UN Global Compact
Communication on Progress 2020
Successful together
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This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.
Challenging times: Sustainability guides us

The year 2020 marks not only 20 years of the United Nations Global Compact, but also the 75th anniversary of the United Nations. In the same year 1945, my grandfather founded our company and therefore we are happy to share this special 75th anniversary with the United Nations. We want to take the KARL STORZ 75-year company anniversary as an occasion to thank our employees, whose daily work makes a meaningful contribution to the mission of the United Nations and to sustainable development goals.

From the company’s very early days, KARL STORZ’s definition of success has extended beyond the improvement of health care through minimally invasive medical devices or economic growth in our focus markets. For many years, we have considered our ecological and social impact equally important to our company’s success, and have striven to continually improve in all three areas – healthy growth combined with ecological and social contribution. To this end, we aim to actively involve our employees and establish social responsibility as a key pillar of our corporate strategy.

Due to the COVID-19 pandemic, 2020 was a defining year for KARL STORZ in many respects, one that presented the company, our employees, and society with new challenges. This year, we were determined to devote our expertise toward making substantial contributions to supporting COVID-19 patients and physicians worldwide. In this difficult situation, physicians as well as medical and non-medical staff work tirelessly to ensure optimal patient care every day. Their dedication has served the health not only of individual patients, but also of our society as a whole. Given this special situation, we have dedicated one additional chapter of this report to present our COVID-19 related efforts.

In addition to these activities, you will find relevant updates on our ongoing support of medical training and continued education in less privileged regions of the world. Furthermore, we are happy to share success stories that highlight the solidarity shown by our employees, who have given back to society by campaigning worldwide on behalf of local initiatives, particularly in the areas of human rights and labor.

We are also pleased to see our consistent corporate responsibility strategy bear fruit, in continuing to reduce paper consumption at our Tuttlingen headquarters substantially – by nearly 20% compared to last year. Our company fleet recorded its lowest fuel consumption to date, and thus its lowest-ever CO₂ emissions. For both areas, these positive results show that COVID-19 challenged us to find new ways to cooperate with coworkers and customers.

We kindly invite you to find more details about these and further topics in our 2020 Communication on Progress report exemplifying our support of human and labor rights, the environment and anti-corruption.

For 16 years, KARL STORZ has been dedicated to the sustainable and forward-looking goals of the United Nations Global Compact. In the coming year, we remain committed to the Ten Principles of the Global Compact, and to focusing on our corporate values in order to continue these efforts effectively in challenging times.

Karl-Christian Storz
Managing Director
KARL STORZ SE & Co. KG
Tuttlingen, December 30th, 2020
Our Corporate Vision

KARL STORZ is a strong, focused and healthy 100% family-owned company, a recognized leader and solution provider for endoscopy, delivering customer-centric added-value to the minimally invasive surgical community. With excellent data and processes we drive our business and create value for customers. Being an employer of choice, KARL STORZ empowers individuals to become engaged and committed employees.

Our Corporate Values

• Patient Health & Safety
  We provide safe and high-quality solutions that help to care for the well-being of patients.

• Respect
  We treat everyone with respect and encourage diversity of thought.

• Self-reflection & Continuous Improvement
  We act as a learning organization and embrace our failures to learn from them.

• Integrity
  We are trustful, compliant, committed and accountable.

• Courage
  We openly share our ideas and encourage strong and thoughtful decisions.

• Social Responsibility
  We care about our environment and give back to our communities.
KARL STORZ at a glance

- **48** subsidiaries in 45 countries worldwide
- **50** young people completed an apprenticeship at KARL STORZ in 2020
- **1.9 billion** sales in 2019
- **more than 15,000** products
- **23.8%** less CO₂ emissions of company fleet compared to 2019 (headquarters)
- **19.3%** reduction in paper use per employee compared to 2019 (headquarters)
- **5,000** employees at the Tuttlingen headquarters
- **8,500** employees worldwide
- **In 2020, KARL STORZ supported medical relief projects in 4 countries through product donations**
- **People from over 64 nationalities working at the Tuttlingen headquarters**
- **50** young people completed an apprenticeship at KARL STORZ in 2020
- **€1.9 billion** sales in 2019
In 1945 the KARL STORZ family company was founded by Dr. med. h. c. Karl Storz as a two-person operation in Tuttlingen, Germany. In the past 75 years it has developed into one of the leading suppliers of endoscopes, endoscopic instruments and devices for more than 15 human medical specialties. The product portfolio also includes solutions for veterinary medicine and industrial applications. Throughout its history, the company has focused on supplying functional and ergonomic products to meet medical needs as well as using technology for the benefit of patients. In Germany and abroad, 8,500 employees worldwide pursue this goal, offering customer-focused sales, and service.

Continuing to be one of the leading suppliers of medical devices as an independent family business and encouraging and challenging employees have always been KARL STORZ’s defining values. This foundation of values was internalized by the daughter of the company founder Dr. h. c. mult. Sybill Storz. When she took over the management of the company in 1996, she primarily focused on expanding the global structures and developing KARL STORZ into a global company, which she successfully accomplished. In 2018 Dr. h. c. mult. Sybill Storz handed over the management of the company to her son Karl-Christian Storz, who has ensured the continuity and further growth of the company ever since.

Endoscopy and our products

Since the beginning KARL STORZ has been a pioneer in minimally invasive surgery. This diagnostic and therapeutic method makes procedures much less physically traumatic and thereby contributes to reducing fear and worry about necessary medical procedures. The incisions, which are often only a few millimeters long, reduce wound pain and wound healing problems and permanent scars are reduced to a minimum. In addition, faster healing reduces hospital stays.

As one of the leading solution providers in the area of medical technology, the company offers medical products and services that add significant value to patient safety. Dialogue and cooperation with leading physicians, universities and research institutes is one of the most important components of the continuous improvement process. The medical expertise of the users and the technical solution competence of KARL STORZ ensure ideal functionality and intuitive user guidance for endoscopes, devices and systems. KARL STORZ has developed products that in many cases played a pioneering role and confirmed the company’s position as a global leader. Truly knowing the requirements of the customers is essential to achieving this kind of success. In addition to profound knowledge of medical requirements, this requires close observation of specific market developments to intuitively comprehend market needs, analyze problems, and then identify what the best feasible solution may look like. The technological fields of optics, mechanics, electronics and software are combined in an optimal way to create modern solution systems for integration in the operating room and to support clinical processes.
COVID-19: Our contribution to the health care system

In these turbulent times, we need safety, stability, and particularly the flexibility to quickly adapt to this exceptional situation. The current pandemic presents the health care system, physicians, medical and non-medical staff, patients, and companies with an unprecedented challenge, which can be met only with coordination, communication, and innovation.

In this situation, our focus remains on supporting our partners in health care by providing the necessary products, consultation, and service. With a great sense of responsibility and commitment, our staff members are working to ensure that our customers and partners in health care can continue to treat their patients with quality products from KARL STORZ – whether they are treating COVID-19 patients, or performing planned endoscopic procedures.

Flexible work – protecting our employees

To ensure that we can continue to serve them, we have taken important steps to protect the safety and health of our employees. We have rigorously implemented social distancing by putting in place the following in-house safeguards throughout the global KARL STORZ Group:

- Staggered work schedules in Production, Logistics, and other areas
- Telecommuting and IT infrastructure expansion to facilitate robust digital collaboration
- Team splitting in critical business areas
- Stricter hygiene and cleaning measures
- A transparent information policy and enhanced employee training

Through these safeguards, we aim to secure our role as a preferred supplier in the health care system so we can continue to make a strong contribution to critical patient care without any disruptions.

Delivery capacity – staying focused

Throughout the 2020 COVID-19 crisis, our production, logistics, service, and all other support functions have remained fully operational. This is true at our Tuttlingen headquarters and production site as well as at our production sites in Switzerland, Estonia, and the USA. In addition, we remain in very close contact with our suppliers to ensure our supply of materials. So far, we have not had any critical supply interruptions. We will continue to focus on securing our production capacities to maintain our ability to act in support of patient care.
Airway management – video laryngoscopes for intubating COVID-19 patients

In the current COVID-19 situation, the demand for our C-MAC® video laryngoscopes, intubation endoscopes, C-MAC® S single-use video laryngoscopes, and bronchoscopes has risen considerably. To meet this exceptional demand, we have massively increased our manufacturing capacities.

Our airway management products, and all other endoscopy products, are used worldwide in emergency rooms, operating rooms and in rescue services. Our mobile solutions especially are providing many advantages in the current situation. For example, our products were also used on the U.S. Naval Hospital ship „Mercy“, which was docked off Los Angeles from March until May 2020. This ship includes a hospital with 1,000 beds, 12 operating rooms and 1,200 medical staff.

S-PILOT® – modular smoke evacuation system

As an early pioneer in laparoscopy, KARL STORZ has consistently worked to advance the state of the art. A great example is the S-PILOT® modular smoke evacuation management system, with in-line filtration and options for both active and passive applications. Recent guidance from SAGES and EAES recommends “For MIS procedures, use of devices to filter released CO₂ for aerosolized particles should be strongly considered”.

While KARL STORZ has not specifically tested the use of KARL STORZ smoke evacuation devices in relation to SARS-CoV-2, there are data on KARL STORZ filters and its effectiveness against other bacteria and viruses.

