insufficient level of hemoglobin in the blood indicates anemia.
- ▶ The number of days patients are hospitalized is relevant for determining the quality of care, because more days spent in hospital significantly reduce the quality of life of dialysis patients and are particularly cost-intensive for health care systems.
- ▶ Catheters are associated with a serious risk of infection and an increase in the number of days spent in hospital. In contrast, a permanent vascular access is associated with reduced risk and supports effective dialysis treatment. Fresenius Medical Care records the number of patients who do not use a catheter as a vascular access for dialysis.

In the reporting year, Fresenius Medical Care included the quality parameters of more than 90% of its dialysis clinics worldwide in table 3.2 on page 82 of quality parameters by operating segment.

The Company has identified a need for integrated care for patients with advanced renal disease to optimize transitions of care, develop cost-effective alternative therapies and care structures, increase renal transplantation rates, and reduce the costs associated with caring for patients. Based on these considerations, the CMOs and other specialist departments at Fresenius Medical Care and other dialysis organizations have set up a global initiative to collaborate and share their clinical expertise with the aim of aligning the various definitions of clinical parameters used in quality management for end-stage renal disease. This group of experts is also dedicated to improving care as well as outcomes for dialysis patients worldwide. To this end, they analyze good clinical practices, develop new guidelines and promote their distribution in the respective clinic networks.

Patient satisfaction

Fresenius Medical Care carries out patient surveys in selected countries to find out where further improvements can be made and in which areas the Company should expand its services. The different regions are responsible for coordinating these surveys. In the U.S., the state-run public health care authority Centers for Medicare & Medicaid Services (CMS) specifies the content of patient satisfaction surveys. Fresenius Medical Care uses the survey results to provide more specific information and training for both patients and clinic staff with the aim of permanently improving patients' quality of life.

Patient support in emergency situations

The Company as a whole fulfills its social responsibility in crisis situations or in the event of international disasters. To ensure that the vital dialysis treatment required by dialysis patients is not interrupted, even in extreme conditions such as severe storms or floods, Fresenius Medical Care has a system of emergency response teams in place. Their task is to protect patients and employees in emergency situations and to give patients the best possible care, even under extremely difficult conditions. In addition, Fresenius Medical Care provides funds, dialysis machines and medical supplies for institutions that need specific help quickly. Fresenius Medical Care's crisis teams act whenever patients or employees are directly affected by natural disasters. In 2017, our response to the life-threatening conditions caused by Hurricanes Irma, Maria and Harvey in the U.S. and parts of the Caribbean is a good example of Fresenius Medical Care's social responsibility and our strong social commitment to our patients.

CUSTOMER HEALTH AND PRODUCT SAFETY

For Fresenius Medical Care, customer health and product safety means creating a safe and healthy clinical environment to avoid harm potentially caused by Fresenius Medical Care's products. Our business success depends on the quality and safety of our products and services. To fulfill our commitment to our customers' health and the safety of our products while complying with the numerous relevant regulatory requirements, Fresenius Medical Care has established processes in its operating segments that are embedded in the respective quality management systems. The quality management systems in the different operating segments are based on the Company's global quality policy. These established processes ensure that all Fresenius Medical Care's products and procedures comply with quality and safety standards from their development to market approval, manufacture and use in clinics, right up to training customers and dealing with complaints.

3.2 QUALITY PARAMETERS BY OPERATING SEGMENT

Relating to the fourth quarter of the respective year

	Description	Possible impact if too low	North America		Europe, Middle East, Africa		Latin America		Asia-Pacific ¹	
			2017	2016	2017	2016	2017	2016	2017	2016
			in %							
Kt/V ² > 1.2	Effectiveness of dialysis: measures how well the patient was detoxified	Possibly more days spent in hospital; increased mortality	98	98	95	96	93	91	96	97
Hemoglobin ^{3,4,5} = 10–12 g/dl	Hemoglobin is responsible for transporting oxygen around the body	Indicative of anemia	73	73	79	78	52	52	58	60
Calcium ² = 8.4–10.2 mg/dl	Measures the patient's nutritional status and mineral balance	Marker for increased mortality	85	84	76	76	77	79	75	75
Albumin ⁶ ≥ 3.5 g/dl			79	78	87	86	90	91	88	89
Phosphate ^{2,7} ≤ 5.5 mg/dl			63	64	79	77	76	77	70	72
Patients without catheter (after 90 days) ⁸	Measures the number of patients with vascular access	Possibly more days spent in hospital	83	84	80	81	81	82	88	91
Days in hospital per patient year ⁹	Result of complications during dialysis	Restriction to patients' quality of life	10.1	10.0	7.5	8.0	4.1	3.8	3.8	4.4

¹ Includes data from the dialysis service provider Jiatai in Taiwan and the Philippines.

² KDOQI guidelines (Kidney Disease Outcomes Quality Initiative).

³ KDIGO guidelines (Kidney Disease: Improving Global Outcomes).

