

UN Global Compact  
Communication on Progress 2022  
Successful together



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## Pursuing our path to fulfill our responsibility

As a global family-owned company with a tradition going back more than 75 years, sustainability for us means first and foremost taking responsibility for what we do and for the impact of our decisions on future generations. The ten principles of the United Nations (UN) Global Compact are a solid foundation to fulfill this pledge and clearly guide us in our everyday business.

For the last 18 years we have been a member and strong supporter of the UN initiative and its principles. In this annual report we continue to transparently share our progress, key initiatives, actions taken, and results achieved as we work on shaping a better future for all.

We are currently confronted with historic events whose impact affects us all and is severely disrupting global supply chains. Political and global developments are further exacerbating the situation: supply shortages, raw material shortages and rising prices are having a significant social impact. This makes it even more important for us to continue to consistently pursue our path of placing the well-being and safety of people around the world at the center of our actions as a company and as a responsible employer. I am also very pleased to see the solidarity shown by our employees around the world, who are also personally involved in local initiatives for the benefit of society. As part of a KARL STORZ call for donations for Ukraine, an impressive sum was collected with the help of our employees.

In May 2022, we implemented our revised corporate strategy, which sets the course for our future business development. Twelve strategic corporate goals succinctly summarize what we want to achieve together in the current strategy cycle. One goal is focusing on Corporate Social Responsibility and states that we will actively integrate our targeted environmental and social commitments into our value-chain as a responsible corporate citizen to our planet, customers, and employees. Based on this ambition, we implemented different strategic ESG initiatives within our organization to further strengthen our activities.

For example, as part of the “Net Zero Emissions” initiative, we have been working intensively to determine our global carbon footprint since 2019 and have implemented important measures to continue reducing our emissions. From 2019 to 2021, we have already reduced our Scope 1 and 2 emissions by 13% worldwide. The final data for 2022 is currently still being collected, but we expect a further ongoing reduction. During the reporting period, we also continued to focus on human rights aspects and published a new version of our globally applicable Code of Conduct, which was revised for the KARL STORZ business group and clearly forms our central framework for safe, ethical and responsible behavior in everyday life.

Our goal for 2023 will be to derive a profound sustainability strategy across all areas to globally push our ambition forward. In parallel, we are working on a new global ESG reporting framework to fulfill the upcoming Corporate Sustainability Reporting Directive (CSRD) and to increase the transparency and comparability of data and achievements on a global basis.

There is no question that KARL STORZ continues to support the Global Compact with deep conviction and will continue to work intensively in the coming years to integrate targeted ecological and social commitment along our business activities as it is the obligation for all of us to leave a planet worth living for future generations.

### **Karl-Christian Storz**

CEO

KARL STORZ SE & Co. KG

Tuttlingen, February 28<sup>th</sup>, 2023

## Our Corporate Vision

We enable our healthcare partners to perform at their very best every day to **improve patients' lives** around the world.

As an independent family-owned company, we continuously think in **generations instead of quarters**.

## Our Corporate Mission

We act as a **solution-oriented** and **innovative** partner in **close collaboration** with our customers.

Through the **experience** and **knowledge** of our **employees**, we can expand into new markets, products and industries.

## Our Corporate Values

### • Health & Safety

We put well-being and safety at the center of everything we do for patients, healthcare partners and our employees around the globe.



### • Social Responsibility

We care about our environment and give back to our communities.



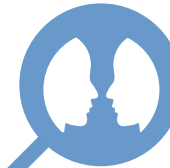
### • Integrity

We are trustful, compliant, committed and accountable.



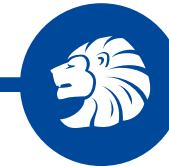
### • Self-reflection & Continuous Improvement

We act as a learning organization and embrace our failures to learn from them.



### • Courage

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



### • Respect

We treat everyone with respect and foster diversity.



shaping our future

# KARL STORZ at a glance

**54.3%**  
of our global electrical consumption was covered by green electricity in 2021



subsidiaries in  
**40** countries worldwide



**58.5%**  
reduction in paper use from 2009 to 2022 (headquarters)



**3,250**  
employees at the Tuttlingen headquarters



people from over  
**52**  
nationalities working at the Tuttlingen headquarters



**8,300**  
employees worldwide

**39**  
young people completed an apprenticeship at KARL STORZ in 2022



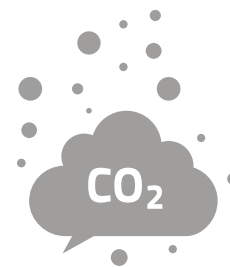
**€2.06 billion**  
preliminary turnover in 2022



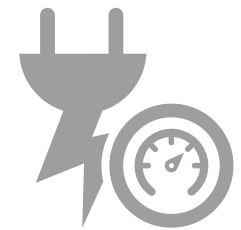
more than **15,000** products



**13%**  
reduction of global emissions in Scope 1 and 2 from 2019 to 2021



**27.5%**  
of our global energy consumption came from renewable sources in 2021



# KARL STORZ – Shaping progress together

In 1945, KARL STORZ was founded by Dr. med. h. c. Karl Storz (†1996) as a two-person operation in Tuttlingen, Germany, with a vision to bring light into the human body and revolutionize medical technology. In the past 77 years, the company has developed into one of the leading suppliers of endoscopes, endoscopic instruments, and devices for human and veterinary medicine worldwide. The company portfolio nowadays includes more than 15,000 products. KARL STORZ stands for visionary design, precision craftsmanship and clinical effectiveness. Throughout its history, the company has focused on supplying functional and ergonomic devices to meet medical needs as well as using technology for the benefit of patients. In more than 40 countries around the world, 8,300 employees pursue this ambition. Production sites are in Germany, the USA, Switzerland, and Estonia.

## Tradition and future lead in the third generation

When Karl Storz's daughter Dr. h. c. mult. Sybill Storz took over the management of the company in 1996, she primarily focused on expanding the international structures and successfully developing KARL STORZ into a truly global company. In 2019, she handed over the management of the company to her son Karl-Christian Storz. In the third generation, he boldly continues the global expansion of the company as Managing Director and set the sails with a revised corporate strategy in May 2022. The topics of digitalization, continuous innovation, customer focus as well as a sustainable and future-oriented development are particularly important to him.

## Shaping the future of medical technology

Ambitiously and passionately, KARL STORZ makes an impact with new developments and suitable solutions for future requirements. The company relies on successful cooperations with customers, partners, and employees, because only through their involvement can KARL STORZ strengthen its success and continue to grow as an industry leader in medical technology. Since the beginning we have been a pioneering company in the sector of minimally invasive surgery. This operation 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.

## Medical expertise as a global leader

As a solution provider and partner in the healthcare sector, the company offers medical products and services that add significant value to patient safety. Dialogue and cooperation with leading surgeons, universities and research institutes is one of the most important components of the continuous improvement.


The medical expertise of the users and the technical solution competence of KARL STORZ ensure ideal functionality and intuitive user guidance of the endoscopes, devices, and systems. We have developed products that in many cases played a pioneering role and secured the company's position as a global leader. 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.

## Respect, integrity and social responsibility

Since its beginnings in 1945, KARL STORZ has constantly developed and established itself worldwide. With respect and pride, we can look back on the history of the 100 percent family-owned business and celebrate the successes achieved to date. As this company thinks in generations, it wants to continue to embody a strong focus on respect, integrity and social responsibility, which is also underlined by its participation in the United Nations Global Compact.



**Dr. med. h.c. Karl Storz**  
Founder (1911 - 1996)



**Dr. h.c. mult. Sybill Storz**  
Chairwoman of the Board of Directors



**Karl-Christian Storz**  
CEO



# 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. Based on this fundamental principle, KARL STORZ again provided sustainable support in 2022. 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 or that help others to help themselves.





# I. Support of medical education and training

Our visitor and training centers around the globe

KARL STORZ offers training opportunities for healthcare professionals in 100 training and 400 reference centers worldwide. Around the globe, our latest system and process solutions related to the integrated operating room as well as product innovations from over 20 specialties are demonstrated and explained here. In addition, various OR situations can be simulated and intensively trained on site.



## Kazakhstan: Master classes in remote regions

### Background

The history of endoscopic surgery development in Kazakhstan goes back more than 30 years. During this time, minimally invasive surgical technologies have been widely introduced in almost all regions of the Republic in all areas of surgery. Kazakhstan's stable economic development significantly increased governmental healthcare spend, which significantly affected the modern equipment of medical organizations and brought surgical care to the population of the country to a whole new level. Endoscopic methods are developing by leaps and bounds. The state sets the task of personnel training improvement, introducing modern high-tech diagnostic and treatment methods not only in large central cities, but also in remote regions, district, and rural hospitals.

### Recent Activities

In 2022, TOO KARL STORZ ENDOSCOPY Kasachstan organized and conducted masterclasses on laparoscopic surgery, gynecology, and urology in three hospitals in remote regions of Kazakhstan. The main goal of the training measures is to introduce minimally invasive surgical treatment techniques into the daily practice of regional hospitals. Demonstration operations of standard laparoscopic procedures in general surgery, gynecology and urology were performed. Patients were selected with the expectation that these procedures would be performed in the future by specialists at central regional hospitals and would become part of their daily practice. As a result, rural regional hospitals were supported and encouraged.

The first masterclass "School of Endosurgery" took place in April 2022 and focused on laparoscopic hernioplasty of inguinal hernia. For patients suffering from a particular disease, living in a remote region often means they are forced to travel to major cities to receive appropriate medical treatment. The training workshop was held for surgeons of the Central Regional Hospital of Merke to improve the medical care situation there. As a part of an endosurgical marathon, the second workshop with the main topic "Safe Surgery" was organized in the Central Regional Hospital of Shu in September 2022. The surgeons and gynecologists had training on laparoscopic cholecystectomy and hysterectomy. Another masterclass on urology was held in September 2022 at the Central Regional Hospital of Chunja.