The S-PILOT® with in-line filtration is part of the extensive array of KARL STORZ products designed in consultation with laparoscopic surgeons. The complete repertoire covers the full range of diagnostic and surgical laparoscopic procedures for adult and pediatric patients.
KARL STORZ Group – Subsidiaries’ Initiatives
China: Support of urgently built COVID-19 hospitals

Ever since the COVID-19 outbreak began, KARL STORZ China activated the “SAFE (Solidarity, Adaptability, Flexibility, and Endurability)” policy in response to COVID-19 and has been continuously implementing measures to protect its employees from infections and making donations to frontline surgeons and hospitals.

KARL STORZ China donated endoscopy equipment and medical supplies in January 2020 when the government announced the plan to build two field hospitals, the Fire God Mountain Hospital and the Thunder God Mountain Hospital, in Wuhan, China. Working in close coordination with the Wuhan Branch of the Red Cross Society of China and collecting needs from many local hospitals, the first batch of donations arrived in Wuhan on January 27th and the second batch was delivered on January 31st, 2020.

When the donations arrived in Wuhan, KARL STORZ local employees rented trucks and carried boxes of medical equipment and supplies with their own hands to the government designated storage facility, guided by local military officers and Red Cross staff. When the equipment was ready to be installed, the company’s Technical Service team based in Wuhan immediately brought all the kits necessary together with their protection kits and went to the construction site of the Fire God Mountain Hospital.

So far, KARL STORZ China has donated medical equipment worth RMB 14 million (around €1.8 million) to the hospitals. KARL STORZ dealers have also donated medical supplies to 17 hospitals in Hubei province and Beijing worth RMB 2 million (around €250,000).
As a manufacturer of high-tech surgical and emergency medical equipment, KARL STORZ Russia has actively supported efforts to combat COVID-19 from the very beginning. The first thing KARL STORZ Russia chose to do was the translation of various foreign recommendations and safety standards for treating COVID-19 patients in operating rooms. These include recommendations provided by the Robert Koch Institute (RKI) and guidelines from the Society of American Gastrointestinal and Endoscopic Surgeons (SAGES).

The next crucial step was to train the staff of the red zone intensive care units in urgently built COVID hospitals to operate the equipment in the extreme situation of the COVID-19 pandemic. Among others, a workshop on breathing problems in patients with COVID-19 was held on April 30th, 2020, at the Voronovskoye Moscow Clinical Center for Infectious Diseases with technical support from KARL STORZ Russia. The hospital was built one month before the start of patient admission and was equipped with the first sets for video laryngoscopy. The workshop on the handling of those sets was held in the simulation center of the hospital. Particular attention was paid to techniques that speed up tracheal intubation in patients in critical condition and reduce the risk of infection for the hospital staff. The course was led by Vitaly Ivanovich Stamov, head of the anaesthesiology and reanimation department of the I.M. Sechenov First Moscow State Medical University, who works in the red zone every day. The workshop was attended by 20 doctors of this hospital.

Furthermore, KARL STORZ Russia provided surgeons of the Voronovskoye Moscow Clinical Center for Infectious Diseases with two training sets to help them develop their skills and practice the interactions between doctors from different hospitals and with different experience with laparoscopy.

The KARL STORZ Training Center in Moscow has also been actively involved with the training of specialists treating COVID-19 patients. KARL STORZ Russia held several workshops for small teams and shot a video demonstration of additional personal protective equipment used during the tracheal intubation in patients with COVID-19. Beyond that, KARL STORZ Russia and Moscow Regional Public Organization of Nurses held a large-scale webinar “Operating Room Workflow during COVID-19 Pandemic” on May 16th, 2020.
Global Compact Principles 1-2: Human Rights
Implementation of the Ten Principles at KARL STORZ

Global Compact Principles 1-2: Human Rights

**Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.**

Every year, KARL STORZ aims to not only theoretically respect and support human rights, but to apply this idea to the specific business context.

For KARL STORZ, respecting human rights also means explicitly promoting projects focusing on human dignity within and outside of the company’s core business. On the basis of this fundamental principle, KARL STORZ again provided sustainable support this year. On the one side we supported projects dedicated to medical education and training and on the other side we focused on supporting projects that specifically assist people in less privileged situations, as well as in the current COVID-19 situation, or that help others to help themselves.
I. Support of medical education and training
Eritrea: Support of the NGO “For-Eritrea e.V.”

Background
“For-Eritrea e.V. (Medical Support in Partnership)” is a medical nongovernmental organization (NGO) promoting public health as well as the public health care system in Eritrea. The initiative, which was established in 2012 under the umbrella organization “Human Plus e.V.” has engaged in trustful, highly motivated, and purposeful efforts on equal footing with its Eritrean partners since 2012, focusing on improving the health care of mothers, children, and women in Eritrea.

Qualified training and continued education of local medical staff is the essential key to its success. KARL STORZ is committed to research and continued education as well as humanitarian aid to developing countries, and supports the “For-Eritrea e.V.” NGO in its objective of ensuring better medical care in Eritrea. Since 2016, KARL STORZ has supported this project with annual financial donations.

Continuing education for physicians and medical students has been offered at Asmara College of Health Sciences since January 2016, when the Eritrean-German Medical Partnership was established on the basis of a postgraduate medical training program. Since that time, the infrastructure at Orotta National Referral Hospital in Asmara has been improved continuously as a result.

Every year since 2017, around four missions in oncology, obstetrics, pathology, and diagnostics have been carried out annually with the aid of KARL STORZ equipment in Eritrea as well as Eritrean physician visits to Hamburg.

Activities and Results
- Donations in kind of a laparoscopy tower and laparoscopic instruments
- Introduction of laparoscopy at Edaga Hamus Hospital
  - Preoperative screening and patient selection (e.g. regarding risk factors)
  - Device installation and induction
  - Start of laparoscopic surgery, focusing on infertility, ovarian tumors, endometriosis, and chronic pain in the lower abdomen
- Oncological surgery at Orotta Maternity Hospital
  - Preoperative screening and selection of patients with gynecological tumors (e.g. regarding risk factors)
  - 12 major surgeries in one week
- Training of OR nurses and development of their videolaryngoscopy skills
  - Handling, processing (disinfection), and preparation of laparoscopic instruments
  - Emergency laparotomy – how to work with the instruments
  - Training/skills development
- Project Oncology (Treatment of Malignant Lymphoma in Eritrea)
  - Positioning of options for introducing treatment standards for malignant lymphoma and assessment of the situation
- Improvement and advancement of chemotherapy procedures/management
- Introduction of chemotherapy standards for malignant lymphoma
- Management of chemotherapy extravasation
- Videolaryngoscopy workshop at Orotta National Referral Hospital/Orotta College of Medicine & Health Sciences
Dr. Dawit Estifanos at the KARL STORZ Berlin Visitor and Training Centre during his physician visit to Hamburg

Introduction of laparoscopy using donated KARL STORZ equipment at Edaga Hamus Hospital
Kenya and Senegal: Biomedical engineers for Sub-Saharan Africa

Background

In a world where over a billion people have insufficient access to healthcare provisions, Sub-Saharan Africa is one of the most disadvantaged regions in this respect. This is caused in significant part by a lack of skilled personnel and a lack of funding. National plans for healthcare development in Kenya and Senegal aim, among other objectives, to enhance infrastructure and equipment in their health sectors. Such equipment requires the services of biomedical engineers, whose job is to take care of and maintain medical products and surgical instruments, build and modify equipment for patients’ use, and manage clinical equipment deployed in hospitals. There is considerable demand for biomedical engineers in public and private hospitals, in smaller health centers and among the suppliers and distributors of medical equipment.

As part of Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) develoPPP.de program, the German Society for International Cooperation (GIZ) formed a Strategic Alliance in 2019 with five global leaders in the manufacture of health care products and services, including KARL STORZ. In a three-year collaboration project, the Strategic Alliance aims to increase the supply of qualified biomedical engineers in Kenya and Senegal by introducing a practical and market-orientated bachelor’s degree in applied biomedical engineering until 2021.

Update 2020

Due to the spreading corona epidemic, most of the planned activities for 2020 could not be implemented. With the permission of the German Federal Ministry for Economic Cooperation and Development BMZ and after consultation with the project partners, the duration of the project was extended by one year (until March 2022).

In 2020 it was planned to start the „Training of Trainers“ (ToT) program that means to train the local university lecturers and responsible persons of the new study course “Biomedical Engineering” on-site. The ToT includes an introduction to the medical equipment as well as practical and technical training on the respective products. After the ToT, the responsible persons will be enabled to develop their own teaching material. The knowledge learned is to be anchored in the curriculum.

As these on-site training sessions could not take place, the project partners used the time to prepare the ToT with means of distance learning.