⁴ EBPG standard (European Best Practice Guidelines).

⁵ Including patients with Hb >12 g/dl without erythropoietin-stimulating agents (ESA).

⁶ European Reference Material ERM®-DA470k.

⁷ Phosphate specified as mg/dl of phosphorus.

⁸ Ability to create a vascular access (where we are directly responsible) and an indirect indicator of how well our patients are cared for.

⁹ Days spent in hospital over a 365-day dialysis treatment period per patient.

Our global quality policy

Fresenius Medical Care's products must comply with the valid laws and regulations in terms of their design, contents and the sourcing of raw materials. This is mainly the responsibility of two corporate functions: GRD and GMQ. In our global GRD and GMQ quality policy, we commit ourselves to providing products and services of an uncompromised quality, while ensuring compliance with all relevant regulations. In addition, the heads of the GRD and GMQ functions, who are also members of the Management Board, are committed to ensuring the effectiveness of our quality management systems and operations.

The quality policy is a key component of Fresenius Medical Care's quality management system (QMS) and defines the Company's purpose and approach with regard to the quality of its products and processes. The quality policy is proof of top management's commitment to developing and implementing the QMS and maintaining its effectiveness.

Our quality policy provides a framework for compliance with all relevant rules and regulations. In practice, these include regulations by governmental authorities, such as the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS) regulations. It also covers standards (e. g. ISO 9001 and ISO 13485) defined by national and international associations like the Association for the Advancement of Medical Instrumentation (AAMI), the International Organization for Standardization (IOS) and the International Electrotechnical Commission (IEC). These regulations and standards apply to the licensing, safety, security and operation of Fresenius Medical Care's facilities, qualifications and licensing for personnel, equipment, quality assurance programs, as well as the dispensing, storage, and administration of controlled substances, among others.

Quality management system and quality inspections

All Fresenius Medical Care plants have successfully passed the annual ISO 13485, ISO 9001 or Good Manufacturing Practice (GMP) inspections required for recertification. Further to that, Fresenius Medical Care has established and implemented quality management systems in the Latin America Segment based on local or international regulations. Each country in this region must comply at least with local regulations to be eligible for recertification. The QMS of each country in the Latin America Segment is reviewed in periodic management reviews as well as internal and corporate audits. In the Asia-Pacific Segment, every plant that makes medical devices or pharmaceutical products has a local QMS that is certified in accordance with either ISO 13485:2003 and /or ISO 9001:2008. There are also plans to gradually certify the affected plants in accordance with ISO 9001:2015 and ISO 13485:2016.

Where applicable, each plant must also comply with the Medical Device Directive 93/42/EEC. Additional requirements must be taken into account for quality management systems when it comes to manufacturing medical devices or pharmaceuticals in most countries in the Asia-Pacific Segment. These depend on the target market and country of production.

Reporting adverse events and product complaints

To guarantee the quality and safety of its products and services as well as to improve product and service quality, Fresenius Medical Care also reviews adverse events and analyzes product complaints. The Company uses this information, among others, to evaluate the safety of its products and services. All employees with relevant tasks are required to understand, be familiar with, and follow Fresenius Medical Care's policies regarding the reporting of adverse events and product complaints.

PROTECTING PATIENTS' MEDICAL INFORMATION

As a health care company, Fresenius Medical Care is aware that patient information is ubiquitous in its organization. The Company collects, stores, analyzes and transmits patient-related data as part of its business operations according to its business model and with the aim of fulfilling numerous external legal and regulatory requirements at national and international level. Furthermore, Fresenius Medical Care uses patient-related treatment data to continuously optimize the quality of care it offers and fulfill its social responsibility towards its patients, as described in the section "Quality of care and patient satisfaction" [starting on page 80](#).

Fresenius Medical Care only collects, processes or uses patients' personal data to the extent permitted by applicable law, for business or clinical purposes. Fresenius Medical Care treats personal data as strictly confidential and protects it in accordance with applicable law. Fresenius Medical Care's employees are also expected to promptly report lost, stolen or damaged devices owned by the Company or containing Company information. All relevant employees of Fresenius Medical Care are instructed to never disclose patient-specific information to any unauthorized persons, either inside or outside the Company, who do not have a legal right to this information. Care should also be taken regarding this principle when transmitting patient-specific medical information electronically. In addition, employees must ensure that they record, manage and transmit medical information strictly in accordance with local data protection and privacy rules, paying particular attention to local rules with regard to obtaining patient consent for sharing their medical information.

Fresenius Medical Care has implemented a new function that deals with data protection and cybersecurity laws as part of its global legal organization. This function is responsible for strategic and operational initiatives relating to data protection and cybersecurity laws and regulations at a global level. Furthermore, it provides advice internally on data protection at Fresenius Medical Care, cybersecurity laws and regulations, as well as on strategies and their implementation for sensitive patient data.