*Laparoscopic Myomectomy in 3D, Prof. Vladimir Kotlobovskiy (Kazakhstan) – Central Regional Hospital of Merke*



*Laparoscopic Hysterectomy, Prof. Eduard Gallyamov (Russia), Dr. Daniyar Dzhakupov (Kazakhstan) – Central Regional Hospital of Shu*

## United Kingdom: Training and education of clinical personnel

### Background

In April 2021, KARL STORZ Endoscopy (UK) Ltd. officially opened the new Training and Technology Center (TTC) based in Slough. The TTC is designed with the customer in mind and aims to showcase the very latest in minimally invasive surgery technologies and airway management, as well as facilitate surgical skills training within true to life surgical and clinical settings. The surgical skills training courses are complemented by hands-on training models and virtual reality training stations. The TTC focuses on sustainability, quality, reusability, and innovation to empower clinicians with the skills and knowledge necessary to excel.

Surgeons, anesthetists, OR nurses, and technicians of tomorrow can train in the TTC as it houses one of the most technologically advanced integrated operating rooms in the country. The OR1™, which is used as a training simulation operating room and as an equivalent of an actual hospital room, is equipped with the very latest in keyhole surgery imaging systems within an ergonomic environment. There is also an outpatient department examination zone, OFFICE1, and a dedicated Anesthetic Room, AR1, for airway management skills.

There is an open invitation to any UK OR-based NHS or UK private hospital staff to visit the TTC.

### Recent Activities

In 2022, KARL STORZ supported the training and education of clinical personnel and the continual development of KARL STORZ employees in the TTC. In total, the TTC welcomed 1,545 visitors in 2022 and conducted a total of 42 external training courses. In addition to this, 32 internal training courses were conducted to enhance the skills of KARL STORZ employees.



*Training courses at the TTC empower clinical personnel with the skills and knowledge they need.*



## South Africa: Training and education in the field of anesthesia

KARL STORZ Endoscopy South Africa (Pty) Ltd. is offering seminars in the field of anesthesia to help physicians throughout South Africa move forward. These courses are being offered on an incremental basis and are intended to contribute to patient safety. They are offered at the Training & Education Center Groote-Schuur Hospital in Cape Town, where the latest medical equipment from KARL STORZ is used. According to the information provided by our local staff, the progress made by the doctors after attending the seminars is tremendous.



*Proper intubation is essential and needs to be learned. This is exactly what the courses organized by KARL STORZ in Cape Town are for.*

## South Africa: Medical education scholarships

KARL STORZ Endoscopy South Africa (Pty) Ltd., in partnership with the University of Cape Town (UCT), offers annual scholarships to three ENT doctors. To meet the criteria the doctors should be a resident in an educational hospital, willing to enhance their skills and to diffuse their knowledge to other residents at the hospital. The selection process is very well thought through and strict.

The University of Cape Town is an inclusive and engaged research-intensive African university that is set on elevating the skills and qualifications of doctors in their respective fields. UCT's reputation in the education field remains at its best and hence it was our selected choice for the fellowship agreement.

In 2022, KARL STORZ sponsored three ENT scholarships under the leadership of Professor Johannes Fagan for Head & Neck, Professor Shazia Peer for Pediatric Otolaryngology and Professor Darlene Lubbe for Functional Endoscopic Sinus Surgery.

Specialists are rare in Africa. Therefore, the program is very important for the patient care in this country.



*KARL STORZ partners closely work with the University of Cape Town to improve medical care in South Africa.*

## II. Support of people in less privileged situations

### Donations of medical technology products for sustainable development

In 2022 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.



## Around the globe: Continued support of “German Doctors”

### Background

The internationally active non-governmental organization “German Doctors” sends volunteer doctors to medically underserved areas, particularly in the Southern Hemisphere. They provide basic medical care to people at the margins of society, and train local healthcare workers to sustainably strengthen local systems from within. By doing so, they stand up for every individual’s right to medical care and contribute to numerous projects fighting practices violating human rights, such as female genital mutilation. Since the establishment of the aid organization in 1983, some 3,500 “German Doctors” have completed around 7,900 missions in 14 different countries.

### Recent Activities

In 2022, KARL STORZ SE & Co. KG once again supported the “German Doctors” aid organization with a generous donation. The doctors receive no remuneration and even contribute to the cost of the mission. Projects are financed through donations such as the one from KARL STORZ. In 2022, the help of “German Doctors” was needed even more urgently due to the COVID-19 pandemic, but few doctors could be sent abroad to areas in need. On the ground, doctors and local teams continued long-term projects and patient care. In addition, food packages, hygiene kits and protective materials such as face masks were distributed, and people were educated about infection pathways and COVID-19. Even during this challenging time, two additional outpatient clinics successfully opened in Kenya. “German Doctors” is currently active in Kenya, Sierra Leone, Bangladesh, India, and the Philippines. In addition, the organization actively provides refugee aid in Greece and in the Mediterranean region. KARL STORZ has been donating to “German Doctors” for many years and is part of its Circle of Supporters. In addition, we support the aid organization by providing equipment, staff, and know-how.



*In 2022, few doctors were able to participate in “German Doctors” missions abroad. But donors were more important than ever. Photo: German Doctors/Archive*

## Around the globe: Continued support of Mercy Ships

### Background

“If people can’t go to the hospital, the hospital will come to them” – it is precisely with this vision that the Mercy Ships have been bringing high-quality, professional medical aid to developing countries for more than 40 years. The hospital ships are mobile and, therefore, the medical aid does not have to be limited to one country. On these floating hospitals, people who have no access to medical care are operated on and treated free of charge. Due to the self-sufficient ship supply, clean water, reliable technical equipment, and electrical supply can be ensured at any time. The crew, including medical staff, consists of volunteers from all over the world, whose knowledge and medical skills enable them to perform a wide range of operations on board. The work is financed exclusively by donors.

### Recent Activities

KARL STORZ SE & Co. KG has been an active partner of Mercy Ships for many years, supplying the international aid organization with medical equipment. KARLSTORZ endoscopes, in particular, are used daily in the operating rooms on board the ships, sometimes making complicated procedures possible in the first place. However, KARL STORZ is not only a reliable donor, but also supports Mercy Ships in the long term with generous discounts. Just recently, clinical areas of the newest and largest hospital ship, the “Global Mercy”, were equipped with KARL STORZ products. The 174-meter-long, 37,000-ton ship has six operating rooms, an eye clinic, a dental clinic, a pharmacy and 200 hospital beds.

*“The KARL STORZ C-MAC® and videoscopes have been invaluable to us for years. The anesthesiologists love using them because they give high-quality views even in challenging situations. We are so grateful to KARL STORZ for their support of Mercy Ships over the years and we hope to continue using their products far into the future.”*

*Sarah Kwok, Chief Medical Officer (CMO) on the Africa Mercy Ship*

*“Operating two ships with hospitals is an enormous logistical and financial challenge. This makes it all the more important for us to ensure that, on the one hand, the medical equipment we use is up to the tasks and special challenges in our operating rooms and can do justice to our patients. The endoscopes, videoscopes, monitors and cameras from KARL STORZ have passed this test time and again with flying colors. On the other hand, it is important to us to keep our acquisition costs as low as possible, because only then can donated funds largely flow into the direct treatment of patients. We are very grateful to KARL STORZ for the good cooperation and generous donations and discounts. The company makes an important contribution in fulfilling our mission of bringing hope and healing to people in need.”*

*Udo Kronester, Managing Director of Mercy Ships Germany*



*Mercy Ships helps over a thousand people in developing countries each year by providing free treatment on the hospital ships.*



## Around the globe: Product donation to INTERPLAST

### Background

With the vision of giving people more quality of life (again), INTERPLAST-Germany helps many patients with congenital or acquired defects through plastic surgery operations in developing countries every year. Humanitarian surgery means helping people with severe disfigurements after accidents, burns or war, children with congenital deformities of the face and hands, and patients with large skin tumors or non-healing wounds. The members of the surgical teams are specialists who are specifically deployed where highly developed assistance is not yet available. They work for free, usually during their vacation time. In many missions around the world, they have helped countless severely disfigured children through plastic surgery. Through the on-site help, knowledge is imparted to the local doctors so that they can solve some problems themselves in the future.

### Recent Activities

One of 14 active sections in the INTERPLAST-Germany network is the German team of doctors and nurses in the Stuttgart-Münster section. KARL STORZ SE & Co. KG donated a total of ten C-MAC® Pocket Monitor video laryngoscope systems in 2022, which were used in five missions in Tanzania, Brazil, and Myanmar under the direction of anesthesiologist Dr. Herbert Bauer. The KARL STORZ monitors impressed the team with their top image quality and excellent handling, which made even difficult intubations possible. The focus of the operation in Tosamaganga, Tanzania, was the treatment of burn contractures, cleft lip and palate, as well as poly- and syndactyly. Many of the patients treated were children who have been severely burned while preparing food over an open fire. A total of 70 operations were performed on 8 operating days.



*The C-MAC® Pocket Monitor in use: Designed to also meet requirements in pediatrics.*

## Ghana: Support of “Medical Support in Partnership”

### Background

The medical non-governmental organization (NGO) “For-Eritrea” has been working to improve healthcare in Eritrea since 2012. KARL STORZ SE & Co. KG has been supporting the association since 2016 in their goal of promoting the qualified training and further education of local medical personnel and thus providing better medical care in Eritrea. Due to the proven sustainable mission carried out in Eritrea, the organization is turning to new tasks from the year 2022 onwards. As “Medical Support in Partnership”, the NGO continues its project work in Ghana in order to achieve a qualitative improvement in health care there, especially for mothers, children, and women.