The exact description of the previous knowledge for the ToT training was defined and a communication strategy was developed. The companies compiled documents and videos for those responsible for the course and gave them access to e-learning and online platforms as well as to webinars. With this approach, those responsible for the study course could effectively use the time and prepare for the practical training that will follow in 2021.
China: Newly established MIS Training Centers

With two newly established MIS training centers, KARL STORZ has set a further milestone in establishing itself in China and constantly promoting the development of minimally invasive technology in the nation. KARL STORZ will continue to facilitate international exchanges in minimally invasive treatment and promote a new mode of minimally invasive diagnosis and treatment to bring more advanced concepts, leading technologies and high-quality products to medical institutions. We aim to help Chinese minimally invasive surgeons to upgrade their technical level, to promote the development of local minimally invasive technologies, and to provide better services for patients.

Gynecology: Sino European Life Expert Center

KARL STORZ China has been a close clinical partner with Renji Hospital, affiliated to Shanghai Jiaotong University School of Medicine. In 2018, KARL STORZ China signed contracts with the Minimally Invasive Training Center of Renji Hospital on a strategic cooperation. In August 2020, the Sino European Life Expert Center officially began operations in Renji Hospital. Based on the advanced experience of the European Life Expert Centre established by Professor Rudi Campo in Leuven, Belgium, the new center introduces advanced diagnosis and treatment concepts and facilities into China. KARL STORZ provided equipment and knowledge support to build the center into an international hysteroscopy diagnosis and treatment center, creating the first innovative mode of painless hysteroscopy without anesthesia and one-stop hysteroscopy in outpatient service in China.
Neurosurgery: Huashan Minimally Invasive Neurosurgery Training Center

The Department of Neurosurgery in Huashan Hospital, Fudan University is one of the earliest hospitals in China to develop minimally invasive neurosurgery technology. As a national continuing medical education base, the development of minimally invasive neurosurgery technology in Huashan Hospital has played a leading role in the popularization of minimally invasive neurosurgery technology in China, and trained hundreds of excellent neurosurgery experts at home and abroad in the past 100 years. In order to promote the development of minimally invasive neurosurgery, KARL STORZ donated to Huashan Hospital, Fudan University to build a clinical training center with current international leading technology. In October 2020, the training center of Huashan Hospital was officially put into trial operation.

The completion of Huashan Minimally Invasive Neurosurgery Training Center will further improve the development strategy of integrating science, teaching and research, allowing it to continue to carry out clinical research of new surgical methods, keep its leading and innovative minimally invasive techniques, establish a standardized training mode of minimally invasive neurosurgery techniques, and train more qualified talents with minimally invasive techniques.
Kazakhstan: Support of the 1st Virtual Congress on Endoscopic Gynecology

Background
The active development of endoscopic gynecology in Kazakhstan began in 2009 with the opening of the International Training Center for Endoscopic Surgery at the National Scientific Center for Motherhood and Childhood in Astana. The first integrated OR1™ operating room in Kazakhstan was delivered to this center and a training simulation center for 10 workstations was arranged. From that moment on, the active introduction of endoscopy into the gynecological practice of Kazakhstan commenced. Every year the Training Center hosted multiple congresses, master classes, practical training sessions with the invitation of international experts and our key opinion leaders. Kazakh gynecologists took part in training courses at CICE in Clermont-Ferrand (France) and IRCAD in Strasbourg (France). Thus, over 10 years, a galaxy of experts in various areas of endoscopic gynecology has formed in Kazakhstan, and in 2015 the Association of Gynecologists-Endoscopists of Kazakhstan was established.

Activities
In 2020, the Association of Gynecologists-Endoscopists of Kazakhstan celebrated its 5th anniversary, and to mark the occasion, the Congress was planned. Due to the pandemic, the 5th International and 1st Virtual Congress on Endoscopic Gynecology was held from September 21st to 25th, 2020 in online format on www.endosurgery.pro and zoom platforms, with the comprehensive technical support of KARL STORZ. Kazakh gynecologists-endoscopists demonstrated their capabilities, and experts from France, Italy, India, Russia, Ukraine, and Azerbaijan joined them to exchange accumulated experience and to show live surgery from operating rooms of different cities and countries.

Over the five days, different areas of endoscopic gynecology were highlighted, from simple to complex. High-tech surgeries were carried out with modern endosurgical KARL STORZ equipment from integrated OR1™ operating rooms, with visualization in 4K formats and using indocyanine green (ICG).

Results
23 live operations were demonstrated, most of which were performed at a high level by Kazakhstani surgeons. In addition to broadcasts of demonstration operations, video sessions were held. The Congress was supported by Professor Mario Malzoni, Professor Sh. Puntambekar, Doctor Revaz Botchorishvili, Professors from Russia – Alexander Popov, Igor Berlev, Laura Kappusheva, Eduard Gallyamov, colleagues from Ukraine, Georgia, Azerbaijan. At the end of the Congress, a case with materials and video recordings was created, including lectures and reports that were not presented during the airtime. At the Congress much attention was paid to infectious safety under pandemic conditions.

More than 700 participants registered to take part in the Congress, with 482 people actively participating. The Congress which Kazakh gynecologists initially planned as a regional one with the participation of international experts, brought together not only doctors from Kazakhstan, but also from Russia, Azerbaijan, Ukraine, Uzbekistan, Kyrgyzstan, Armenia, Moldova, Belarus, Georgia, Lithuania and other countries, and gave an opportunity to exchange experiences, motivating delegates to further development and harnessing of new opportunities.

Dr. Erlan Kukubassov and Dr. Orynbasar Bartleuov use fluorescence diagnostics with indocyanine green (ICG) for sentinel lymph node detection in a patient with endometrial carcinoma
KARL STORZ Group – Subsidiaries’ Initiatives  
South Africa: Skill Lab and Masterclass Support

**Mandela Medical School Skills Lab 2020**
On December 6th, 2019, the University of Kwa-Zulu Natal, Nelson R Mandela School of Medicine, Skills Lab was officially opened by the Dean of the University, Prof Ncoza Dlova, Academic Head of Department, Prof H M Sebitloane, Acting HOD Obs & Gynae, Dr Suran Ramphal. The Department of Obstetrics and Gynaecology consists of 45 registrars and consultants. One of their biggest draw-backs has been the shortage of, and limited access to, modern medical equipment and instrumentation for training of the doctors in this department.

KARL STORZ Endoscopy (South Africa) (Pty) Ltd championed the transitioning of a ‘make-shift’ skills lab into a fully functional modern training facility, by way of donating the much-needed equipment and training sessions.

We are incredibly proud to have been so involved in a project which benefits not only the doctors but the greater community at large.

**SAUREM (South African Urology Masterclass)**
The first ever South African Urology Registrars Masterclass was initiated by KARL STORZ in collaboration with Nu Angle and presented at the KARL STORZ office in Johannesburg. Final year Urology registrars and department heads from all tertiary institutions were invited to participate in this preparatory program for their final examination. The 3-day program included a multiple-choice question exam followed by lectures from both local and international (via Webinars) key opinion leaders in their specific fields of expertise. The program ended with objective structured clinical exams. The gratitude with which the program was received was overwhelming and KARL STORZ intends continuing this partnership on an annual basis.

**Chris Hani Baragwanath Academic Hospital Skills Lab**
With the support of KARL STORZ Endoscopy (South Africa) (Pty) Ltd, The University of the Witwatersrand, The School of Clinical Medicine, has a temporal bone lab and general skills lab. This lab will provide the much-needed training of the country’s junior doctors, upliftment of skills for the senior doctors, as well as being used to run endoscopic sinus surgery and temporal bone courses. The lab will also service a community which has over 2 million residents.
II. Support of people in less privileged situations

Donations of medical technology products for sustainable development

This year, KARL STORZ once again supported numerous medical aid projects in various countries worldwide. These projects focus on treating patients in need as well as on the sustainable component of training local physicians and nurses in endoscopic methods. KARL STORZ contributes by donating endoscopic products that are then used by experienced physicians on site. Afterwards the products are donated to local staff following medical training.

In 2020, we supported projects in the following countries:

- Chad
- Senegal
- Tanzania
- Uganda
Germany: Management fundraising campaign

When she published her biography “Style. Strength. Storz. Sybill Storz” in November 2019, Dr. h. c. mult. Sybill Storz simultaneously started a fundraiser: For each purchased copy of the biography, €5 would be donated toward social projects in Tuttlingen. To date, the sales proceeds have brought in a total of €18,600 in donations, which Dr. h. c. mult. Sybill Storz and Karl-Christian Storz then divided equally between the two recipients: the Tuttlingen office of the German Child Protection League (Deutscher Kinderschutzbund) and the Family Support Service for the District of Tuttlingen (FED 2000 e.V., Familienentlastender Dienst für den Landkreis Tuttlingen).

In her biography, Sybill Storz gives rare and personal insights into her life. The successful entrepreneur examines the past, present, and future, looking back on formative encounters as well as company milestones. Since its publication, the book has been available at local bookstores in Tuttlingen.

“I am very pleased that each purchased copy of my biography makes an important contribution to the German Child Protection League and the Family Support Service,” Dr. h. c. mult. Sybill Storz noted. “Supporting both social organizations in Tuttlingen through my personal project was very important to me.”

At the donation ceremony, the representatives of both NGOs were very pleased to accept the donation certificate and expressed their gratitude for the generous financial support. The representatives noted that the donation would not only motivate their staff by showing appreciation of their work, but would also help them provide services to children as well as families caring for children with disabilities – services needed more urgently than ever in light of this year’s COVID-19 situation.