At its global headquarters in Bad Homburg, Germany, Fresenius Medical Care has established a Risk, Security & Compliance Working Group, in which IT specialists work with specialists from other Fresenius group companies with the aim of harmonizing IT standards.

RESPONSIBILITY FOR EMPLOYEES

Fresenius Medical Care's employees ensure the consistently high-quality of its products and services worldwide. The Company depends on skilled staff for its continued growth and therefore strives to attract, retain and develop qualified employees. Fresenius Medical Care acknowledges its responsibility as an employer by ensuring high occupational, health and safety standards, among others.

EMPLOYEES AND EMPLOYMENT STRUCTURE

With 114,000 employees worldwide (in full-time equivalents, FTEs, 2016: 109,319) Fresenius Medical Care is one of the largest health care providers in the world as well as the largest vertically integrated dialysis company. In Germany, Fresenius Medical Care employed 6,010 employees (in FTE) at the end of the reporting year (2016: 5,485), accounting for around 5% (2016: 5%) of the total workforce. This underscores the very high degree of internationalization in the Company. The majority of employees work in the area of production and services (87%) followed by administrative functions (9%) – see table 3.3.

To ensure continued growth in its business with health care services and products, Fresenius Medical Care relies on its ability to attract, retain and develop skilled employees. In the ten years between the end of 2007 and the end of 2017, the number of employees at Fresenius Medical Care increased by 52,594 (in FTE), which is in line with the Company's overall growth. At the same time, the Company also does all it can to continue being attractive as an employer. The voluntary turnover rate in 2017 was 14.7%. On average, employees stay with Fresenius Medical Care for around 7.2 years.

Fresenius Medical Care brings together a wide range of cultures and skills under one roof. The Company values the diversity that its employees provide in the form of their qualifications, personal strengths,

3.3 EMPLOYEES PER FUNCTIONAL AREA

FTEs as a percentage of total employees per functional area as at December 31, 2017

Production and services	87
Administration	9
Sales and marketing	3
Research and development	1

3.4 EMPLOYEE RETENTION¹

Selected HR metrics as at December 31, 2017

Voluntary turnover rate ² in %	14.7
Average service length ³ in years	7.2

¹ Based on country data representing 89% of Fresenius Medical Care employees.

² Calculated as the number of employees who left the organization voluntarily in 2017 in relation to the number of employees at the end of the year.

³ Average length of employment at Fresenius Medical Care.

characteristics, interests, perspectives and ideas. We will continue to promote diversity in the future, emphasizing and embracing it as an asset. Moreover, Fresenius Medical Care does not permit discriminatory or any other unlawfully prejudiced behavior.

In 2017, 69% of employees were female, with the highest proportion in North America (70%). Details on gender diversity at top management level can be found in the declaration on corporate governance – [starting on page 102](#).

The average age of employees in 2017 was 41.8 years. Around 17% of employees are below 30, the majority of 58% are between 30 and 50 years old and 25% of employees are above 50 years old.

GLOBAL PEOPLE STRATEGY

Fresenius Medical Care's Human Resources (HR) function provides and manages the necessary frameworks, policies and processes to enable the Company's employees to contribute to its success and growth. HR is organized on a global, regional (North America, EMEA, Latin America, Asia-Pacific) and functional level (GMQ, GRD and other corporate functions). The global HR function develops and implements the Global People Strategy and reports directly to Fresenius Medical Care's Chief Executive Officer (CEO). Regional and divisional HR functions work closely with local HR representatives, employees and managers to adapt this strategy to regional and functional requirements, but

also to ensure the high-quality of HR services on a daily basis.

Fresenius Medical Care's Global People Strategy is the basis for all of the Company's HR activities. It is translated into annual roadmaps that are defined and discussed globally as well as for every region and function on a regular basis. In addition, the Company is currently building global centers of excellence to share, discuss, develop and implement new ideas, tools and solutions. This will facilitate close collaboration, leveraging of synergies and greater alignment of the HR function across all countries.

The Global People Strategy rests on three pillars. These ensure Fresenius Medical Care's continued success, driven by the Company's purpose, values and commitment to its patients and employees.

- ▶ **Driving culture that attracts, engages and retains staff.** Fresenius Medical Care fosters an inclusive and diverse working environment throughout the organization based on its purpose and values. Employees can participate in the Company's success via profit-sharing schemes, such as the long-term incentive program and other instruments. The Company aims to further boost the commitment of its employees by expanding its employee engagement activities on a global scale. To offer employees better guidance with regard to its global values, Fresenius Medical Care is working on updating and further specifying these values.

3.5 FEMALE EMPLOYEES

as a percentage of overall employees as at December 31, 2017

North America	70
EMEA	67
Latin America	68
Asia-Pacific	65
▶ TOTAL	69

3.6 DEMOGRAPHIC OVERVIEW¹

Selected HR metrics as at December 31, 2017

Average age in years	41.8
Share of employees under 30 in %	17
Share of employees between 30 and 50 in %	58
Share of employees over 50 in %	25

¹ Based on country data representing 89% of Fresenius Medical Care employees.