### Recent Activities

The laparoscopic instruments recently provided by KARL STORZ and the financial support are used as part of the expedition to Ghana, to introduce and provide laparoscopic training at the Holy Family Hospital in Techiman. It is planned to provide professional training and support for the departments of gynecology (with a focus on minimally invasive surgery), obstetrics, and pediatrics, as well as for the establishment of a pathology department in the region. In the future, it is also planned to establish exchange visits and further collaborations with German university hospitals in order to achieve rapid progress in the field of minimally invasive surgery in Ghana. The aim is for Holy Family Hospital to develop into a center for laparoscopy for the north of Ghana.



*Therapeutic laparoscopy for endometriosis, Dr. Ibrahim Friko (Head of the Gynecology Department at Holy Family Hospital), Dr. Kirsten Graubner (Medical Support in Partnership)*



*Targeted training for the medical staff is an important key element of the work of Medical Support in Partnership.*

## South Africa: Donation of medical equipment to different institutions

KARL STORZ Endoscopy South Africa (Pty) Ltd. has also committed to promoting medical education and training in its own country as part of various projects. With the support of colleagues on site, several facilities, also a veterinary clinic, received medical equipment. KARL STORZ equipment was donated to Greys Hospital in Kwa Zulu Natal to enable and improve laparoscopic training in the province, and to Onderstepoort Veterinary Academic Hospital in Pretoria to uplift their laparoscopic, thoracoscopic and arthroscopic procedures.

KARL STORZ also donated medical equipment to Sefako Makgatho University in Gauteng to expand their laparoscopic training skills for not only their facility but their entire community, and to St. Aidan's Provincial Hospital in Kwa Zulu Natal to brush up laparoscopic skills in Urology as well as training in minimally invasive surgery. Moreover, KARL STORZ supported the Groote Schuur Hospital in Cape Town with equipment to enable and improve training skills to perform procedures on women with pelvic organ prolapse and urinary incontinence.



*Every year, KARL STORZ donates medical equipment to different institutions all over the country to improve the medical care in South Africa.*



## Germany: Company sports group supports local food bank

Strengthening team spirit through joint sports activities and supporting a good cause at the same time: For years, these two concerns have been at the heart of KARL STORZ's varied sports events. In July 2022, the 33<sup>rd</sup> soccer tournament with 13 participating teams raised a handsome sum of 3,500 euros that benefited the "Tafelladen", a food bank in Tuttlingen. It is already a tradition that the proceeds from the various sports events organized by KARL STORZ's company sports group called "KARL STORZ Aktiv" are donated to a charitable institution in the region. 2022 was no exception. After a well-attended soccer tournament with numerous spectators, the entire proceeds were donated to the Tafelladen in Tuttlingen. As an organization working on behalf of the Diakonie, it provides needy people with quality food at reasonable prices. Recently, the need has increased enormously, especially due to the COVID-19 pandemic and the developments in Ukraine. The KARL STORZ team is therefore very happy to be able to support the food bank once again.

*"As a family business, it is a great pleasure for us that our employees support the sporting events so actively. It is becoming increasingly important to show solidarity with one's fellow human beings in order to master the current challenges together as a society."*

*Holger Mann, Executive Vice President Global Human Resources at KARL STORZ*

*"The money donated by KARL STORZ will be used to maintain the vehicles used to pick up donated food from supermarkets and other stores in the Tuttlingen area. We urgently need all kinds of donations. Whether labor, funds or even food donations – the need is greater than ever."*

*Jürgen Hau, Managing Director of the Kreisdiakoniestelle Tuttlingen*



*In September 2022, the representatives of the social organization were delighted to receive generous financial support that was donated by KARL STORZ.*

## China: The 13<sup>th</sup> year of KARL STORZ student funding

2022 is the 13<sup>th</sup> year for KARL STORZ Endoscopy China Ltd. to carry out student funding activities. Already in previous years, our company had donated supplies to Xuwei School District and Baoji School District, two major school districts in Huaiyuan County, Bengbu City, Anhui Province.

Since 2019, KARL STORZ has also been involved with improving local teaching quality through the establishment of a comprehensive assessment system to award teachers with outstanding teaching achievements and motivate them to improve their pedagogy.

Moreover, KARL STORZ has signed an agreement with the Adream Foundation, one of the leading public fundraising foundations focused on competency-based education and promoting equity in education, to combine the strengths of both sides to benefit more students and teachers in remote areas in the future. In September 2022, KARL STORZ donated 500 sets of tables and chairs and 15 sets of sports equipment together with the Adream Foundation to help students in Huaiyuan County.

KARL STORZ also launched a book donation activity in December 2022. Employees all over the country donated books as a new year gift to children in poverty. Through the small steps of everyone, many children received a variety of books and have now a chance to read. The book donations were very well received.



*KARL STORZ donated desks and chairs for students again in 2022.*



*Many children have received books from KARL STORZ employees in China.*

# III. Help in situations of war

## Around the globe: Efforts to support people in Ukraine

For more than 75 years, we have placed health, well-being and safety of patients, our healthcare partners, and employees around the world at the center of everything we do. As many other companies and people, we continue to observe the developments in Ukraine with great concern. These developments have raised many questions for each of us – but especially for our colleagues based in Ukraine. KARL STORZ is a family-owned business where we stand together as one team, treat everyone with respect and promote diversity of thought. We all care deeply about peace and togetherness.

As a responsible employer, we provide the best possible support to our teams in Ukraine as well as to those among them who were or are seeking for refuge. In addition, we supported the very important work of renowned aid organizations in Ukraine, such as the Red Cross, the UN Refugee Agency (UNHCR), SOS Children's Villages, UNICEF and "Aktion Deutschland Hilft" with financial donations. Within our workforce, we have initiated material and money donations and are continuously examining how we can provide products from our portfolio for medical care in Ukraine in a targeted and meaningful way. Thus, we have supported different deliveries of medical products which included the donation of high-end medical products but also the consultancy and training of how to use them. In cooperation with the city of Tuttlingen as well as with the German industry association SPECTARIS and the Malteser International aid organization, we were able to help Ukrainian hospitals as effectively as possible.



Medical products have been urgently needed in Ukraine and KARL STORZ consequently supported different aid initiatives.

Our call for donations on [betterplace.org](https://www.betterplace.org) raised nearly 87,000 euros to help Ukraine.

A screenshot of a fundraising website for KARL STORZ. The top section features a teal background with an image of hands holding a globe. Below this is the KARL STORZ logo and the text 'KARL STORZ - ENDOSKOPE'. The main heading is 'KARL STORZ Call for Donations for Ukraine'. There are two buttons: 'Share' and 'Donate now!'. Below the buttons, there is a small disclaimer: 'You will receive a donation receipt from the account of the charitable betterplace (gGmbH)'. At the bottom, there are two statistics: '€86,936 Collected' and '507 Donations'.

# IV. Employee solidarity & dedication

## Around the globe: Workforce diversity

### Germany: Inclusion

At KARL STORZ, we are convinced that diversity is a fundamental enrichment that makes us stronger and enables the necessary dialogue to reveal new perspectives. That is why diversity is also firmly anchored in our corporate values. Diverse teams create a more social environment and, according to studies, are often more successful. Among other things, consideration for people with inclusion needs has always been a matter close to our company's heart. KARL STORZ employs people with disabilities in various teams around the world and has been collaborating with the German Lebenshilfe organization for many years to provide meaningful work in an ideal working environment for many disabled people. Within KARL STORZ, our colleagues with disabilities also



*Inclusion community*

receive support and consultancy from two integration officers. In 2022, they set up an inclusion community on the new intranet, where everyone is welcome to ask questions, give feedback or simply interact with others. Of course, all interested colleagues who want to know more about inclusion and how this works in everyday life are also welcome here. Covering the topic of inclusion in internal and external media hopefully inspires many others as well.

### USA: Employee Resource Groups

KARL STORZ Endoscopy-America, Inc. has started a company-wide effort to make diversity, equity, and inclusion part of every employee's mindset. The goal is to foster a fair and supportive workplace where employees feel safe and comfortable being their genuine selves. One recent initiative involves the formation of Employee Resource Groups, designed to provide a focal point for communication, collaboration, and career development for employees who share cultural backgrounds, interests, and affinities. Four groups have been formed so far, focused on developing greater mentoring and networking opportunities for women, veterans, black leaders, and LGBTQ+ employees.

### Singapore: Munching Diversity Committee

The Munching Diversity Committee of KARL STORZ Endoscopy Asia Marketing Pte. Ltd. in Singapore organized four regional, virtual huddles in 2022 where they shared and discussed various diversity and inclusion topics, including, what is diversity and inclusion at the workplace and how do we inculcate a culture of diversity and inclusion in our daily lives. These huddles reinforced the need for inclusion and acknowledged that stereotyping and biasness exist in every one of us and how we can try to recognize and minimize them. Through this continuous and constructive exchange of views and ideas, the Committee wants the work culture at KARL STORZ to further improve and to become even more inclusive.



*Diversity dinner with members of the Munching Diversity Committee.*



**Diversity**  
Together, we're stronger

## USA: Community service

KARL STORZ Endoscopy-America, Inc. encourages employee contributions to charitable causes through a **matching gift program**. In 2022, the company matched charitable donations made by individual employees to organizations throughout the United States.

The company continued its support for **KIDSAVE**, an organization focused on finding permanent adoptive families or long-term mentors for older youths in the United States and around the world. A team from KARL STORZ conducted the seventh annual in-person hike in conjunction with the KIDSAVE “Weekend Miracles” program, which helps older children in foster care connect with caring adults who may become their family. The hike provides an opportunity for the kids in Los Angeles County to spend time with prospective mentors and adoptive families in a community setting. The event drew almost 200 participants and raised a considerable number of donations.