Presentation of the donation in September 2020: The recipients were pleased to receive the generous donation from the biography’s sales proceeds.
2020 marks the 11th year that KARL STORZ China carried out student funding activities in underdeveloped school districts in rural China. By November 2020, KARL STORZ China had donated supplies worth €202,508 to Xuwei School District and Baoji School District, two major school districts in Huaiyuan County, Bengbu City, Anhui Province.

Since 2019, KARL STORZ China has funded Baoji District, the largest school district in the county, which has a total of 31 primary and secondary schools including 28 primary schools (4 teaching locations are included) and 3 middle schools, with 10,110 students. At that time, for Baoji District, the infrastructure was poor; teachers were in short supply, and the academic performance was at a level that could be improved. However, after two years’ funding and development, the teaching and research activities in this district have been continuously innovated, and the students’ physical fitness has also been continuously improved.

In 2020, KARL STORZ China not only donated teaching facilities and equipment to Huaiyuan County, such as 200 sets of student desks and chairs, but also paid attention to local teaching quality, awarding certificates and bonuses to local teachers whose performance excelled with outstanding teaching achievements, and motivated teachers to promote teaching levels. In 2020, a total of 154 teachers won awards for their excellence.
KARL STORZ Group – Subsidiaries’ Initiatives
India: Support of underprivileged children in Gurugram

In 2019, KARL STORZ India partnered with Agrasar Bachpan, a non-governmental organization (NGO) that is based out of the millennium city of Gurugram and has been supporting their key educational initiatives since then. Through its various programs the foundation focuses on out-of-school children and underprivileged children to help them to attain the age appropriate learning levels through quality education. In addition, the children get mainstreamed into formal schools. The main vision is that the children achieve a universally valid education and a cultural shift in the education ecosystem of India.

In 2020 KARL STORZ India supported Agrasar Bachpan’s activities through monetary funding. Due to COVID-19, the KARL STORZ employees could not support their activities on-site this year. The COVID-19 pandemic raised the challenge for the institution to support their educational initiatives due to challenges related to social and financial background of the students and their families. However, Agrasar Bachpan did not lose focus and with determination, zeal and the right partnerships in place, they continued with their initiatives. They were quick to establish regular online classes and a WhatsApp broadcast group to ensure that the children continued to study and learn at home. The teachers have also created their own YouTube channel to reach out to more children and other teachers. Now, the children visit the center in a group of 3-4 children by maintaining social distancing, while they read books from the library at the center. This enables them to seek clarity from their teachers and peers. In addition to the children visiting the center to read books, the teachers have started teaching them basic functions and tools and internet readiness skills.

In September 2020, a Parents-Teachers Meeting was held to discuss the child’s performance and to build understanding of the importance of regular online classes.
KARL STORZ Group – Subsidiaries’ Initiatives
South Africa: Red Cross War Memorial Children’s Hospital

Red Cross War Memorial Children’s Hospital is South Africa’s only dedicated child health institution and offers a comprehensive range of specialist pediatric services to children. It is a center of excellence for the training of all categories of child health professionals. Children from all nine provinces of South Africa and from all over Africa are referred to the hospital by referral hospitals, clinics and smaller hospitals. The hospital is active in pediatric outreach and support programs across South Africa. Red Cross War Memorial Children’s Hospital is regarded as South Africa’s leading center for postgraduate specialist pediatric medical and surgical training. The hospital’s tertiary facility provides comprehensive dedicated pediatric services with a full range of sub-specialties at quaternary, tertiary and secondary levels of care. KARL STORZ South Africa and KARL STORZ Tuttlingen have been proud supporters of this hospital for many years. In 2020, the commitment to the hospital and its children throughout Africa continued with the installation of the first OR1 AIR® system into the Burns Unit. OR1 AIR® offers image distribution inside the OR, documentation of image and video data as well as bidirectional audiovisual communication within the hospital.
III. Employee Solidarity

KARL STORZ Group – Subsidiaries’ Initiatives
Lebanon: Support for the victims of Beirut Port Explosion

On August 4th, 2020, a huge blast rocked Beirut Port and caused 203 deaths, with 6,500 injured. The explosion wrecked half of the capital and homes within a radius of 10 kilometers were fully or partially destroyed. Around 300,000 people were left homeless.

The explosion also caused serious damage to many hospitals in the capital. KARL STORZ Middle East and Africa quickly responded through monetary donations to six hospitals affected by the blast. The KARL STORZ Middle East and Africa local team also launched an initiative to raise donations for local NGOs that were already working in the relief efforts and managing the catastrophe with their limited capabilities. In a testament of generosity of spirit, the employee response was overwhelmingly positive and gathered the amount of US$ 33,984. In show of solidarity the KARL STORZ headquarters generously topped up the donation to US$ 70,000.

KARL STORZ Middle East and Gulf selected 4 charitable organizations that are widely recognized for playing a vital role in the support of their community. Challenged by the existing economic situation and the COVID-19 pandemic, the port explosion brought even tougher challenges for the NGOs. More than ever before, they needed support to respond to increasing homelessness and vital needs.

The collected funds were distributed evenly among the following organizations:

Offre Joie
Founded in 1985, Offre Joie aspired for a society whose citizens are united in diversity and committed to respecting basic human rights. Offre Joie was among the first NGOs to respond to the blast by assessing the damages in 3 major areas directly affected. Within 48 hours of the blast more than 6,000 volunteered to assist Offre Joie in the relief efforts including Engineers, Architects, and skilled laborers. Offre Joie set a target to assist 300 families to return to their homes before the winter season. By September 30th, 2020, almost 2 months following the blast, Offre Joie had already made great progress.

Dafa
Dafa literally translated means “warmth”. Founded in 2013, Dafa has helped tens of thousands underprivileged families in Lebanon. At its conception, Dafa was concerned with organizing one annual campaign to provide food and clothing to families during the winter season; their slogan being “Because we only have each other”. Since 2019, and with the economic situation prevailing in the country, COVID-19, and the port tragedy, Dafa volunteers are busier than ever working all year round to support underprivileged families all over Lebanon. Most recently, The Dafa campaign has been relentless in helping families get through the tragic blast by clearing the rubble, repairing homes, providing, food, clothes, blankets, etc.
The Lebanese Food Bank

Founded in 2011, The Lebanese Food Bank, is a non-profit organization that aims to overcome hunger in Lebanon by developing feeding programs in the short term and establishing development and awareness program to eliminate hunger altogether in the longer term. Following the port explosion, the Lebanese Food Bank, in addition to donating food parcels to needy families, began distributing new fridges and electrical ovens to 201 families afflicted by the blast. The distribution began on October 12th, 2020 and remains ongoing until the target is reached. Moreover, to-date 3,360 food boxes have been distributed to needy families. Furthermore, though not part of their mission, the Lebanese Food Bank were unable to just stand by and watch the destruction around them, so they deployed a team of volunteers to assist in the reconstruction efforts through fixing and donating doors and windows to the affected neighborhoods.

arcenciel

For almost 36 years, arcenciel have been active in Lebanon supporting fragile and marginalized groups. Following the port tragedy, arcenciel deployed hundreds of volunteers to assess the damages and critical needs of the people directly affected. The NGO was quick to respond by providing medical aid such as wheelchairs, crutches, walkers, medications, as well as post-emergency health monitoring of injured persons. Furthermore, arcenciel commissioned local artisans for the refurbishment of damaged furniture. Environmentally conscious, arcenciel was active in collecting, sorting and recycling of glass, wood, metal and electric appliances from the devastated areas.
KARL STORZ Group – Subsidiaries’ Initiatives

Singapore: Project Dignity Kitchen

During this year’s KARL STORZ ASIA Kick-Off meeting in Singapore, employees of KARL STORZ Singapore committed themselves to demonstrate corporate social responsibility by giving back to the community, take part in philanthropic causes, and provide positive social value. Therefore, on the 3rd of February 2020, KARL STORZ Singapore sponsored a lunch treat for the elderly. A group of KARL STORZ staff and business partners from the region prepared food with differently abled and disadvantaged chefs to serve to elderly people in the community at the Project Dignity Kitchen.

Project Dignity is a social enterprise setup in 2010 by Mr. Koh Seng Choon who has a vision „to restore dignity to the disabled and disadvantaged through vocation with passion“. He started with occasional volunteering including conducting entrepreneurship classes for prison inmates. Seeing the plight of those in abject poverty, he felt there was a more sustainable way to solve this problem besides donating time and money. He decided to merge his love for food with a poverty-fighting business model.

Project Dignity started its first initiative, Dignity Kitchen, to provide sponsored training for unemployed adults with special needs and place them with employment partners within the food and beverage, hospitality and retail sectors. They believe in not just training and placement, but also in setting an example for other businesses to be inclusive by employing some of their own trainees, they now have about 60% of the full-time staff who are physically challenged and disadvantaged. Profits are channeled back into the Train-and-Place program as well as lunch treats on days when there are no sponsors. The remaining profits are invested in solutions that enable them to provide better services as well as reduce operational costs.
KARL STORZ Group – Subsidiaries’ Initiatives
USA: Workforce Diversity

Diversity, Equity, and Inclusion (DEI) Office
KARL STORZ is committed to fostering an environment where everyone is given equal opportunity to succeed and where no one feels marginalized because of their background, identity, or beliefs. KARL STORZ Endoscopy-America (El Segundo) has created a Diversity, Equity, and Inclusion (DEI) office and provides employees with educational resources geared toward promoting communication, understanding, tolerance, and respect. Based on a recommendation from the office, the US Executive Management Team has adopted Martin Luther King Jr. Day as an official holiday.