- ▶ **Managing talent to provide skills and resources today and in the future.** Lifelong learning as well as personal and professional development are crucial elements of employee motivation and prerequisites for a successful career. In addition, they are critical for giving the Company a competitive edge. Fresenius Medical Care invests in its employees and provides them with attractive development opportunities, taking into account their roles and individual strengths. This is reflected in various local, regional and global development programs. Examples include the Clinical Advancement Program (CAP), a development program designed specifically for state-registered nurses in the U.S., and the Fresenius Medical Care Leadership Academy for middle management positions in EMEA. Another aspect of this investment is the use of online trainings, which are available in all countries in which Fresenius Medical Care has employees. In 2017, the Company also reviewed its leadership talents and succession pipelines with the aim of building a global talent management framework to support employees, managers, and HR colleagues in identifying and delivering “best-fit” solutions in the future. This includes shaping the way Fresenius Medical Care identifies, promotes and develops its leadership talents.
- ▶ **Aligning organizational capabilities to enable global growth.** As Fresenius Medical Care operates in a highly regulated industry with employees in more than 60 countries, it must constantly strive to find the right balance between globalization and localization. On the one hand, health care regulations differ considerably between operating segments and the individual countries in which Fresenius Medical Care is active. On the other, cultural conventions, languages as well as the varying size and focus of Fresenius Medical Care’s local footprint also require close collaboration, alignment and

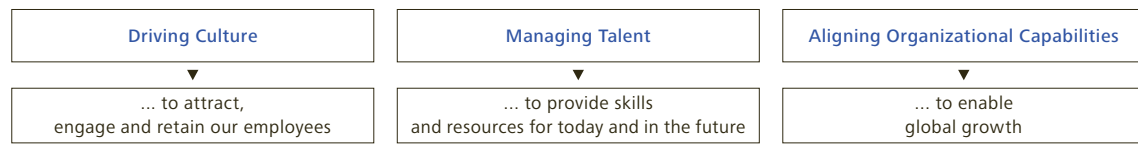
adaptability. By doing so, the Company aims to ensure that its products and services are of the highest quality for patients. As an example, the Company regularly brings together senior managers on a global, regional and functional level to discuss its future strategy and priorities. In addition, Fresenius Medical Care defines cross-functional targets to ensure that employees set the right priorities for their projects. The Company is also digitizing its HR processes to ensure that its HR services are of a consistently high-quality in future. Last but not least, it is investing in databases and software solutions for HR-related analyses to make sure that it has relevant insights to make well-informed decisions with regard to the organization.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Fresenius Medical Care’s operations are subject to governmental regulation in virtually every country in which the Company operates. Although these regulations differ from country to country, they are generally designed to accomplish the same objectives. For example, they govern the operation of our clinics, laboratories and manufacturing facilities, compliance with labor and employment laws, fulfillment of occupational health and safety standards, and accurate reporting.

While local management is responsible for ensuring adherence to any local statutes or regulations that take precedence over the Company’s objectives, it is supported in the North America Segment by a specialized department with responsibility for monitoring and evaluating operational activities with regard to occupational health and safety management. The function in charge of health and safety in the workplace also assesses external regulatory and legal requirements and incorporates them into our internal policies and guidelines together with regional and local management.

3.7 GLOBAL PEOPLE STRATEGY 2017



Fresenius Medical Care is committed to giving occupational health and safety management the utmost priority and to providing a safe, healthy and productive workplace for its employees and business partners. In many countries, medical facilities must fulfill occupational health and safety requirements to achieve certification. For North America, EMEA and Latin America, internal reviews and audits are conducted to monitor compliance with occupational health and safety policies and procedures as part of local quality management systems; in the EMEA and Latin America segments, this is true for the dialysis care business.

Every year, Fresenius Medical Care's production sites and laboratories in the U.S. are put through a formal program to monitor environmental protection and occupational safety standards. Audits are carried out to check compliance with regulations from the U.S. Occupational Safety & Health Administration, the Department of Transportation and the Environmental Protection Agency as well as state and local statutes. For the EMEA Segment, Fresenius Medical Care has bundled its occupational health procedures in a central management system for occupational safety based on the British Standards for Occupational Health and Safety Assessment Series 18001 (BS OHSAS 18001) and incorporated it into the Company's integrated management system.

Fresenius Medical Care aims to foster a culture of continuous improvement in the work environment with the goal of minimizing injuries and reducing incident rates. This includes:

- ▶ reporting and analyzing work-related accidents and injuries,
- ▶ identifying their root causes,
- ▶ implementing corrective action as appropriate.

As part of this concept, KPIs for occupational health and safety have been introduced to our production sites as well as Fresenius Medical Care's dialysis clinics to ensure that the information required by governmental authorities is provided.