KARL STORZ also teamed up with Project Angel Food, an organization that prepares and delivers **healthy meals** to people who are debilitated by serious illness and cannot shop or cook for themselves. Project Angel Food typically provides about 95,000 meals monthly, which make a real difference in the lives of elderly and vulnerable individuals throughout Los Angeles County. KARL STORZ employees helped out a week before Christmas, assisting in the kitchen and driving to distribute meals.

Similarly, employees volunteered to **feed the homeless** and impoverished at the Midnight Mission in downtown Los Angeles. The Midnight Mission provides food, shelter, and resources to homeless and low-income individuals and families. The daily meal service is the only source of nutritious food for many of those living on the streets or trying to make ends meet.



*In 2022, KARL STORZ again organized a hike for children who are searching for an adoptive family.*



During the holiday season 2022, KARL STORZ **employees donated toys** as part of the “Spark of Love” program sponsored by the local fire department. Employees purchased and donated new toys and sports equipment for underserved children and teens throughout the region. Employees also donated business attire to Clothes the Deal, a nonprofit organization that **helps the unemployed** return to the workforce. Employees donated suits, coats, dresses, shirts, shoes, slacks, and more so that job-seekers could look and feel professional at job interviews.

Employees at the KARL STORZ office in Auburn (Massachusetts) **supported the local community** through donations to worthy organizations, providing school supplies for Auburn Youth and Family Services, monetary donations to the United Way of South Central Massachusetts, winter clothing and blankets for St John’s “Food For The Poor” program, backpacks for local public schools, pet supplies for the Second Chance Animal Shelter, service dogs for veterans and care packages for troops abroad, pet supplies for the Worcester Animal Rescue League, and food donations for the Worcester County Food Bank.

The KARL STORZ office in Stafford (Texas) also supported the local community through partnerships with trusted philanthropic organizations. Employees coordinated and contributed to **gift and toy drives** for the Marine Corps Reserve “Toys for Tots” program and MD Anderson Cancer Center as well as **food drives** for the Houston Food Bank. They also donated pet food for AniMeals, which provides pet food to homebound recipients of the regional Meals on Wheels program so they will not have to share their limited food and resources with their four-legged companions.

KARL STORZ Imaging, Inc. in Goleta (California) supported a number of worthy causes intended to assist low-income families. Examples include Habitat for Humanity of Ventura County, which seeks to provide **affordable housing** for struggling families by building and repairing homes, and the Children’s Resource Program, an initiative of the Ventura County Medical Resource Foundation that works to expand the availability of **dental and vision care** for low-income families. Employees also supported the Food Bank of Santa Barbara County, which supplies fresh produce, essential foods, and nutrition education for children, families and seniors. The group also supported the Cancer Foundation of Santa Barbara through various community events as well the Teddy Bear **Cancer Foundation**, which provides financial, educational, and emotional support to local families that have a child with cancer.



*Some of the toys donated by KARL STORZ employees as part of the “Spark of Love” program.*

## V. Promoting the talents of children and adolescents

Germany: KARL STORZ is one of the main sponsors of the regional competition “Jugend forscht”



Under the motto “Coincidentally ingenious?”, the German Youth Science Competition 2022 entered its 57<sup>th</sup> round. The Donau-Hegau regional competition virtually opened the big stage with 44 projects and 82 students. Teams were able to submit projects within seven subject areas. In the end, eleven teams secured their tickets for the state competitions. The sponsoring companies KARL STORZ and the city of Tuttlingen were pleased to support a successful research competition in special times – the most successful in Germany for several years. For weeks and months, the young people researched and

experimented. They were supported by numerous supervisors. Projects and solutions were developed that really made the jury go into raptures. In 2021, one of the regional participants, Tobias Neidhart, won the national prize at the Youth Science Competition in 2022 with his innovative 3D printer.

“There’s really nothing at Jugend forscht that doesn’t exist, and we are amazed every year,” says Roland Renner, the competition director. For example, experiments with cress and the effectiveness of medical masks were studied. There was also a project on a clean-up robot. Another team looked at popcorn and its husks, which are so popular at the cinema. And others looked into the alternative production of concrete or spent a week on a research ship on the Baltic Sea. For a whole day, the jury was able to get a picture of the projects during the virtual judging due to COVID-19 reasons. During the virtual ceremony all entrants were honored, and the lucky winners were announced. For 2023, it’s planned to realize everything in a live format once again as everyone is really missing the live feeling and exchanges in person.

### From competition to start-up:

Tabea Hosch and Magnus Mang (both 17 years old) from the Student Research Center in Tuttlingen wanted to participate in the regional competition as well. At the same time, their idea of developing biomodified self-healing building materials matured into the idea of building a start-up. Although this made their participation impossible for reasons of time and patent law, it was also one of the success stories of this competition.



*The motto of the German Youth Science Competition 2022 was “Coincidentally ingenious”.*



*The school prize is always produced by KARL STORZ trainees themselves.*



**Carmen Butsch**  
**Partnership Manager for Jugend forscht at KARL STORZ**

*“For us, it is important to offer the young researchers the opportunity to learn scientific work and to be able to deal with successes, but also setbacks.”*

*(February 2022)*

**Michael Beck**  
**Mayor of Tuttlingen**

*“Young people can learn an enormous amount here and develop their talents. We all benefit from this – especially in a location that depends on good and motivated skilled workers.”*

*(February 2022)*



**Interested? You can watch the 2022 award ceremony here:**

(only available in German)

<https://go.karlstorz.com/jufo-feier-2022>



Good to know: “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 4<sup>th</sup> 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.

## USA: Educational support

### Support for children and students

KARL STORZ Imaging, Inc. in Goleta has a long tradition of supporting educational opportunities for local students from kindergarten through graduate school. Kellogg Elementary School invites local organizations to present workshops and demonstrations to promote student interest in science. KARL STORZ participated by hosting a “pumpkin surgery” workshop, where students had the chance to perform an endoscopic procedure – pulling slippery pumpkin seeds out of a pumpkin using a rigid endoscope system and handheld graspers.



*By performing a “pumpkin surgery” children learn about endoscopy.*

### Support for high schools in Santa Barbara

KARL STORZ regularly provides funding and equipment for the Dos Pueblos Engineering Academy, a four-year Career Technical Education program based at nearby Dos Pueblos High School. It applies project-based learning to teach students critical, analytical, design, and problem-solving skills. KARL STORZ uses its engineering expertise to also support local youth robotic teams. The company sponsors the Spartatroniks, a group of students at Orcutt Academy High School who design and build robots to complete challenging tasks in competition with other teams. The students use electrical, mechanical, and software engineering skills they acquire from mentors and teachers at the school. The company also sponsors Octobots Robotics, a nonprofit program open to high school students in Santa Barbara County. The team comprises students and mentors in the fields of engineering, computer programming, electrical design, business, outreach, and finance.



*Engineering and robotics are supported by KARL STORZ in Santa Barbara County.*

## **Paid internships and support for the development of high-speed transportation**

Product development experts from KARL STORZ serve as guest lecturers at local universities, explaining how different science and engineering disciplines are used in the production of medical devices. Company representatives attend virtual and in-person technology fairs to provide insight into the expanding opportunities available in the medical device industry. In 2022, the company provided twelve paid internships in engineering and computer science, providing training and experience, promoting further education in product design and development, cyber security, and medical industry regulatory compliance. The company also donated to the Hyperloop Club at the California Polytechnic State University to support the development of clean high-speed transportation. The club is working to build a pod that is propelled by a linear motor generating an opposing magnetic field to achieve high speeds along a track. The club includes students from across many disciplines with various design and manufacturing skills.

## **Cooperations with the University of California**

KARL STORZ was again selected to sponsor an Engineering Capstone project at the University of California, Santa Barbara. The project is a continuation of the prior year's effort "ACCEL" which initiated development of an automated cleaning and sterilization system to accelerate the chemical reaction of materials through the reprocessing cycles. The system will allow the prescreening of materials using new techniques in a small-scale testing to reduce chemical usage and waste as compared with standard commercial reprocessing systems. Considering the complexity of the system, the project called upon the company's Mechanical Engineering department to provide additional technical advice. Moreover, KARL STORZ also provided two scholarships for students at the University of California, Santa Barbara, through MESA (Math, Engineering, and Science Achievement), an organization that works to broaden participation and improve academic outcomes for underrepresented students in math and science. The scholarships were awarded to students pursuing pharmacology and electrical engineering.



*An insight into the development of new medical tools for interns at KARL STORZ in Goleta.*

### **Fostering diversity**

The University of California Leadership Excellence through Advanced Degrees (UCLEADS) program prepares students for advanced education in science, technology, engineering, and mathematics (STEM). In particular, the program seeks to promote students who have experienced exceptional barriers to academic success. KARL STORZ is working with the university to expand diversity among future leaders and is a financial supporter of this program. Many of the educational initiatives supported by KARL STORZ are specifically intended to benefit female students. The company provided funds to Santa Barbara Women in STEM to promote greater gender diversity in science-related fields. Through community engagement, networking sessions, and social events, the organization works to empower women to expand their professional goals and interests in STEM fields.

### **Empowering young girls**

The company participated in the “Eureka!” externship program of Girls Inc., an organization that seeks to empower young girls to be healthy, educated, and independent. The program provides hands-on experience in science-related disciplines for girls in 8<sup>th</sup> through 12<sup>th</sup> grade. KARL STORZ engineers and operations leaders served as workplace mentors, guiding two students through the program. The company also participated in the annual Tech Trek summer camp conducted by the American Association of University Women to encourage young girls interested in STEM.

### **Support of research studies**

KARL STORZ funded a Research Accelerator grant administered by Women in Science and Engineering (WISE) at the University of California, Santa Barbara. The grant enabled a Ph.D. candidate in Molecular, Cellular, and Developmental Biology to continue her summer research.