Business Resource Groups
KARL STORZ Endovision, Inc. (Chariton) supports diversity through Business Resource Groups – communities of employees who come together around common interests, issues, and backgrounds to provide support, networking, and professional opportunities. The division has six Business Resource Groups for veterans, women, Asian-Americans, African Americans, and Latinx and LGBTQ individuals. These groups help identify and develop talent from traditionally underrepresented communities.
At our subsidiaries in the U.S. employees collectively supported the following community service initiatives:

**Protective Gear for Healthcare Workers**

The global pandemic amplified the need to support charitable organizations. Many traditional fundraising events were scaled back due to restrictions on public gatherings. As a result, the focus shifted to providing necessary equipment for healthcare workers. Throughout our North American facilities, numerous individuals and corporate groups supplied N95 masks, face shields, and protective garments to healthcare organizations. In many cases, these supplies were made by hand.

**Military Personnel**

The Veteran’s Network Group at KARL STORZ Endovision (Charlton) shipped more than 50 care packages to troops overseas, including units stationed in South Korea.
KIDSAVE
KIDSAVE is an organization focused on finding permanent adoptive families or long-term mentors for older youths in the Los Angeles County foster care system. For the past several years, employees of KARL STORZ Endoscopy-America (El Segundo) have helped organize a fund-raising hike. These hikes provide an opportunity for kids to spend time with prospective hosts and adoptive families in a conducive setting. This year, KIDSAVE honored the Global Vice President of Finance, Mark Green, with the Andrew Ley Memorial Award in recognition of his success in creating the annual hike.

CALM
Employees at KARL STORZ Imaging (Goleta) took part in a gift card drive for clients and families for CALM (Child Abuse Listening Mediation), an organization dedicated to preventing early childhood trauma and treating child abuse.

Foodbank of Santa Barbara County
KARL STORZ Imaging (Goleta) continued its tradition of donating to the Foodbank to ensure that local families – including many who were adversely affected by the pandemic – have nourishing food, especially during the holiday season.

Cancer Awareness
KARL STORZ Imaging (Goleta) took part in the 28th annual run to support the Ridley-Tree Cancer Center in Santa Barbara. This year’s event was held virtually.

Ecology
KARL STORZ Imaging (Goleta) also supported Sustainable Future, a local non-profit organization focused on using technology to help change behavior and empower communities to protect the environment and improve the health of our planet.
IV. Promoting the talents of children and adolescents

Sponsor of the regional “Jugend forscht” [youth research] competition

“Jugend forscht” is Germany’s best-known competition for young scientists. It aims to raise adolescents’ interest in mathematics, IT, natural sciences, and technology as well as to discover and nurture young talent. Nationwide, more than 100 regional competitions are held each year. Participants range in age from 4th grade through to age 21. (Source: http://www.jugend-forscht.de/)

“Looking for the researchers of tomorrow” was the motto of the first Jugend forscht event in 1965, initiated by the publisher Henri Nannen.

This year’s Jugend forscht competition (2020) was held under the motto “Schaffst du!” (You can do it!). This was the 55th round of Germany’s most successful youth competition. Regional competitions were held throughout Germany and the winners qualified for the next round in state and federal competitions. After the regional premiere in 2014, the seventh competition for the “Donau-Hegau” region was held in Tuttlingen in 2020.

The sponsors of the competition, KARL STORZ SE & Co. KG and the City of Tuttlingen, have been very satisfied with the rising interest of young people to participate in the competition. In February 2020, 124 participants presented their abilities and knowledge in 65 projects in the fields of technology, work environment, physics, chemistry, biology, mathematics and computer science. In addition to the benefit from the experience of having participated in Jugend forscht, young researchers gain skills that will be great assets for their future careers.

Despite the COVID-19 pandemic, as the competition’s sponsors, we are already planning the next Donau-Hegau regional event for late February 2021: “Lass Zukunft da.” (Leave the future here) is the motto of the 2021 “Jugend forscht” youth research competition. The next regional competition will again be organized by the sponsors KARL STORZ and City of Tuttlingen. In order to make the competition happen in 2021, and also allowing for the impact of COVID-19, the sponsors have decided to offer this competition for the first time in the history of “Jugend forscht” in an online format. For 2021, we expect a total of 124 participants and around 66 projects in seven disciplines (as of December 2020).
Karl-Christian Storz
Managing Director of KARL STORZ SE & Co. KG

This year’s slogan, “You can do it!” once again encouraged and motivated many young researchers to get to the bottom of things proactively and confidently. I would like to start by congratulating all of the children and youth who have chosen to challenge themselves by participating in “Jugend forscht.” That requires courage, ideas, creativity, and the ability to think outside the box, to critically examine existing structures and find new solutions. Our society very much needs people with these skills to help shape the future and promote change.” (February 2020)

Michael Beck
Mayor of Tuttlingen

“Our society is facing major challenges. And I am certain that we will not be able to solve them without innovative research projects. This applies, in particular, to the questions of how we can structure our future economy in an environmentally and socially responsible manner, which forms of energy we will use, and how we will achieve this energy transition while continuing to meet society’s needs. Very clearly, we need bright minds now more than ever.” (February 2020)

Review of the 2020 Donau-Hegau regional “Jugend forscht” competition

Film teaser [only available in German] at:
https://go.karlstorz.com/gc-2020-de-1

Available via QR code (please scan):
KARL STORZ Group – Subsidiaries’ Initiatives
USA: Educational Support

Business and Manufacturing Technology Certificates
KARL STORZ is proud to support continuing education, offering programs to help employees expand their horizons and advance their careers. This year, employees at KARL STORZ Endovision (Charlton) attended onsite classes to earn a Business Certificate or a Manufacturing Technology Certificate from local colleges. Studying subjects ranging from Marketing to Materials Science, they acquired valuable career skills and earned credits toward a college degree.

KARL STORZ Imaging (Goleta) supports the education and development of local youths in engineering and computer science with the following projects:

American Association of University Women (AAUW) Tech Trek
The AAUW Tech Trek is a camp designed to get middle-school girls interested in STEM (science, technology, engineering, and math).

La Patera Elementary School – Science, Technology, Engineering and Mathematics (STEM)
KARL STORZ Product Development participates in the La Patera Public Elementary School STEM education program. The program provides the students aged 5 to 11 access to various technical fields through interactive programs and presentations. Representatives of KARL STORZ meet with children providing them with hands on experience with medical devices in an interactive demonstration environment and encouraging them to get excited about and interested in science, engineering and medicine.

Oxnard Union High School District (OUHSD) – Pathways and Academies at OUHSD
OUHSD Academies and Pathways provides students with exposure to the opportunities and requirements for a career in the STEM fields, and valuable workplace skills. Through combining industry and academia, students understand the importance of learning and how it applies to their future careers and studies.

In 2020 KARL STORZ Imaging (Goleta) began a relationship as an industry leader with the OUHSD. Representatives of KARL STORZ participated in a roundtable discussion to establish the skill sets to be included in the program. As the program is defined and developed for the academic year, KARL STORZ employees intend to play a hands-on role in a variety of programs involved directly with the students, bringing real life experience to their classroom education.
Local University Engineering Programs

KARL STORZ Product Development Directors of KARL STORZ Imaging (Goleta) provide their service as guest lecturers at the local universities to explain and demonstrate how different science and engineering disciplines are utilized in product development and innovation of medical devices.

KARL STORZ Imaging representatives attend technology fairs at the local universities to provide insight into the expanding opportunities available in the Medical Device Industry. In 2020 the KARL STORZ Product Development group provided these students with twelve paid internships in multiple engineering and computer science disciplines providing training and experience and promoting further education in product design and development, cyber security and medical industry regulatory compliance.

Dos Pueblos High School Engineering Academy

The Dos Pueblos Engineering Academy is a four-year Career Technical Education (CTE) program based at Dos Pueblos High School in Goleta, California. It applies project-based learning to teach students critical, analytical, design and problem-solving skills, and is a CTE Pathway in the Engineering and Design Industry Sector.

In 2020 KARL STORZ continued its financial contribution to the support and advancement of this public-school program as an Innovator sponsor. The Product Development department also provides the academy with a paid summer internship to promote interest and experience in the field of medical device design and development for these future engineers.

The 2019 DPEA news publication contained the following quote from the student who interned at KARL STORZ “Without this internship, I would not have been completely sure which field of engineering I would like to major in and pursue as a career. After experiencing the different types of engineering at KARL STORZ, I realized that mechanical engineering was the perfect fit for my personality”.