OUR APPROACH TO ANTI-BRIBERY AND ANTI-CORRUPTION

Fresenius Medical Care's efforts to enable patients around the world to lead a better life by offering high-quality products and services are based on its commitment to the Company's core values of quality, honesty and integrity, innovation and progress, respect and dignity. It therefore goes without saying that we comply with anti-bribery and anti-corruption laws in the regions in which we operate.

Fresenius Medical Care's corporate culture and policy as well as its entire business activities are guided by its corporate values. This also applies to the Company's work and business relationships with its patients, customers, business partners, public authorities, investors and the general public, as well as with its employees.

The Company is committed to conducting its business activities in compliance with the respective legal provisions and industry standards. As a company with international operations, Fresenius Medical Care must comply with the anti-bribery and anti-corruption (ABC) laws of many jurisdictions, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and the German Criminal Code, as well as the ABC laws of all countries in which the Company operates. Fresenius Medical Care does not tolerate any form of corruption, whether it involves a health care professional, government official, private party or a transaction for the purchase or sale of items or services provided by Fresenius Medical Care.

Every single person is responsible for complying with the relevant laws. Employees at Fresenius Medical Care must adhere to the principles set out in the Code of Ethics and Business Conduct as well as in related Fresenius Medical Care policies and guidelines. Should employees violate the law, the Code of Ethics and Business Conduct or Fresenius Medical Care guidelines and policies, this may result in disciplinary or corrective action or other legal consequences. Disciplinary or corrective action may include for example verbal counseling or termination of their contract.

ABC COMPLIANCE ORGANIZATION

Fresenius Medical Care has appointed a global Chief Compliance Officer who is responsible for the worldwide compliance organization with respect to anti-bribery and anti-corruption. The Chief Compliance Officer reports directly to the CEO of Fresenius Medical Care. Furthermore, the Chief Compliance Officer regularly provides a report on the status of the Company's ABC Compliance Program to the Audit and Corporate Governance Committee of the Supervisory Board of Fresenius Medical Care.

The mission of Fresenius Medical Care’s ABC compliance organization is to empower the organization to:

- ▶ ensure integrity in all relevant activities, and
- ▶ guarantee the Company’s long-term business success.

ABC COMPLIANCE PROGRAM

By complying with laws as well as the Company’s values and rules, our employees ensure that Fresenius Medical Care is perceived as a reliable partner in the health care system by patients, customers, business partners, public authorities, investors and the general public. Fresenius Medical Care has therefore developed an ABC Compliance Program to help employees abide by these values and to understand and meet their legal, regulatory and ethical obligations.

The ABC Compliance Program incorporates a training program, compliance policies and procedures including corrective action for failure to follow policies, provisions for reporting suspected violations of applicable laws or Company policies anonymously, and internal monitoring and reviews of Fresenius Medical Care’s compliance procedures. The ABC Compliance Program is risk-based and rests on three pillars:

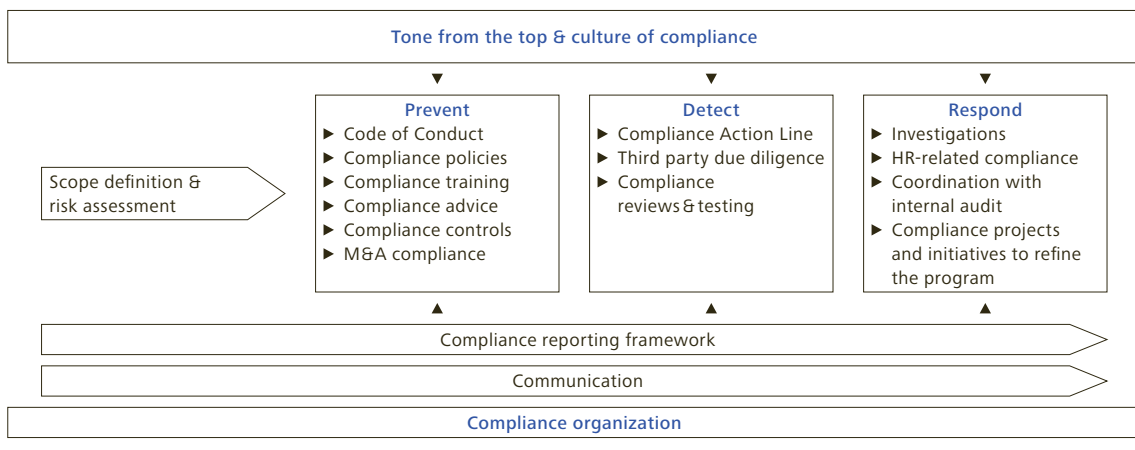
- ▶ **Prevent** – including policies and procedures, regular training programs, continuous advice and a compliance control framework.
- ▶ **Detect** – including reviews by Fresenius Medical Care’s business partners as well as risk-based reviews and monitoring of the ABC Compliance Program.
- ▶ **Respond** – including a follow-up of reported or otherwise detected potential violations.