# Global Compact Principles 3-6: Labor

# 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 limitation 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. In Germany for instance, KARL STORZ offers the following benefits to meet our employees' needs:

- Flexible work time models, **18.9%** (12/2021: 17.7%) 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 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 in Germany, women represent **42.4%** (12/2021: 39.8%) of workers in manufacturing and **50.3%** (12/2021: 31.1%) of those in Research & Development. The company is happy about this 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

To promote and intensify direct communication between staff and company management, a body – the Employee Representative Committee – was established back in August 2017 at the German headquarters in Tuttlingen. The goal of this Employee Representative Committee is to offer employees direct contacts 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. Doing so, KARLSTORZ SE & Co. KG aims to engage in an open, honest, and transparent dialog with its employees – regardless of hierarchies. The body currently includes a total of 20 members across all areas and functions. Employees can confidentially contact the employee representatives either personally or via email and submit any topics for discussion. Consultation hours are also offered at various locations.

In 2022, the Employee Representative Committee addressed lots of different topics to the company management and contributed to solutions to benefit the staff. Besides taking care of various individual needs, they have also pushed collective interests such as the redesign of the break rooms at central production sites or the project of setting up an idea management system.



## II. KARL STORZ Health Management

### Germany: Activities to promote employee health

Any company's most important resource is its staff. Therefore, employee health is essential. As KARL STORZ places great value on our employees' health, we have established KARL STORZ Health Management, at our headquarters in Tuttlingen, Germany. The aim of our occupational health management is to establish a health culture in order to foster employees' health in a sustainable way.

In 2022, we made progress in several areas: New processes for healthy apprenticeship and occupational integration management have been set up. Every year, apprentices can attend health workshops. In 2022, lectures on health awareness were held for first-year apprentices on topics such as stress, nutrition, fitness, and back training.

In the area of company integration management, employees who were sick for more than six weeks in the previous year were invited to an interview with specially trained integration partners. The aim is to find possible solutions for changing the workplace in a way that promotes health.

Several employees in our production and supply chain areas have again been skilled to become "health guides". These health guides play two roles: Firstly, they offer an "open ear" and inform about health-related services. Secondly, health guides undergo training as exercise coaches and then offer easy but effective training programs during working hours each week. In addition, all employees can register for several different online workshops like ergonomics in the mobile office, nutrition or resilience.

Moreover, an employee survey was developed in order to get aggregated health data concerning topics like leadership culture, esteem and respect, or work-life balance. The survey was tested in special pilot areas in 2022.

Protective vaccinations play a major role, especially in today's world. In addition to influenza vaccinations, which have long been offered to employees, COVID-19 vaccinations began to be offered in 2020. In 2022, both vaccination offers were provided combined on the same day for the first time.



*KARL STORZ employees at the training program that includes effective stretching and strength exercises.*



*KARL STORZ health guides are excited about their new role in supporting employees with health-related issues.*



*Ensuring employee safety with influenza and COVID-19 vaccinations.*

## Around the globe: Mental health awareness

There's no health without mental health – this guiding principle often seems so simple and yet so complex. At KARL STORZ it is our belief that employee wellbeing is a business imperative that we must constantly strive for.

Since mental health is an integral part of health, other KARL STORZ subsidiaries outside Germany also made efforts in 2022 to promote the mental vitality of their employees. KARL STORZ Endoscopy Canada Ltd. has informed its employees primarily with several internal notices on mental health and gave tips on how to manage COVID-19 fatigue, how to combat the pandemic burnout or how to deal with winter blues. A website with relevant help links and telephone numbers was also set up.

KARL STORZ Endoscopy South Africa (Pty) Ltd. also focused on internal social support for its employees, understanding the demands and impact that society can have on individuals. The partnership with Alexander Forbes helped to retain focus on the psychosocial wellness of employees and their immediate family members. Topical talks for 2022 included: Burnout, resilience, mindfulness, and self-care. The subsidiary witnessed the benefit of this platform and the access which our colleagues and their immediate family members have to this support contributes to their individual and collective wellbeing.

Several training sessions on mental health were also held at KARL STORZ in Northern Europe in 2022.

### III. Support of working parents

#### Germany: Creation of new childcare places

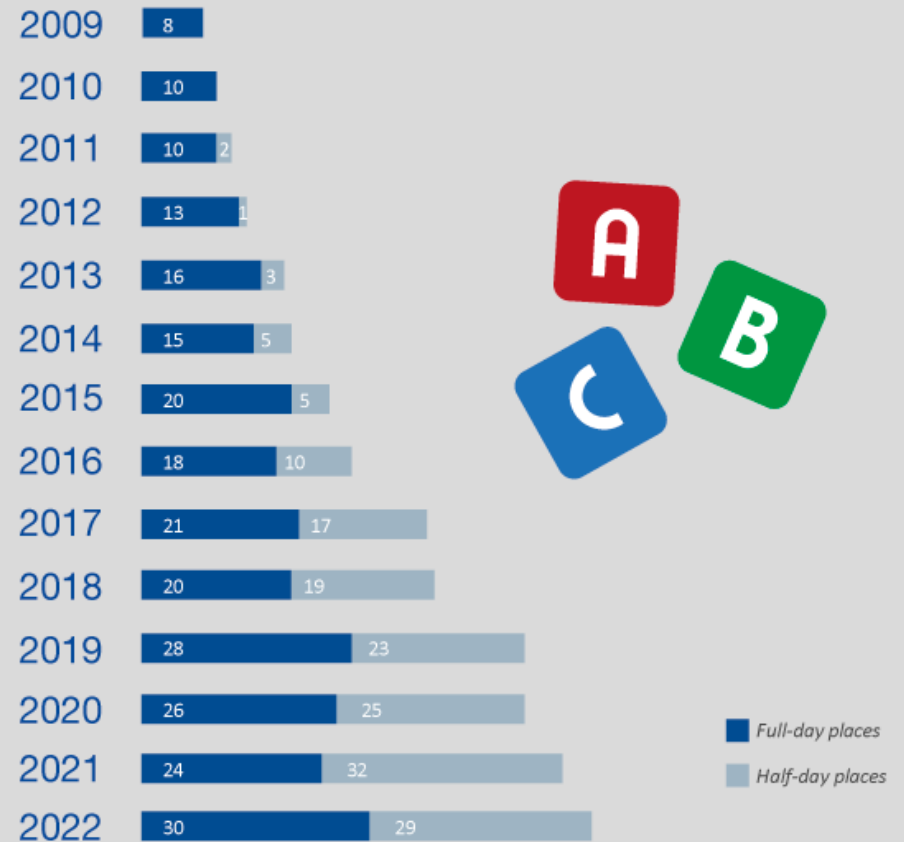
In 2022, KARL STORZ again increased its long-term commitment to supporting working parents. For the **twelfth consecutive year**, KARL STORZ expanded its cooperation with the local childcare facility “Haus der Familie” and the childcare facility “Denk mit” in Neuhausen ob Eck, near to the German headquarters.

The family company has now reserved a total of **59 childcare places** for use by employees with young children. The cost of care is sponsored by the company.

As part of this commitment, in January 2016 KARL STORZ cooperated in the creation of 15 additional childcare places in a mixed-age group (0-6 years of age) at Neuhausen Industrial Park, where our logistics center is located. The costs of these places are fully covered by KARL STORZ, and therefore the places are reserved for the children of our employees, though children of employees of other companies located in the industrial park may also benefit from the places if capacities are available.



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



#### Korea: Happy Family Day

As part of the “Happy Family Day” initiative, employees of KARL STORZ Endoscopy Korea Co., Ltd. leave the company two hours earlier than their regular working hours once a month. The program was initiated through an employee workshop to allow employees to actively spend time with their families every third Wednesday of each month, thereby maintaining a healthy work-life balance.

## IV. Offers and activities for employees

### Germany: Varied sport offers

KARL STORZ promotes different sports activities within the company, but also outside e.g., in cooperation with sports clubs. Big sporting events such as the Run&Fun or the New Year's Run in Tuttlingen also have been supported for many years. The employees directly benefit from that thanks to e.g., the participating cost absorption, a goodie bag with a running shirt, organizational support, food and lots of fun together. Last year in summer, a hike through the mind-blowing Danube valley near to the headquarters was offered for the local team and accompanied by a regional hiking professional.

Our company sports group called "KARL STORZ Aktiv" plays an important role. It's all about discovering numerous sports activities such as volleyball or curling, getting together outside the business, raising team spirits and passion. Although KARL STORZ is a manufacturer of medical technology, the focus of lots of the corporate activities is on prevention. After all, movement is life, and that's exactly where our health activities enter the stage.

Besides being sporty, it is also a great experience to watch sports or join a cultural event. Therefore, KARL STORZ offers a ticket lottery for its employees every month. Here they can e.g., win tickets for the German professional ice hockey team Wild Wings or for concerts or events in Tuttlingen. As the main sponsor of the Wild Wings for the current season, the company initiated an employee fan area with 30 seats in the Helios arena including a branded flag for each attendee. Every raffle winner can choose to bring one person to accompany them free of charge.



*Many employees take part at the Run&Fun event every year, cheer each other on, and have fun together.*

*Our employees' hike in the Danube valley was not just awesome for taking pictures, but such a good exercise and so much fun.*



*The running event on December 31<sup>st</sup> always attracts lots of KARL STORZ team members.*

*For every home game of the Schwenninger Wild Wings, KARL STORZ employees have the chance to win tickets for the local ice hockey team.*

## Germany: Art workshop for employees' children

Small artists, big works: 15 children of KARL STORZ employees were able to fully experience and discover their creative abilities. The focus of the event was the exhibition on Keith Haring, an American artist whose posters were a great inspiration for the youngsters. With paint, overalls and tools, the children then truly rivaled the renowned artist. As a sponsor of the local gallery in Tuttlingen, KARL STORZ promotes young artists in the region and supports the regular creative workshops for children and young people.