Implementation of the Ten Principles at KARL STORZ

Global Compact Principles 3-6: Labor

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

As a family business, KARL STORZ consistently strives to design the workplace such that employees can optimally contribute to the company while allowing for personal creativity and creation of meaning. KARL STORZ offers the following volunteer programs to meet our employees’ needs:

- Flexible work time models, **16.1%** (2019: 15.8%) of the workforce has a part-time contract
- Flexible job reintegration for working mothers
- Financial participation in the company’s success
- Voluntary extended benefits
- Support of continued education and professional development

According to a recent statistic of the Federal Employment Agency (Bundesagentur für Arbeit) published in August 2019, women still only hold about 15% of German technical jobs (MINT = mathematics, informatics, natural sciences, and technology). At KARL STORZ, women represent **43.6%** (2019: 44.6%) of workers in manufacturing and **32.2%** (2019: 26.1%) of those in Research & Development. The company is happy about this stable result, which is far above the state average. This is considered the result of consistent human resources policies that focus on abilities rather than gender roles.
I. KARL STORZ Employee Representative Committee

Background

To promote and intensify direct communication between staff and company management, a new body – the Employee Representative Committee – was established in August 2017. The goal of this Employee Representative Committee is to offer employees direct contact persons within the staff to whom they can voice their concerns, wishes, and criticisms regarding their work at KARL STORZ. The Employee Representative Committee collects these concerns and discusses them with the company management during periodic meetings. Through this body, KARL STORZ aims to engage in an open, honest, and transparent dialog with employees – regardless of hierarchies. The body currently includes a total of 20 participants across all areas and functions. Employees can confidentially contact the employee representatives either personally or via email and submit any topics for discussion.

Results

In 2020, the Employee Representative Committee addressed the following topics to company management and contributed to a solution to benefit the staff:

- Availability of free water dispensers to employees
- Increased safety through parking lot security at the Neuhausen location
- Participation in Corporate Benefits – a platform for employee discounts on products and services (beginning November 2020)
- Cafeteria at Dr.-Karl-Storz-Str. 34: a cafeteria concept has been prepared
- Expansion of outdoor seating at the Dr.-Karl-Storz-Str. 11 building
II. Support of working parents

In 2020 KARL STORZ again increased its long-term commitment to supporting working parents. For the **eleventh consecutive year**, KARL STORZ expanded its cooperation with the local childcare facility “Haus der Familie” [House of the Family] and the childcare facility Denk mit! [Thinking together] in Neuhausen ob Eck (Tuttlingen county).

The KARL STORZ family company has now reserved a total of **51 childcare places** for use by employees with young children. The cost of care is sponsored by the company.

Within this engagement KARL STORZ cooperated in January 2016 to create 15 additional childcare places in a mixed-age group (0-6 years of age) at Neuhausen industrial park, where the KARL STORZ logistics center is located. The cost of these places is fully covered by KARL STORZ, and therefore the places are reserved for the children of our employees, but children of employees of other companies located in the industrial park may benefit from the places as well if capacities are available.

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**Overview of childcare places – development since 2009**

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KARL STORZ Group – Subsidiaries’ Initiatives
China: Employee Family Day

KARL STORZ has always placed great value on the work-family balance of its employees and shared the company’s development achievements with employees’ families. This year, on the occasion that the KARL STORZ China Center (KSCC) officially started up operations, KARL STORZ Shanghai hosted a two-day open house family day for employees and their families.

On this family day, guides were provided to introduce the company’s culture and products; tailor-made product experiences for family members and science classes introducing the company’s product knowledge were offered. The family day was highly appreciated by employees and family members: In the satisfaction survey, the activity satisfaction reached 100%.

The tour guides introduce the company’s products to employees and their families during a guided tour of the KARL STORZ China Center (October 2020)

Children discovering in the KARL STORZ showroom (October 2020)
III. Support of education and apprenticeship training

Following up on our previous Progress Reports, we want to highlight our efforts in the area of education and apprenticeship training. The preservation of proven structures and concepts demonstrates the great commitment of KARL STORZ to the field of apprenticeship training.

Training and university studies at KARL STORZ

Employees are a company’s most important resource. Therefore, KARL STORZ places great value on young people receiving a solid education today, as they are tomorrow’s qualified employees. In 2020, we hired 38 trainees and 16 university students who are enrolled in a practice-oriented program at the Baden-Württemberg Cooperative State University (DHBW). In addition, 50 trainees and students successfully completed their training or university degree and we offered more than 90% of them an unlimited employment. Currently, there are a total of 182 young people who are in training or enrolled in university studies.

Trainee exchange with supplier

To promote the professional qualification and the exchange of experience of our trainees, we established an exchange program with a local supplier which has been running since 2009. The industrial apprentices in both companies spend 2 months at the other company on an exchange basis to learn new processes and skills. The exchange especially expands the apprentices’ understanding of processes involving cooperation between companies.

Cooperation without handicaps – one-week internship for trainees at a facility for people with disabilities

In collaboration with an association for people with disabilities, “Lebenshilfe für Menschen mit Behinderungen” [Life aid for human beings with disabilities], Tuttlingen District Association, KARL STORZ has been offering a one-week internship at Lebenshilfe for trainees in their first year of training through the project “Cooperation without handicaps” since 2003. Beyond professional qualification and the social interaction with co-workers, this project enables trainees and students to learn to interact with other people in our society. In Tuttlingen, Lebenshilfe runs a workshop for people with disabilities, an assisted living facility, and a facility that provides support and care for people with severe disabilities.

Initially, KARL STORZ apprentices and university students attend a local information event followed by a visit to the various departments of Lebenshilfe Tuttlingen. In the subsequent weeks, the apprentices and students have the opportunity to complete a voluntary, one-week internship at Lebenshilfe. Internships can be completed at the workshop, the assisted living facility, or at the care facility. At a final event, the interns then reflect on their experiences and impressions together with the Lebenshilfe employees, and more detailed information about the causes and types of disabilities is discussed. This project benefits both interns and people with disabilities because the personal collaboration and exchange reduces prejudice and makes integration a reality in everyday life. This year, 4 KARL STORZ apprentices and students completed an internship at Lebenshilfe.

In various areas of the Lebenshilfe association, KARL STORZ apprentices gain insights into the work and life of people with disabilities.
The KARL STORZ management is particularly committed to support people with disabilities and their integration into society. Therefore, we not only support the “Cooperation without handicaps” project but have been placing production orders with the Lebenshilfe workshop for years. The workshop employs people aged 18 to 65 with mental and multiple disabilities. The employees are supported occupationally and also receive personal development opportunities in the form of numerous accompanying programs, such as on numeracy and money, cooking and baking as well as through music therapy, etc.

Educational partnership with local schools

Since 2009, KARL STORZ has been in a cooperation agreement with the Hermann-Hesse-Realschule (intermediate-level secondary school). In 2010, we added an agreement with the Wilhelmschule. Throughout the school year 2019/2020, we conducted joint events such as job internships & tours and technology classes at the KARL STORZ trainee workshop.

Unfortunately, some events were canceled this year due to the COVID-19 pandemic. Nevertheless, KARL STORZ strives to resume these projects next year as well as adding new ones, including in virtual formats.
In 2009, the Tuttlingen university campus was established; it is a model institution of higher education that differs from existing universities in terms of trusteeship, organization, and teaching. This idea was developed and implemented with joint commitment of the industry, Tuttlingen city and county, the Furtwangen University of Applied Sciences, and the state of Baden-Württemberg. Tuttlingen now offers a cutting-edge international university based on the public-private partnership model. With its innovative approach, the Tuttlingen university campus aims to recruit additional engineering students.

Offering the five Bachelor programs Automation & Mechatronics, Manufacturing, Materials Engineering, MedTec, and Engineering Psychology and the Master programs Material Sciences, Mechatronic Systems and Medical Devices & Healthcare Management, the Tuttlingen university campus perfectly responds to the needs of the economy of the region and beyond. During their studies, students already familiarize themselves with the companies, use their laboratories, and develop social networks. The public-private partnership between the regional industry, the city of Tuttlingen, Tuttlingen county, and Furtwangen University of Applied Sciences makes the Tuttlingen campus unique in the German university landscape. The Förderverein Hochschulcampus Tuttlingen e.V. [University Campus Tuttlingen Association], whose membership includes more than 100 regional companies, has a voice and decision-making rights regarding the university's teaching: This model concretely implements the companies' demand for practice-oriented university education.

Because we strongly believe in this idea, KARL STORZ has been a founding member of the sponsoring association founded in 2009. KARL STORZ and 100 other partners from the association have agreed to support this unique university concept with €2.5 million annually for 10 years. In February 2016 the cooperation partners of this Private Public Partnership – the state of Baden-Württemberg, Furtwangen University and the University Campus Tuttlingen Association – renewed their agreement for the next ten years. Therefore, the financing of this outstanding university project will be assured up until 2029.

KARL STORZ additionally supports the Tuttlingen university campus as follows:

**Premium semester:** In 2014, KARL STORZ introduced the “USA Premium Semester”. In the context of a competition, university students receive a technical task. The solved task and completed application documents are submitted to and evaluated by KARL STORZ. Two students with excellent results and documents are awarded a six-month work experience semester at a KARL STORZ development site in the US (Massachusetts or California). KARL STORZ pays for the travel cost, lodging, and internship pay. This attractive program is intended to particularly promote the professional and personal qualifications of participants through the experience abroad.

