

Fresenius Health Care Group Pension Scheme

Statement of Investment Principles - December 2025

1. Introduction

The Trustees of the Fresenius Health Care Group Pension Scheme (“the Scheme”) have drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995 (“the Act”) and subsequent legislation. The Statement is intended to affirm the investment principles that govern the Trustees’ decisions about the Scheme’s investments.

In preparing this Statement the Trustees have consulted Fresenius Kabi Limited (“the Sponsor”) to ascertain whether there are any material issues that the Trustees should be aware of when setting the Scheme’s investment arrangements. The Trustees have also taken account of the Investment Governance Group Code of Best Practice for institutional investors, a voluntary code which has been endorsed by the UK government and the National Association of Pension Funds.

2. Process For Choosing Investments

When considering appropriate investments for the Scheme, the Trustees obtain and consider the written advice of Mercer, whom the Trustees believe to be suitably qualified to provide such advice. Any advice received will be considered by the Trustees in the light of the requirements of Section 36 of the Pensions Act 1995 (as amended).

3. Investment Objectives

The Trustees’ primary objective is to act in the best interests of the Scheme’s members and ensure that the obligations to the beneficiaries of the Scheme can be met as they fall due.

4. Risk Management and Measurement

The Trustees’ policy on risk management is as follows:

- The primary risk upon which the Trustees focuses is that arising through a mismatch between the Scheme’s assets and its liabilities and the Sponsor’s ability to support this mismatch risk.
- The Trustees recognise that, whilst the taking of investment risk may increase potential returns on the Scheme’s assets, it also increases volatility in the Scheme’s funding position and the risk of a funding deficit. To control this risk the Trustees hold an insurance policy with Just, a specialist insurer of UK defined benefit pension scheme liabilities. Under the policy, Just commits to meeting the Scheme’s pension liabilities as they fall due. The liabilities to be met are agreed between the Trustees and Just insurer and are set out in the policy documentation. Surplus assets are held as cash.

5. Investment Strategy and Expected Return

The assets of the Scheme are the insurance policy and cash held in the Scheme’s bank account to meet expenses and balancing liability payments. Assets in the Trustees’ bank

account deemed surplus to the Scheme's cashflow requirements may be invested in cash-based pooled fund arrangements with Mercer.

For accounting purposes, the value of the insurance policy is based on the discounted value of the projected liabilities using discount rate based on the yield available on low-risk liability matching bonds. As such, the return on the policy is expected to reflect that achieved by a portfolio of low-risk bonds that match the Scheme's projected liabilities. Any surplus cash assets invested in pooled fund arrangements are expected to achieve a competitive rate of interest.

6. Day-to-Day Management of the Assets

Under the current strategy any invested assets will constitute an investment in cash-based pooled fund arrangements with Mercer. Mercer delegate the day-to-day management of these cash assets to a specialist money-market investment manager.

7. Realisation of Investments, Cashflow Management and Rebalancing

The Scheme's liability cashflows are expected to be met by the payments due under the insurance policy. Scheme expenses and any balancing liabilities are expected to be paid from the Scheme bank account and disinvestments from the cash-based pooled fund.

8. ESG, Stewardship and Climate Change – Trustees' Beliefs and Policies

In principle, the Trustees believe that good stewardship and the incorporation of environmental, social, and corporate governance (ESG) factors into its investment decision-making processes can have a material impact on the financial and non-financial performance of the Scheme's invested assets over the medium and longer term. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that, where appropriate, require the Trustee's explicit consideration.

In practice, the Scheme currently holds no invested assets other than any cash-based pooled fund arrangements with Mercer. When entering into the insurance policy with Just, Just's approach to sustainability and stewardship issues were considered by the Trustees.

Should the Scheme hold invested assets in the future beyond any assets invested in the cash-based pooled fund arrangements with Mercer, the Trustees will consider including specific sustainability themed investment opportunities within its investment strategy. However, the Trustees would not seek to take into account Scheme member views regarding the selection, retention or realisation of the invested assets.

How the Trustees incentivise their asset managers to, 1) make portfolio selection decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt/equity and, 2) engage with issuers to improve their performance in the medium to long term

The Scheme currently holds no invested assets other than any cash-based pooled fund arrangements with Mercer.

How the Trustees' approach to evaluating their asset managers' performances, and how they remunerate their asset managers, is aligned with the Trustees' policies

The Scheme currently holds no invested assets other than any cash-based pooled fund arrangements with Mercer.

How the Trustees monitor portfolio turnover costs and how they define and monitor portfolio turnover/turnover targets

The Scheme currently holds no invested assets other than any cash-based pooled fund arrangements with Mercer

The duration of the Trustees' arrangements with its asset managers

The Scheme currently holds no invested assets other than any cash-based pooled fund arrangements with Mercer.

9. Other Assets

The Scheme holds no assets other than the insurance policy, cash held in the Scheme bank account and any cash-based pooled fund arrangements with Mercer.

10. Fee Structures

For any cash-based pooled fund arrangements held with Mercer, Mercer and the underlying investment manager appointed by Mercer are remunerated based on a percentage of the assets under management.

11. Review of this Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in its objectives or the management of its assets. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme assets.

For & on behalf of the Trustees of the Fresenius Health Care Group Pension Scheme