*The children of KARL STORZ employees can attend art classes in Tuttlingen for free every year.*

# V. Support of education and apprenticeship

## Germany: Strong commitment to training activities

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

### 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. We also trained interns to be ambassadors allowing us to digitally present our various professions at schools.

Training at KARL STORZ has a long tradition. As a hotbed for young talent, it is a real success story and offers numerous exciting opportunities in both the commercial and industrial sector. Since September 2022, the medical technology company has offered even more career prospects in the field of IT. A new dual course of study in taxes and auditing was also added to KARL STORZ's portfolio.

### Even the parents get included

As an internationally active company with around 8,300 employees, KARL STORZ offers some highlights in the area of training. Even the parents of our apprentices were able to get an idea of the opportunities at the parents' afternoon at the company's own visitor center in Tuttlingen. The two apprenticeship managers for the commercial and industrial areas outlined what awaits the next generation at KARL STORZ. Around 50 parents listened intently to the explanations. "Our trainees can now once again enjoy the comprehensive benefits of on-site training. In this way, they are in direct contact with our trainers and receive ideal and individual support. International practical phases are also an option wherever possible in terms of content".

### Advantages of training and studying at KARL STORZ

The next generation of employees at KARL STORZ will find ideal conditions. These include, on the one hand, the comprehensive infrastructure and, on the other, the first-class quality of support. 15 trainers look after the needs and development of 178 apprentices and students. The company currently employs 115 talented people in the industrial, and 63 in the commercial sector. Anyone who is interested in an

apprenticeship or the dual study program can apply at any time at [karriere@karlstorz.com](mailto:karriere@karlstorz.com). Another plus point is the good team cohesion. In September 2022, around 60 talented young people started their apprenticeships at KARL STORZ. The average take-up rate is over 90 percent.

### Girls' Day took place virtually

The Girls' Day is an annual day of action intended to motivate girls and women from the fifth grade onwards to take up technical and scientific professions by enabling them to discover jobs in technology, natural sciences, crafts and information technology. The goal is to help increase the proportion of female employees in mainly male-dominated professions. The Girls' Day 2022 at KARL STORZ was an overall success. 16 girls had quickly signed up for the places on the virtual event after the call for applications in order to experience the technical training of the internationally active company firsthand. In addition to building a flashlight, the program also included a virtual tour through the company and a quiz.



Also in 2022, KARL STORZ took part in the Girls' Day.

## Support of DonauDoc initiative

The DonauDoc initiative awards the Abitur (High School Diploma) Prize for particularly outstanding achievements in the subject of biology and for special social commitment for the eighth time in a row. 2022's award winners are Sandra Hermann from Immanuel-Kant-Gymnasium and Verena Schmitz from Otto-Hahn-Gymnasium. Both graduated from high school in 2022. At the KARL STORZ visitor center, they received the award and its prize money. As a company, KARL STORZ supports the initiative because its goal is to promote a career in health care to young talents in the Tuttlingen region and thus ensure long-term medical care in hospitals and clinics. Through the cooperation with the city of Tuttlingen and the associated award ceremony, KARL STORZ gives the students an impetus for their further career path and shows them a perspective. Since 2015, KARL STORZ has provided two DonauDoc high school graduation prizes and prize sculptures.



*Every year, KARL STORZ supports young students that have graduated from high school with outstanding results.*



## Children discover the world of endoscopy

In 2022, KARL STORZ was more than excited to host the City of Tuttlingen's popular and child-friendly interactive tour for students aged 8 to 13 years. Under the motto "Peek into hidden spaces – discover the secret world of endoscopy" the company welcomed them at the KARL STORZ visitor center in Tuttlingen.

At the various medical discipline areas, all the children received demonstrations on the procedures carried out with the aid of KARL STORZ endoscopes. Afterwards, the students were encouraged to independently peek into hidden spaces using various anatomical and training models, some of which contained Playmobil figures, awakening their interest in endoscopic technology.

After a quick snack, the students visited the OFFICE1 networked treatment room to see how physicians examine and diagnose patients using endoscopes. In the OR1™ integrated operating room, the children were able to familiarize themselves with the networked technologies and equipment used to treat patients during endoscopic surgeries. This diverse program was complemented by various learning stations, where students found out more about the use of endoscopes in veterinary medicine and were invited to try them out. Finally, they successfully performed surgery in three-dimensional spaces using virtual reality simulation.



*KARL STORZ helps educating young students in the field of endoscopy.*

# VI. University cooperation projects

## Germany: Collaboration with the Tuttlingen University Campus

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 the joint commitment of 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 four bachelor programs of Engineering Psychology, Mechatronics and Digital Production, Medical Engineering – Technologies and Development Processes, and Materials Technology and Manufacturing, the Tuttlingen University Campus perfectly responds to the needs of the economy of the region and beyond.

During their studies, students can already familiarize themselves with the companies involved, 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 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.

KARL STORZ has been a founding member of the sponsoring association since its foundation in 2009. KARL STORZ and 100 other partners from the association have agreed to support this unique university concept for 10 years. In February 2016 the cooperation partners of this public-private 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.

Since 2014, KARL STORZ has additionally supported the Tuttlingen University Campus with a Premium Semester in the US. 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 their experience abroad.

Student Anna Ludwig could not go to the US in 2022 because of COVID-19 and the war in Ukraine. Instead, she was able to work at the KARL STORZ office in Berlin. Anna says:



Anna Ludwig learnt a lot during her three-month internship at the KARL STORZ office in Berlin.

*“As my premium internship semester could not take place abroad as planned, I instead gained deep insights into the Digital Services and Solutions department at the Berlin office for three months. Through my diverse tasks, I learned a lot about machine learning and the application of artificial intelligence in medical technology. Working on those topics together with KARL STORZ greatly enriched me, my knowledge and my skills.”*

In 2022, KARL STORZ additionally supported the Tuttlingen University Campus as follows:

- Bachelor and Master thesis positions for students
- Working students' positions
- Industrial internships

### “Endoscopy” lecture series at Furtwangen University

In the winter semester 2022/2023, KARL STORZ offered for the eighth time an elective at Furtwangen University that was open to Medical Engineering students in the 3<sup>rd</sup> semester or above. In online teaching units (1.5 hours each), 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.



# VII. Continued education at KARL STORZ

## Germany: Internal training programs for employees

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

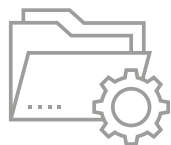


### Product-related training held virtually and face-to-face

Our vision is to unify employee and partner, as well as customer qualification journeys across the complete learning lifecycle and to deliver the diamond standard in sustainable knowledge and growth with innovative learning experiences.

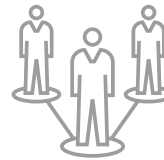
In order to achieve this goal, we have completely reworked our training concept over the last few years. Talking about employee and partner qualification, organized by KARL STORZ Tuttlingen, 102 onsite events with 1,005 participants were held in 2019. As of 2022, we have a mixture of online and onsite events. In 2022, 60 onsite events with 942 participants and 176 online events with 3,109 participants were held.

This mixture allows us to reach significantly more participants while keeping the environmental impact as low as possible, that's why we plan to keep, but further expand and improve that concept in 2023. We already implemented new technologies, such as our broadcasting and event studio, interactive online learning modules and are currently working on the introduction of VR/AR training applications to increase the learning experience of online training sessions. This allows us to offer sustainable product training sessions as we have reduced our logistical activities and CO<sub>2</sub> emissions. In addition, we are investigating sustainability in the training centers supported by KARL STORZ and working with our partners to improve their environmental footprint as well.



### Project management training

KARL STORZ has developed ongoing programs on project management to enhance employee expertise in this area. In 2022, several project management training sessions were held with over 200 participants in Tuttlingen and in the US. The training events took place onsite and virtually.



### Annual Strengths Dialogues

Open, direct and personal exchange among colleagues, teams, and across locations is an important success factor for us. Openness to change and the participation of everyone are at the heart of a culture of change that is characteristic for KARL STORZ. Through continuous dialogues, we aim to encourage meaningful and inspiring exchanges based on mutual trust and openness to learn from mistakes.

We are implementing a new employee-manager dialogue process called the KARL STORZ Strengths Dialogue. The Strengths Dialogue is an annual strengths-based employee-manager conversation that will contribute to the continuous improvement of our feedback and communication culture. By introducing this, we want to anchor our corporate values in our everyday work and thereby become a learning organization through development and self-reflection. Therefore, our goal is to enable and encourage all employees to continuously develop our corporate culture and to apply their strengths in the best possible way.

The Strengths Dialogue has been implemented as a pilot project initially in Germany. All managers with disciplinary responsibility who are leading employees in Germany will attend a one-day virtual or face-to-face leadership training session on the Strengths Dialogue conducted by an external training partner. After participating in the training, all managers can conduct the first Strengths Dialogues with their employees.

## Communications program & intercultural seminars are offered

Since the pilot phase was completed in 2017, communication and intercultural seminars are offered to all employees of the Tuttlingen headquarters, with the Swiss and Austrian locations included since 2018. The aim of the communication programs and intercultural seminars is to increase the soft skills of all employees and executives to improve their communication skills and cultural behavior.

The different seminars regarding communication skills discuss the fundamentals of communication, difficult conversations, negotiations, presentations as well as performance conversations. The seminars dealing with cultural competences thematize the specifications in the USA, East Asia and the Middle East.

In 2022, 43 training sessions were held with more than 400 participants. Of these, 20 took place virtually and 23 as face-to-face events. Since July 2020, employees can use the Learning Management System (LMS) to register for in-house seminars. Beyond that there are e-learning offers available for various soft skill issues in the LMS.