The ABC Compliance Program is continuously being improved. In analyzing or enhancing components of the program, Fresenius Medical Care focuses on certain groups of third parties and the respective interactions. These include, but are not limited to, government officials, health care professionals, health care organizations, reimbursing entities, third parties acting on behalf of Fresenius Medical Care, and customers/suppliers, as well as related provisions on topics, including but not limited to discounts and rebates, grants, gifts and entertainment.

Fresenius Medical Care has implemented the ABC Compliance Program in all business lines to reduce the risk of legal violations by providing general and specific rules of conduct and procedures as well as regular training for relevant employees.

The ABC compliance organization provides the Supervisory Board, Management Board as well as other internal and external stakeholders with an adequate level of transparency regarding the status of the ABC Compliance Program including potential compliance risks, mitigating actions and the status of their implementation.

3.8 THE THREE PILLARS OF THE ABC COMPLIANCE PROGRAM



RESPONSIBILITY TO RESPECT HUMAN RIGHTS

Respect and dignity are integral and important elements of Fresenius Medical Care's core values. Based on these values, the Company is committed to understanding, respecting and protecting human rights as outlined within our Code of Ethics and Business Conduct. This is essential in the international and intercultural environment in which we operate.

Fresenius Medical Care's reputation could be severely damaged by any violation of human rights. This is true even if the violation occurs within the supply chain or at a business partner on which Fresenius Medical Care is deemed to have an influence through its business activities. Fresenius Medical Care is aware that the development of new regulations and frameworks in the area of human rights (e.g. National Action Plan by the German Federal Government for implementing the UN Guiding Principles on Business and Human Rights, UK Modern Slavery Act, Conflict Minerals as part of the Dodd-Frank Act, Duty of Vigilance Act [France], California Transparency in Supply Chains Act) reflects the high expectations in the general public that companies must comply with human rights principles.

Fresenius Medical Care considers three human rights aspects to be particularly relevant to its business model:

- ▶ Fresenius Medical Care is committed to ensuring that necessary measures are taken and that working conditions are fair and safe for all employees and business partners. The Company gives employee protection the utmost priority. We condemn the use of forced labor and exploitative child labor.
- ▶ Fresenius Medical Care supports equal opportunities for its employees and patients and takes a clear stand against discrimination. The Company does not tolerate any form of discrimination based on gender, race, ethnic origin, color, nationality or national origin, religion or belief, age, marital status, citizenship, disability, sexual orientation, veteran status or any other unlawful discriminatory consideration. Fresenius Medical Care strives to provide a work environment free from all forms of discrimination, including verbal or physical harassment or intimidation from supervisors, co-workers, vendors, consultants, visitors or customers. Fresenius Medical Care does not tolerate harassment or intimidation in any form. Neither do we tolerate violent nor abusive conduct, including verbal or physical abuse by any employee, patient, customer, client or visitor in the course of Fresenius Medical Care's business.

- ▶ Fresenius Medical Care offers multiple grievance mechanisms for employees and patients to report misconduct.

Fresenius Medical Care recognizes its corporate responsibility to respect human rights and the importance of taking the necessary steps to fulfill this obligation. It has therefore been incorporated into the Company's fundamental policy – the Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct and the underlying corporate values also include our commitment to respecting human rights topics as mentioned above, and govern the Company's actions. Fresenius Medical Care encourages its suppliers and business partners to share this commitment – see section "Relationship with suppliers" [starting on page 90](#).

Fresenius Medical Care acknowledges its responsibility not only to its employees but also to the many patients it cares for. We instruct all employees with direct patient contact to:

- ▶ act ethically, fairly, courteously, competently and timely,
- ▶ treat all patients with dignity and respect,
- ▶ involve patients and families in treatment planning and processes whenever appropriate,
- ▶ respond carefully and accurately to patients' and families' questions.

Fresenius Medical Care offers anonymous grievance channels for patients. Grievance letter boxes, hotlines and patient surveys are available in many of Fresenius Medical Care's clinics.

RELATIONSHIP WITH SUPPLIERS

As a manufacturer and provider of dialysis products and health care services, Fresenius Medical Care cooperates with suppliers of raw materials and products as well as service providers and other organizations in the health care system. We expect all of our partners to support our commitment.

Based on its corporate strategy, Fresenius Medical Care is able to fully capture its potential as a vertically integrated company. This means that we systematically make use of the advantages that arise from covering the entire value chain of dialysis. A high degree of vertical integration enables us to ensure the uncompromised quality of our products from the raw materials to the final product. This is part of our efforts to achieve continuous progress with regard to the environment, our employees and patients, human rights as well as anti-corruption and bribery at our production sites worldwide.

For Fresenius Medical Care, sustainability means acting responsibly to achieve commercial success while making progress with regard to the environment and social matters to secure our future as a company in the health care industry. We expect our suppliers to support our commitment, to comply with our sustainability principles in their own supply chains and establish adequate procedures to this end – see <https://www.freseniusmedicalcare.com/en/about-us/responsibility/> for Fresenius Medical Care's sustainability principles.