In 2020, Julian Hofmann was awarded the Premium Semester, which allowed him to gain insights in the development and production site of KARL STORZ Endoscopy in Goleta, California, for six months. After his return in August 2020, he summarized his experience as follows:

**Julian Hofmann**

**Student at Tuttlingen university campus – field of study Industrial MedTec**

“Despite this year's unusual situation, the Premium Semester was an excellent opportunity for me to combine a semester abroad with the required internship semester. I was given the opportunity to shape my own on-the-job experience and express preferences regarding the tasks assigned to me. As a result, I was able to work very independently, which was a lot of fun. I had two contacts at all times, for personal and professional matters. The Premium Semester was a valuable experience and I am very grateful for the outstanding support I received from everyone involved.”

In 2020, KARL STORZ additionally supported the Tuttlingen University Campus as follows:

- Bachelor and Master thesis positions for students
- Working students' positions
- Industrial internships
Award of the Germany Scholarship [DeutschlandSTIPENDIUM]

Through the Germany Scholarship initiative, the federal government and private sponsors support tomorrow’s leaders. Together, sponsors want to ensure that top university students reach their full potential and thereby invest in Germany’s future. The project aims to support up to 1.5% of students at each German university. Germany’s wealth, positive economic development, and innovative strength are primarily the result of the many excellently trained professionals working here. Their extensive knowledge, ideas, and motivation ensure our country’s global competitiveness. But we must not rest on our laurels. In view of the demographic changes in Germany and growing global competition, it is increasingly important to specifically support top talents. (Source: http://www.deutschland-stipendium.de/de/1748.php)

KARL STORZ has been supporting this initiative since 2011. In the year 2020, the company granted a total of 7 scholarships to students at the following universities:

- Since 2011: University of Ulm (1 scholarship)
- Since 2012: Pforzheim University (1 scholarship)
- Since 2013: Reutlingen University (1 scholarship)
- Since 2016: TU Berlin (1 scholarship), KIT Karlsruhe (1 scholarship)
- Since 2017: Stuttgart University (1 scholarship), Tübingen University (1 scholarship)

“Endoscopy” lecture series – elective at Furtwangen university

In the winter semester 2020/2021, KARL STORZ offered for the seventh time an elective at Furtwangen university that was open to Medical Engineering students in the 3rd semester or above. In 11 online teaching units (1.5 hours each), KARL STORZ product and marketing managers teach the essentials of endoscopy. The lecture series particularly covers the fundamentals of anatomy, indications, methods, and technical instruments. Further teaching units deal with devices, cameras, molecular imaging, integrated operating rooms/OR management, and hygiene. At the end of the lecture series, presenters and students discuss professional opportunities in medical technology.
V. Continued education at KARL STORZ

Alongside external further training options, KARL STORZ provides internal opportunities for employees to engage in continued education in career-relevant topics.

Product-related training
To supply employees and sales partners with the latest product knowledge, 106 training events attended by 3,093 participants were held in 2020. Among these, 26 product training events were conducted face-to-face, and 80 were held virtually in the form of webinars.

Project and change management training
Since 2014, KARL STORZ has been developing programs on project management to enhance employee expertise in this area. In 2020, 30 training events on this topic were held with nearly 200 participants in Tuttlingen and in the US. Among these, 8 training events were conducted face-to-face, and 22 were held as webinars.

Leadership development
The PULS leadership development program fosters the management and leadership skills of managers. It aims to further professionalize leadership on the one hand and to visibly and sustainably further advance their individual areas of responsibility on the other. Since PULS started in 2016 there have been 7 different PULS runs with 90 participants in total. In autumn 2020 the pilot PULS North America was completed. 14 participants from the different subsidiaries in the US were part of the PULS program. Thanks to the experiences already gained from the PULS leadership development program in Germany, important aspects could be integrated into the pilot in North America.

Since 2019 PULS alumni events take place twice a year. These events focus on current leadership and management topics and foster the exchange between the different PULS runs. In September 2020 the PULS alumni event was held for the first time internationally. PULS participants from Germany as well as from the US took part and the online event was characterized by a lively intercultural exchange.

Beyond that a new initiative, the leadership toolkit, was implemented in 2020. As a platform for all leaders, the leadership toolkit offers space for the latest news on leadership topics and sharing experiences on virtual leadership and collaboration as well as on leading through VUCA (Volatility, Uncertainty, Complexity, Ambiguity). Regular virtual and interactive sessions foster the networking between the KARL STORZ leaders.

Internal IT training & language courses
In collaboration with Tuttlingen Volkshochschule (adult education center), KARL STORZ offers interested employees IT training on commonly used Microsoft Office programs as well as language classes in English, French, and Spanish. The training and instructional materials are paid for by KARL STORZ. Most courses were held online this year.
Communications program & intercultural seminars

After the pilot phase was completed in 2016 and 2017, communications seminars and intercultural seminars are now offered to employees of the Tuttlingen, Swiss and Austrian locations starting in 2018. The aim of the communications program and intercultural seminars is to increase the soft skills of all employees in order to improve their communication skills and cultural behavior. The program is offered to all employees of the German, Swiss and Austrian locations. In 2020, 40 training sessions were held with almost 310 participants. Most of the seminars have taken place virtually this year. Since July 2020, employees can use the Learning Management System (LMS) to register for in-house seminars. Beyond that there are e-learning offers for various soft skill issues available in the LMS.
Global Compact Principles 7-9: Environment
Implementation of the Ten Principles at KARL STORZ

Global Compact Principles 7-9: Environment

Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

The sustainable and responsible use of resources is particularly important to KARL STORZ, a globally active company with a long history, and its Managing Director Karl-Christian Storz. As a family company with regional roots, KARL STORZ has been committed to environmental protection for decades, and the company strives to protect the environment for subsequent generations as well. We believe that environmental protection and economic success are not mutually exclusive. At KARL STORZ, environmental protection and resource conservation are important criteria in business decisions. Manufacturing high-quality, multi-use products and using durable materials achieves long product lifetimes and thereby conserves resources. When developing new products, we place particular value on durability.
I. Environmental protection through innovative medical devices and energy saving processing

Virtual Reality (VR) in medical training and continued education

The medical training and continued medical education of surgeons is an important part of the KARL STORZ company philosophy. Our goal is to optimally prepare surgeons for real conditions and situations through realistic training via the VR simulators – for the safety of surgeons as well as their patients.

KARL STORZ VR simulators are constantly available training solutions in a completely risk-free environment and offer highly realistic conditions thanks to original instruments and realistic patient cases. In conventional methods, such as training on so-called box trainers or cadaver training, metabolic processes, for instance, cannot be taken into account. Perfused organs (with artificial circulation) are expensive, and as soon as it is perforated, the organ can no longer be used for training. Training and continued education on anesthetized animals can be minimized as well.

Unlike conventional training methods, training on VR simulators does not require consumables or instrument reprocessing. It is a clean training system since it does not require the cleaning of box trainers or the purchase of expensive organs or cadavers.

Training on VR simulators therefore has the following advantages:

• No single-use consumables, thereby reducing hazardous waste
• No chemical reprocessing of the employed instruments
• No anesthetics required
• No special disposal of organic waste

With this in mind, KARL STORZ added a new training system to the VR training options in 2020: LAPTRAINER is a cutting-edge hybrid simulator designed to maximize the benefits of simulation in laparoscopy. The new simulator offers a unique training approach enabling medical professionals to acquire key skills with increased efficiency by repetition of short simulation sequences. Medical professionals can now practice patient positioning, trocar placement and correct OR team setup in true-to-life conditions, as the simulator features an anatomically correct abdomen model. This endoscopic training takes advantage of the latest research in computer graphics, including the ability to visualize and manipulate the entire abdomen.

LAPTRAINER includes KARL STORZ flagship products such as the ENDOCAMELEON®, a multifunctional endoscope with a versatile viewing angle, the CLICKLINE and ROBI® instrument series and near infrared fluorescence imaging applications for the clear differentiation of key anatomical structures from surrounding organs using an ICG (indocyanine green) fluorescence agent.

Through the continuous further development of virtual reality simulators, KARL STORZ not only contributes to surgeon training and further medical education but also protects the environment with this fascinating new technology.
Replacement by energy-efficient systems and units

In Production, we are gradually replacing high-energy-use systems and units to ensure energy-efficient and cost-effective operations in all production buildings in the long term. This includes, among other things, replacing old, inefficient compressors with high-efficiency compressors; reducing mains pressure to save energy in the compressed air systems; and installing energy meters for an internal energy monitoring system, as well as subsequently optimizing energy consumption.
II. Reduction of paper use

KARL STORZ pursues the long-term goal of continuously reducing paper use by improving processes and thereby sustainably contributing to resource conservation. Since 2009, our average paper use has dropped from initially 6,100 sheets per employee to 1,898 sheets (-68.7%) in 2020. Compared to last year (2,351 sheets), this corresponds to a reduction of 19.3% per employee.