To foster and enhance international collaboration within KARL STORZ, a total of five intercultural training sessions took place in 2022. The training sessions concentrated on the joint work with USA, China and East Asia. In total 42 employees participated. For 2023 the learning path will be developed further, including eLearning and international peer group learning. This will enable learning in shorter sequences and joint learning with colleagues in a cross-cultural learning design.

The LMS will facilitate the further development of new courses and is one key piece of the puzzle. In 2022, the system was already available in 21 countries. In 2023, at least 12 more countries will be added to expand it on a global scale.



*Employees of KARL STORZ can frequently attend communication and soft skills seminars.*



## Internal IT training & language courses

In collaboration with the Volkshochschule in Tuttlingen, KARL STORZ offers interested employees IT training on commonly used Microsoft Office programs as well as language classes in English, French, Italian, and Spanish. The training and instructional materials are paid for by KARL STORZ. Most courses were held online in 2022.

## USA: Further internal programs

### **New pre-imbursement model**

KARL STORZ Endoscopy-America, Inc. is proud to support continuing education, offering programs to help employees expand their horizons and advance their careers. The company has traditionally offered tuition reimbursement for employees taking relevant courses in an approved degree or license program. To make education even more accessible, KARL STORZ switched to a tuition “pre-imbursement” model. Employees can now request funding to help cover tuition and fees before enrollment, rather than after course completion. This new approach means that employees don’t need existing funds to start pursuing the education they need to advance their careers. Eligible employees receive money for courses in degree-granting programs or in accounting, nursing, or attorney licensing programs taken at nationally recognized and accredited colleges and universities.

### **Management development program**

KARL STORZ Endoscopy-America, Inc. guided four groups of students through the so-called Manager’s Compass, a six-month management development program for new and existing managers. Student groups are selected from across functions and departments, providing participants with greater insight into corporate operations and different communication styles.

A scenic landscape photograph of a valley. In the foreground, a river flows through a lush green valley. The middle ground shows rolling hills covered in dense green forests. In the background, a village is built on a high, rocky cliffside. The sky is clear and blue, suggesting a bright day. The overall scene is peaceful and natural.

# 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 as a family company with a long history. As a global company with strong regional roots, KARL STORZ has been committed to environmental protection for decades, and the company strives to protect the environment for subsequent generations. 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 products and using durable materials achieves long product lifetimes and thereby conserves resources. When developing new products, we place particular value on durability.





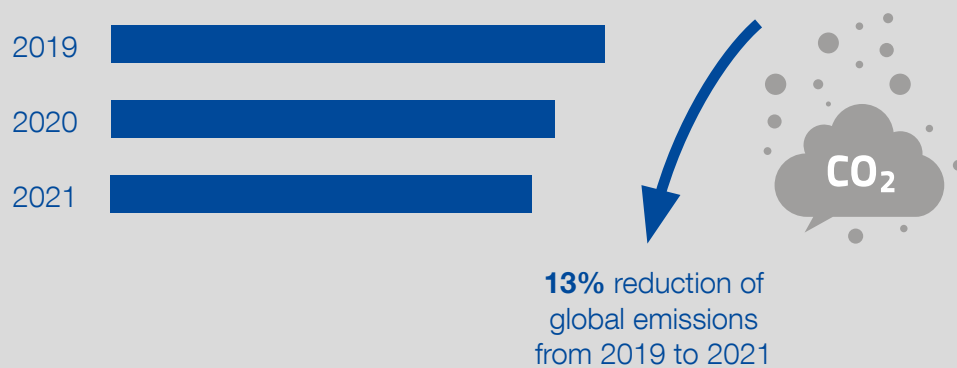
# I. Net zero emissions

## Tracking of global greenhouse gas emissions

The basis for an efficient climate protection strategy is the accurate calculation of global greenhouse gas (GHG) emissions and a precise understanding of the various emission sources. It is a crucial step in setting and achieving climate protection targets, mitigating our own contribution to climate change, and implementing a cross-divisional sustainability strategy that KARL STORZ employees are currently

working on. As a starting point for further measures to reduce emissions, the company's global carbon footprint was determined in Scope 1 and 2 from 2019 to 2021. Within these three years, a reduction of 13% in global CO<sub>2</sub> emissions was achieved.

Reduction of global emissions in Scope 1 and 2



## Establishing a green fleet

One of our twelve strategic corporate goals enshrines our ecological commitment and our responsibility toward our planet. The new e-mobility concept at KARL STORZ in Germany, which includes the switch to a CO<sub>2</sub>-neutral vehicle fleet, is making a major contribution to achieving this goal. All short-haul vehicles will be converted to alternative drive systems within the next five years as a first step. In the second step, at least half of all company vehicles throughout Germany are to be replaced by alternative drive technologies (probably mainly electric) by 2030. In 2022 we started gradually converting our company cars to electric vehicles. The first eight

pool electric vehicles are already available for business trips in fleet management and can be reserved using an online booking tool. Additional vehicles will be available in the fleet in 2023. E-mobility is also being promoted at other KARL STORZ locations: As part of a 4-year project, the UK subsidiary's fleet is to be converted to plug-in hybrid vehicles; four hybrid vehicles have already been put into operation in 2022. At KARL STORZ in Sweden, Denmark, Finland, and Norway the sales car policy also actively promotes hybrid and electric cars.

In order to create a suitable infrastructure for the e-vehicles from our fleet, but also for employees' private electric cars, e-charging points have been installed in 2022. The charging stations can be used by all employees with a private or company e-vehicle. In addition, the use of the charging points is also planned for external visitors. The first 16 charging stations are available at the Tuttlingen site. Further charging points

at our locations in Germany and Switzerland will now subsequently follow. To also promote e-mobility with regard to e-bikes and e-scooters, two battery charging stations with a total of five charging points were installed at the KARL STORZ site in Stutensee as a pilot project. If used successfully, the battery charging stations will also be expanded to other locations.



## Riding bicycles

With the introduction of a company bicycle leasing program back in 2017, KARL STORZ offers employees in Germany an attractive mobility option that actively contributes to health, reducing traffic, and 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. By the end of 2022, 422 employees were taking advantage of the bicycle leasing program.





*Congratulations to the most avid cyclists  
in the KARL STORZ team.*

KARL STORZ employees use their bicycles for both business and pleasure. In 2022, many also used them in the nationwide German “Stadtradeln” campaign by Climate Alliance, in which the city of Tuttlingen took part for the fifth time in a row. KARL STORZ was right at the front of the pack: 150 colleagues pedaled hard as part of the climate-driven campaign. In this way, a remarkable 39,500 kilometers were accumulated within just three weeks. In the overall ranking of the Tuttlingen companies, we were thus able to achieve second place and once again secured a place on the winner’s podium. A great deal of praise is due to the top cyclists in Team KARL STORZ: With 1,590 kilometers cycled, Dominik Moos was 2022’s leader and has cycled to Vienna in just a few days, closely followed by Franziska Schröder-Stehle, who reached 1,366 kilometers. Two teams from Global Finance and Global Marketing were able to distinguish themselves with special achievements: The Global Finance team achieved the most kilometers cycled per capita, while the team from Global Marketing had the most members. We are confident that even more colleagues will be inspired to collect climate-neutral kilometers at the event in 2023.

## Increasing energy efficiency

In the context of reducing the emissions of greenhouse gases such as CO<sub>2</sub>, the industrial sector is particularly tasked with looking for environmentally friendly solutions. In order to continue to meet this responsibility to society and the environment in the future, all of our sites in Germany have already switched to climate-neutral green electricity in 2021, which significantly reduces our annual CO<sub>2</sub> emissions. The focus in 2022 was on further converting existing old lighting systems to LED light sources at KARLSTORZ sites in Germany and abroad to further conserve resources and increase energy efficiency.

## Sustainable Travel Management

How can we make travel more sustainable in a large company like ours? Both the KARL STORZ Travel Management department and all travelers themselves need to make a contribution in order to grow in this area. KARL STORZ has set itself the goal of adapting the global travel policy accordingly and raising employee awareness in this direction. The first adjustments to the travel guidelines have already been made in 2022. KARL STORZ employees are being sensitized here to switch to public transportation as soon as it makes economic sense. Particularly in Germany, a country with a well-developed public transport system, efforts are being made to switch to public transport as far as possible. Hotels and airlines are also selected with sustainability in mind. There are already CO<sub>2</sub> offsets when booking Lufthansa contract rates as well as when booking via AirPlus, a climate-neutral payment solution. All CO<sub>2</sub> emissions generated via the AirPlus Company Account are offset via the climate protection organization "myclimate" and invested in environmental protection. Between January and December 2022, 77 tons of CO<sub>2</sub> could be offset in this way.

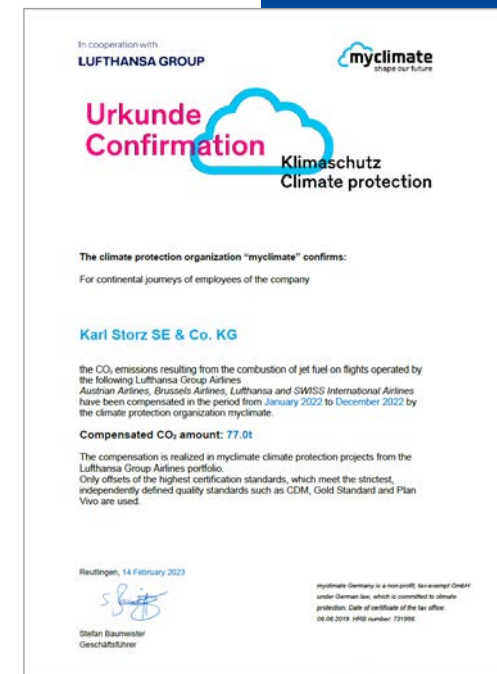
## Regenerative energy supply concepts

In addition to promoting energy efficiency measures, KARL STORZ is also committed to renewable energies, such as the continuous expansion of our solar installations at company sites worldwide. By generating our own electricity through large-scale photovoltaic systems, KARL STORZ can become more independent of utilities with renewable energy and protect the environment with self-produced green electricity. In 2022, two photovoltaic systems were put into operation at the Tuttlingen site. The system on the roof of the fleet management building produces 92,000 kWh/a renewable energy, the system on the roof of the logistics building has an expected generation of 900,000 kWh/a. Further systems are planned hereafter. Outside of Germany another system was installed at KARLSTORZ Endoscopy (UK) Ltd. with an expected generation of 43,000 kWh/a.