ROLE OF THE PROCUREMENT ORGANIZATION

At Fresenius Medical Care, regional procurement organizations assist the health care services division, the sales organizations and the Company's headquarters in North America, EMEA, Latin America and Asia-Pacific in managing their demand for materials and services.

The GMQ procurement function at Fresenius Medical Care has the purpose of managing demand for materials and services and ensuring the availability, safety and quality of the materials used in the Company's more than 30 production sites around the globe.

GMQ procurement has endorsed the incorporation of key corporate social responsibility issues into the Company's sustainability principles as supplementary requirements for suppliers. They communicate Fresenius Medical Care's minimum expectations and motivate suppliers to make the corresponding improvements.

GMQ procurement is a centrally managed matrix organization with global leadership responsible for ensuring that strategies are aligned within the regional and local units of North America, EMEA, Latin America and Asia-Pacific. This structure enables global coordination and governance while retaining local responsibility for implementation.

ASSESSMENT OF SUPPLIERS' COMPLIANCE

The sustainability principles are part of Fresenius Medical Care's standard operating procedures (SOPs) in EMEA, Latin America and Asia-Pacific. These SOPs require all compulsory elements (contract specifications, general terms and conditions, and sustainability principles) as well as supplementary information (according to local rules and regulations) to be included in supplier contracts. Fresenius Medical Care's sustainability principles include the following matters:

- ▶ compliance with environmental legislation and protection of the environment,
- ▶ working conditions, occupational health and safety as well as process safety,
- ▶ data protection,
- ▶ human rights, such as non-discrimination, prohibition of forced labor and exploitive child labor,
- ▶ compliance with laws and regulations.

If requested by Fresenius Medical Care, suppliers must complete a questionnaire on compliance with the Company's sustainability principles (self-assessment). The Company may also solicit information from a third party on suppliers' compliance and performance with regard to the requirements specified in these principles (third-party assessment). If requested by Fresenius Medical Care, suppliers must provide documented evidence that they comply with these principles (certification/statement). Moreover, Fresenius Medical Care is entitled to conduct on-site inspections either itself or indirectly by a third party to verify compliance with Fresenius Medical Care's sustainability principles (on-site audit). In North America, suppliers are screened to see whether they are included in the Office of Inspector General's (OIG) List of Excluded Individuals/Entities (LEIE).

To ensure that these requirements are observed at an operational level, the Global Internal Audit function at Fresenius Medical Care undertakes regular audits including the implementation of SOPs. Furthermore, various external audits (e.g. by the U.S. Food and Drug Administration [FDA], China Food and Drug Administration [CFDA], and other independent certification bodies) are carried out at plant level to ensure compliance with laws and regulations.

RESPONSIBILITY FOR THE ENVIRONMENT

As a global player in the health care sector, Fresenius Medical Care is subject to a broad range of federal, foreign, state and local laws and regulations relating to emissions and the protection of the environment. We aim to achieve environmental improvements throughout the entire life cycle of Fresenius Medical Care's products as well as reducing the impact of our operations on the environment.

The laws we adhere to in our operations in accordance with our quality policy regulate, among other things, discharging substances into the environment, the handling and disposal of various kinds of waste and waste water, remediation of contaminated sites, and other activities to protect the environment. In addition, U.S., EU and other national environmental laws include regulations on several substances that we use.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

The Global Internal Audit function at Fresenius Medical Care monitors and audits the Company's business activities to confirm that it adheres to the law, company guidelines and policies. When potential violations are brought to its attention, Fresenius Medical Care will take appropriate action to investigate all such reports, and to ensure that its business is conducted in accordance with all applicable laws.

As Fresenius Medical Care has a decentralized structure, environmental management is implemented at a regional, national and local level. In the EMEA Segment, environmental management is carried out as part of Fresenius Medical Care's integrated management system to systematically reduce and control risks associated with environmental protection and occupational health and safety, as well as fulfilling the respective legislations and meeting the expectations of our customers and patients in this regard.

External experts regularly check compliance with the ISO 14001 environmental management standard at Fresenius Medical Care's company headquarters, in the area of research and development, as well as in the Company's certified plants and national clinic organizations.

REDUCING ENVIRONMENTAL IMPACT ALONG THE PRODUCT LIFE CYCLE

Fresenius Medical Care's GRD organization is committed to maximum efficiency and regulatory compliance. We aim to achieve environmental improvements along the whole life cycle of Fresenius Medical Care's products and reduce negative environmental impacts and risks for patients, employees and users. The life cycle principles embedded in Fresenius Medical Care's EMEA environment, health and safety program ensure that the Company continuously improves its performance with regard to the environment, health and safety. Fresenius Medical Care has therefore established a simplified, lean product life cycle assessment methodology (screening LCA) with the aim of identifying, assessing and reducing the environmental impact resulting from the design of a product over its life cycle. Screening LCA takes international guidelines into consideration to calculate the environmental impact caused during a product's life cycle in order to meet the requirements of IEC 60601-1-9 and ISO 14001. Our screening LCA covers the majority of our current medical device product lines.