<table>
<thead>
<tr>
<th>Year</th>
<th>Paper use per employee</th>
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<tbody>
<tr>
<td>2009</td>
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<tr>
<td>2011</td>
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<td>2019</td>
<td>2,351</td>
</tr>
<tr>
<td>2020</td>
<td>1,898</td>
</tr>
</tbody>
</table>

Reduction of paper use in daily business

**Introduction of electronic signatures**

Since the spring of 2020, increasing numbers of KARL STORZ employees have been working from home. This requires extensive digitalization. Telecommuting created a particular need for digital signature solutions. In the past, documents were first printed, then signed by hand, and finally scanned for archiving purposes. These steps will be eliminated going forward. Since April 2020, KARL STORZ employees in some areas have had access to a digital signature solution, which has already saved a substantial amount of paper. We are currently working on rolling this solution out worldwide to cover additional areas and offer all KARL STORZ employees a uniform digital solution.

**Introduction of electronic order requests**

In the past, internal orders always involved printing at least one page of paper, simply to obtain the supervisor's approval. In 2019 alone, this applied to some 5,000 orders, not including any copies needed outside the approval process for documentation in the requesting departments. In March 2020, electronic order requests were introduced as a pilot project in one area. Beginning in June 2020, they were then rolled out incrementally to KARL STORZ locations throughout Germany and Switzerland. Digitizing the approval process for internal order requests at all levels will eliminate this source of paper consumption in the future.
III. Company Fleet: Fuel consumption and CO₂ emissions

In late 2008, we introduced a fuel card system at our Tuttlingen headquarters that allows us to analyze the fuel consumption of company cars. Thanks to its consistent use since 2012, many more cars could be analyzed than in 2011 – which is the primary reason for the significant increase in driven kilometers.

Since 2013, the average fuel consumption per car has dropped, and in 2020, it reached the second lowest average so far, at 6.52 liters per 100 kilometers (2019: 6.46 liters per 100 kilometers). With energy-efficient company cars, we were able to reduce the CO₂ emissions per car by 41%. Total CO₂ emissions of the company fleet were reduced by 23.8% compared to 2019. However, this year’s particularly low fuel consumption is in part due to reduced travel as a result of the COVID-19 pandemic.

Fuel consumption and CO₂ emissions per vehicle

Driven Kilometers compared to 2019

-41.5%

CO₂ emissions 2.62 kg/l compared to 2019

-41.0%
Cycling is popular and a good way to offset the typically sedentary office work. With the introduction of a company bicycle leasing program in June 2017, KARL STORZ offers employees an attractive mobility option that actively contributes to health, to reducing traffic, and to protecting the environment.

For this purpose, KARL STORZ cooperates with a bicycle leasing company and thereby enables KARL STORZ employees to conveniently finance their favorite bicycle (regular or e-bike up to 25 km/h) through lease payments. Instead of paying directly at the store, for a term of 36 months, part of the monthly gross salary is withheld as a so-called salary conversion to pay the leasing rate to the bicycle leasing company. The salary conversion reduces taxable income and social security contributions. Only the monetary advantage (0.25% of the gross list price of the bicycle) remains tax relevant. In total, employees can save up to 30% compared to purchasing the bicycle in cash.

Since the introduction of the program, 652 individual leasing contracts have been entered into. In 2020 alone, a total of 207 bicycles were leased.
KARL STORZ employees for climate-friendly mobility

For the third year in a row, the City of Tuttlingen has participated in the nationwide City Biking (STADTRADELN) campaign by Climate Alliance. From June 29th to July 19th, 2020, a total of 2,639 motivated cyclists organized into 99 teams participated in the Tuttlingen event; they cycled 684,623 kilometers in all, which far exceeded last year’s total of 363,381 kilometers.

KARL STORZ was front and center once again this year: The KARL STORZ Aktiv company sports group team logged a remarkable total of 47,089 kilometers during the City Biking phase, a distance equal to cycling once around the Earth and then some. In the Tuttlingen competition, the team’s 196 cyclists took second place in the “Best company” category and fourth overall.

Due to the COVID-19 pandemic, the small-scale award ceremony in early October was held with only the first-place winners in attendance. This year, the City of Tuttlingen was once again able to defend its first-place title in the state- and countrywide competitions, in the category of cities with populations of 49,999 or less.
Global Compact Principle 10: Anti-corruption
Implementation of the Ten Principles at KARL STORZ

Global Compact Principle 10: Anti-corruption

Businesses should work against corruption in all its forms, including extortion and bribery.

We all have the right to work in a positive environment. With that right comes the responsibility of acting in an ethical manner and letting the appropriate people know if someone is not acting appropriately.

To KARL STORZ and our employees, observing anti-corruption guidelines as well as compliance requirements is not a project with a start and end date but an integral component of all business activities that is being considered at all times and that we consistently need to strive for anew.

By working together, we can maintain a healthy and productive environment.
I. Continued dedication with information and training

Our framework for ethical conduct

The KARL STORZ family-owned company is committed to sustainable corporate governance based on ethical values such as compliance, honesty, loyalty, transparency and fairness.

These values are firmly anchored in our corporate culture. They provide the principles for preserving our excellent reputation and for maintaining the trust of our markets, the public and our employees.

The company founder, Karl Storz, put these values into practice on a daily basis. He laid down the foundation of our company culture, thereby handing us an important key for the long-term and sustainable success of the company KARL STORZ.

As KARL STORZ operates globally, we have to follow a variety of binding rules and regulations of many different countries in our day to day business. Wrongdoing can be a matter of concern of multiple jurisdictions leading to penalties and even criminal convictions that involve major fines or governmental sanctions.

It is a clear mission statement of our Executive Management that KARL STORZ also stands for lawful and ethical business practices and zero tolerance for unethical or even illegal conduct.

Therefore, it is the responsibility of each individual employee and business partner to • preserve the excellent reputation of KARL STORZ and further strengthen it through positive actions,
• to continuously maintain the trust our customers have placed in us, and
• to prevent the company from being exposed to any illegal or unethical activities.

The KARL STORZ Compliance Management System supports our employee and business partners in their responsibility towards the company. This system is built on three pillars: Prevent, Detect, Respond. Each pillar handles a detailed and thorough system of activities by which it is intended to ensure that KARL STORZ acts completely in accordance with applicable laws and regulations as well as its own policies.

Prevent

For preventing Compliance breaches a clear and transparent understanding of binding rules is mandatory.

To KARL STORZ and our employees, observing anti-corruption guidelines as well as compliance requirements is not a project with a start and end date but an integral component of all business activities. On the KARL STORZ website under the category “Compliance”, business partners can find out anytime about the basic principles we practice, with references to the Global Compact, the KARL STORZ anti-corruption guideline as well as environmental and resource conservation.

Moreover, business partners are used to sign the KARL STORZ Third Party Code of Conduct when they start to do business with KARL STORZ. It is KARL STORZ's uncompromising expectation that Third Parties shall respect the key elements of KARL STORZ’s values and principles. Such understanding forms the basis of the business relationship between KARL STORZ and its business partners.

Employees are asked to follow the principles in the KARL STORZ Code of Conduct for employees. The Code is available to every employee in multiple languages and presented on their first working day. Regular training on the Code enables employees to behave the right way and to include the KARL STORZ principles in their daily business. In addition, a dedicated intranet page contributes to raising and maintaining compliance awareness amongst the personnel by providing information on the KARL STORZ Compliance Management System, including the valid corporate compliance policies and compliance-relevant templates and workflows.

In order to support employees exposed to high-risk fields in terms of corruption, there is a special Compliance training for this group to raise understanding and awareness.

Besides binding policies and regular training, KARL STORZ seeks to prevent compliance
breaches by adapting processes where necessary. As an example, an SAP-based system was established in which all processes relating to equipment loans and transfer of ownerships to third parties can be requested and mapped. Among other things, the system automatically ensures that the processes are handled in a compliance-conforming manner. It is important that KARL STORZ continues to monitor Compliance risks in a changing work environment. The KARL STORZ Compliance Risk Management is a program that allows KARL STORZ to take preventive actions in any area where Compliance risks might occur. This global approach raises awareness among all employees and provides guidance in the strategic decision process.

Detect
Compliance infringements have to be fully clarified in order to prevent reoccurrence and in case of an illegal conduct to rigorously pursue such a violation. This is a substantial part of our Zero Tolerance Strategy.

Compliance regulations require a systematic neutral handling and filing of compliance cases. Therefore, the Compliance department is responsible for handling every reported case that could represent a potential contravention of the Law, Code of Conduct or KARL STORZ Policies.

In order to become aware of potential violations, KARL STORZ implemented a Compliance Hotline globally. This hotline is available 24/7. It is possible to submit concerns online, by phone or via a Manager Incident Report Form. Not only KARL STORZ employees but also KARL STORZ business partners or other third parties can share any concerns via this tool that can publicly be accessed via the KARL STORZ website.

Moreover, the Compliance department conducts regular checks in high-risk areas where corruptive actions could occur. Without a positive compliance check an approval for special business cooperation is not possible.

Respond
KARL STORZ follows a Zero Tolerance Strategy when severe compliance violations occur. Following this mission statement, the Compliance department suggests suitable and appropriate sanction measures if compliance violations are clearly identified, examined and evaluated.

If compliance violations reveal systematic deficiencies or structural failures, the Compliance department supports the business units to improve their processes by training sessions, policies, definition of new workflows and other remediation measures.

Applying lessons from past compliance cases improves our Compliance Management System continuously. Therefore, our policies and training sessions are regularly reviewed, adapted and communicated to the target groups.
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Years

Shaping the Future of Endoscopy with you