KARL STORZ Endoscopy-America, Inc. completed the installation of solar panels at its El Segundo headquarters in 2022, taking advantage of Southern California's abundant sun to generate clean renewable energy. The ecological benefits of the system equate with eliminating tens of thousands of barrels of oil and removing thousands of cars from the road each year. Situated on the top floor of the parking garage, the solar panels also provide shade, further reducing the amount of energy needed to cool off the cars for passenger comfort.

Similarly, KARL STORZ Imaging, Inc. in Goleta completed a multi-year project to install a solar electric system. The project includes roof-mounted panels on all suitable areas as well as freestanding structures in the parking lot, maximizing the available space while providing valuable shade for employee parking. A key feature of the system is an advanced battery storage system designed to achieve a 68% reduction in electric energy use during periods of peak demand. Fully

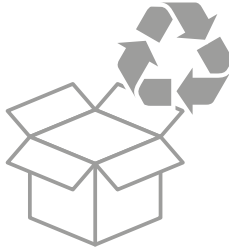
utilized, the system annually saves about 1,680 barrels of oil, which is equivalent to 267,000 liters of oil, which would have been used to generate the same amount of electricity. In fact, it generates enough electricity to power nearly 1,200 households annually. It allows the facility to produce nearly 70% of its power requirements on site.



## II. Resource protection

### Zero waste of packaging

In the field of packaging KARL STORZ follows a zero-waste approach and works towards gradually increasing the recyclability of packaging (both outer packaging and product packaging). In 2021, a recycling share of 69.6% was achieved for the KARL STORZ sites in Germany and Switzerland, with the recyclate share (secondary raw materials) being 43.2%.



In 2022, KARL STORZ Endoscopy Australia Pty. Ltd. was proud to be named as a Finalist in the Australian Packaging Covenant Organization (APCO) Annual Industry Sector Awards. APCO is a not-for-profit organization charged with facilitating the delivery of Australia's 2025 National Packaging Targets. These targets include: 100% reusable, recyclable, or compostable packaging, the phase out of problematic & unnecessary single-use plastics packaging, 70% of plastic packaging being recycled or composted and 50% of average recycled content included in packaging. Over the past two years, KARL STORZ Endoscopy

Australia Pty. Ltd. has worked hard to reduce the environmental impact of our local organization, focusing on the secondary & tertiary packaging of our products. These include optimizing the size of our boxes to ensure minimal wasted space, increasing the recycled content of all packaging, eliminating plastic and non-biodegradable packaging material & tapes, and the reuse of recyclable packaging material. These continual progressive improvements remain a priority for our organization as we continue to strive towards the 2025 National Packaging Targets.

### IT remarketing, recycling, and reduction efforts

KARL STORZ also tries to make an effective contribution to environmental protection by initiating the remarketing and recycling of used IT hardware. As part of this, the Global IT department has signed a cooperation agreement with Europe's largest non-profit IT company, AfB gGmbH, as early as 2021 to give used IT and communications equipment a second life. AfB is a recognized inclusion company with the mission of creating jobs for people with disabilities and conserving resources. These goals are achieved by AfB taking over used IT hardware as part of its social & green IT concept, refurbishing the devices, and remarketing them. Damaged equipment is in turn recycled and core materials are reused. In total, 24% of the IT equipment handed over to AfB by KARL STORZ in 2022 could be remanufactured and marketed through a certified process, and 76% could be professionally recycled to recover the raw materials it contains and return them to the economic cycle. Among other things, the equipment

handed over to AfB as part of the partnership secured one job for people with disabilities and saved 65,141 liters of water and 8,567 kg of CO<sub>2</sub> in 2022. KARL STORZ particularly endorses and supports AfB's IT remarketing, as it conserves resources and the climate, reduces waste, and at the same time promotes inclusion in Germany, as approximately 45% of employees are people with disabilities.

In addition to IT remarketing and recycling, KARL STORZ also endeavors to examine the meaningfulness of using various IT devices in the company and to reduce them where possible. By introducing departmental printers with a "FollowMe" functionality instead of using a large number of individual printers, the number of printers in Germany has been reduced by 126 individual printers in 2022. Other KARL STORZ subsidiaries outside of Germany have also reduced the number of printers they use on site in 2022.



## Biodiversity

In 2022, KARL STORZ Endoscopy (UK) Ltd. was involved in a competition to build a bug hotel for a chance to win advertising space in the Slough Industrial Estate. The resulting KARL STORZ bug hotel was selected as one of the winners for the competition and was then installed in the subsidiary's car park to positively impact biodiversity there. To expand the involvement, an internal competition was held to

encourage staff in the Dundee and Slough offices to build and decorate their own bug hotel. KARL STORZ issued 50 bug hotels to employees for them to build with their families and put in their gardens and green spaces to increase biodiversity across the United Kingdom.



## Waste reduction

KARLSTORZ Middle East Africa launched a recycling program aimed at doing our share of reducing waste impact on our community. For this end we partnered with L'Ecoute, a local NGO founded in 1999 for deaf-mute people. Today, L'Ecoute works with special needs people (deaf, blind, reduced mobility) as well as with seriously ill people with the aim of promoting their integration into and boosting their access to the world of work. L'Ecoute-Recyclage was founded shortly after to bring awareness regarding the importance of recycling on our environment and to finance projects for people with disabilities. The chief activity is to collect household or industrial waste,

sort it and send it to recycling centers in the country. The recycling program at our Beirut office, introduced in 2015, was simple and straightforward. We encouraged our employees to recycle by placing paper recycling containers in offices, mailrooms, and open areas. We also placed special containers for collecting used cans and plastic in the staff dining rooms. With this initiative we aimed at achieving two goals: increasing environmental awareness among our employees and supporting our selected NGO.



## 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 integrity, 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, Dr. med. h. c. Karl Storz, had already 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 KARL STORZ company.

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 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 is the overarching framework through which policies, strategies and programs are designed and enforced to ensure that our employees and business partners are acting ethically and responsibly. The Compliance Management 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. On the KARL STORZ website, business partners can find out about the basic principles we practice at any time, with references to the Global Compact, the KARL STORZ anti-corruption guideline as well as environmental and resource conservation.

Moreover, business partners will be required 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.

In 2022, the KARL STORZ Code of Conduct was revised and redesigned to improve understandability of the company's principles and values. FAQs and case examples sensitize employees to the relevance of the Code's rules in their daily business activities and outlines the individual responsibility in behaving the right way. The revised Code of Conduct was announced through a personal message from the Managing Director, distributed globally, and new training sessions on the Code have been initiated. In addition, a dedicated intranet page continually raises and maintains 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 session 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, a SAP-based system was established in Germany in which processes relating to equipment loans and transfer of ownerships to third parties can be requested and mapped.

It is important that KARL STORZ continues to monitor compliance risks in a changing work environment. The 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 response 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 be publicly accessed via the KARL STORZ website.

Moreover, the Compliance department conducts routine monitoring and auditing of its business practices to help ensure that KARL STORZ conducts its business in compliance with relevant company policies, laws and regulations.



### **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 via 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 relevant target groups.

## Around the globe: Compliance efforts

### USA: Compliance program

The KARL STORZ North America (“KSNA”) Compliance Program encompasses the Code of Conduct, policies, procedures, guidelines, work instructions, and training created, shared, and/or issued by the Compliance department in the United States. The Department of Health and Human Services Office of Inspector General (“OIG”) Guidance outlines seven key elements of an effective compliance program. The key components of the KSNA Compliance Program address each of the seven elements of an effective compliance program as outlined in the OIG Guidance. As the OIG Guidance envisions, the KSNA Compliance Program is designed to fit the size, resources, market position, and other unique aspects of the company. KARL STORZ recognizes that an effective compliance program must evolve and respond to the changing circumstances of the company and its environment. To this end, KARL STORZ is committed to continuous quality improvement based on regular review, assessment, and development of the KSNA Compliance Program and the changing regulatory and business environment.

In 2022, KARL STORZ Endoscopy-America, Inc. also participated in the annual “Corporate Compliance and Ethics Week,” a global event established to highlight the importance of regulatory compliance and ethical business practices. 2022’s theme focused on the core principles of awareness, recognition, and reinforcement. Throughout the week, the Compliance department sponsored a series of activities designed to reinforce a culture of compliance across all corporate levels.

### Middle East Africa: Anti-corruption measures

KARL STORZ Middle East Africa is a member of MECOMED, the medical devices, imaging, and diagnostics trade association. MECOMED members adhere to the highest ethical and compliance standards set by the organization through three web tools:

- Disclosure platform: centralized transparency platform for the industry to disclose all financial contributions provided to independent medical education
- Certifications platform: where members demonstrate their commitment to the ethical standards included in the Code of Ethical Business Practice
- Conference vetting system: which allows members to verify the compliance of third-party educational events with MECOMED Code of Ethical Business Practice.

In addition to the MECOMED membership, the subsidiaries conduct periodical KARL STORZ Code of Conduct training.



More than  
**75**  
Years

*Shaping the Future  
of Endoscopy with you*

**STORZ**  
KARL STORZ – ENDOSKOPE