The GMQ Green & Lean initiative has reported on local sustainability initiatives such as energy efficiency projects and projects to mitigate environmental risks to GMQ management since 2015. Thanks to this reporting process, best practices can be shared with other plants to save energy, reduce waste and waste water and use more renewable and alternative energies as well as finding further solutions for recycling material. Each plant is responsible for defining, planning and implementing these initiatives.

In addition to these activities, the GMQ and GRD functions within the EMEA and Latin America regions have committed themselves to minimizing the impact of their actions on the environment as part of their environmental policy. The aim is to prevent environmental pollution, use natural resources efficiently, recycle waste, and enhance Fresenius Medical Care's environmental performance.

ENVIRONMENTAL KPIS

Fresenius Medical Care reports the following environmental KPIS for dialysis services and manufacturing at a global level:

- ▶ water consumption,
- ▶ energy consumption and
- ▶ greenhouse gas emissions.

In the reporting year, Fresenius Medical Care consumed 36 M m³ of water and 2.8 M MWh of energy, resulting in 326 TSD tons of scope 1 and 530 TSD tons of scope 2 CO₂ equivalents from operations in its dialysis centers and production sites worldwide. The figures include data on electricity, natural gas and water consumption provided by GMQ-coordinated manufacturing sites as well as data on electricity and water consumption in our dialysis centers. Some environmental data for the fiscal year was not yet fully available at the time of this report. In these cases, we estimated and extrapolated the figures.

Most of the water utilized by Fresenius Medical Care is needed for producing dialysate during dialysis treatment in the Company's dialysis centers around the world. The amount of dialysate and therefore the amount of water required is determined by a variety of factors, most of which are the direct responsibility of the physician. They include above all the blood flow rate, the selected dialyzer, the duration of treatment, the treatment method and the flow rate of the dialysis solution. In its efforts to save resources and energy by reducing its water and energy consumption, Fresenius Medical Care ensures that resource efficiency does not negatively impact the quality of care or product quality.

To significantly reduce dialysis fluid consumption and thus the cost of energy, water and waste water without compromising quality of care, Fresenius Medical Care develops environmentally friendly concepts with advanced treatment options such as EcoFlow and AutoFlow. These concepts are integrated into Fresenius Medical Care's latest and most advanced machine generations, the 5008 and 6008 series. We are continuously increasing sales of machines in these series worldwide. More than one in five dialysis machines we produced in 2017 was from one of these resource-friendly machine generations.

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

REGARDING THE SEPARATE NON-FINANCIAL GROUP REPORT¹

To the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, Hof an der Saale

We have performed an independent limited assurance engagement on the separate non-financial group report as well as the by reference qualified part "Group's business model", further "non-financial group report", of Fresenius Medical Care AG & Co. KGaA, Hof an der Saale (further "Fresenius Medical Care") according to § 315b HGB for the period from January 1 to December 31, 2017.

MANAGEMENT'S RESPONSIBILITY

The legal representatives of Fresenius Medical Care are responsible for the preparation of the non-financial group report in accordance with §§ 315b, 315c in connection with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial group report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the non-financial group report in a way that is free of – intended or unintended – material misstatements.

INDEPENDENCE AND QUALITY ASSURANCE ON THE PART OF THE AUDITING FIRM

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion based on our work performed of the non-financial group report within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the non-financial group report, has not been prepared, in all material respects in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- ▶ Inquiries of personnel of the CSR core team who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for Fresenius Medical Care

¹ Our engagement applied to the German version of the separate non-financial group report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

- ▶ A risk analysis, including a media research, to identify relevant information on Fresenius Medical Care's sustainability performance in the reporting period
- ▶ Evaluation of the design and implementation of the systems and processes for the collection, processing and control of disclosure on environmental, employee and social matters, respect for human rights as well as combatting corruption and bribery matters, including the collection and consolidation of quantitative data
- ▶ Inquiries of personnel who are responsible for determining disclosures and for compiling the disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures
- ▶ Evaluation of selected internal and external documents
- ▶ Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level
- ▶ Assessment of local data collection and reporting processes and reliability of reported data via a sampling survey at the St. Wendel site (Germany)
- ▶ Assessment of the overall presentation of the disclosures in the non-financial group report

CONCLUSION

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the non-financial group report of Fresenius Medical Care AG & Co. KGaA for the period from January 1 to December 31, 2017 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

RESTRICTION OF USE / CLAUSE ON GENERAL ENGAGEMENT TERMS

This report is issued for purposes of the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, Hof an der Saale, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, Hof an der Saale, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to €4 M as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main,
February 26, 2018

KPMG AG

Wirtschaftsprüfungsgesellschaft

LAUE

Wirtschaftsprüfer

GLÖCKNER

Wirtschaftsprüfer

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