



UN Global Compact Communication on Progress 2012

Successful together



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Many steps on the right track



“As a globally operating company, we are part of a network of mutual influences from markets, politics, and society that affect our company on a daily basis. Of course, we also carefully monitor our own influence on internal and external groups. The global economy intensifies international interactions and moves us closer together in some respects. However, these close ties also increase each individual’s responsibility and impact.

This context confirms our commitment as a Global Compact member since the Ten Principles transparently express what we as a business would like to take into account to ensure that the economy and globalization really become a shared path taken by all continents at their various stages of development. We firmly believe that the Global Compact will continue to point the way on which we want to take many steps.

With this year’s Communication on Progress Report, we are happy to present the steps we have taken on “our” Global Compact path and the results and progress we have achieved in the process. This year’s Report focuses on a variety of individual projects. Our activities this year were characterized by small but well-considered steps that together form a coherent overall concept. Each step was shaped by our ethical belief that in business as well, human beings must be the focus of attention.

With various support projects, we show that our responsibility does not end at our factory doors, but that we consider ourselves part of the global society. This year was also marked by the impressive solidarity of our employees, who joined forces to help those experiencing difficult times. The company management sincerely thanks our employees for their solidarity.

In 2012, KARL STORZ not only aimed to provide interesting and secure jobs but continued to strive toward family friendliness, integration of diversity, and support of education and training.

In the realm of environmental protection, we are happy to continue our successful project on reducing paper use. Compared to 2011, we reduced our paper consumption by 7.11%. We successfully reduced the average fuel consumption of company vehicles by 2.89%. In two ongoing construction projects, resource protection has been taken into consideration as an important decision-making criterion.

The continuous anti-corruption information campaign was particularly important again this year.

Global Compact will continue to accompany us in 2013. In the new year, we will again make a strong effort to consider and actively pursue the Ten Principles in our business activities.”

Dr. h. c. mult. Sybill Storz
Managing Partner of the KARL STORZ Group
Tuttlingen, December 30, 2012

KARL STORZ Endoskope – The path to gentle surgeries



The breakthrough in minimally invasive surgery

In 1945, Dr. h.c. med. KARL STORZ founded this family business, which is named after its founder. Ever since the company's early day, he strived to tailor medical products to the exact wishes and needs of the doctors who use them by directly collaborating with physicians.

In the past 65 years, the former two-person enterprise has developed into a globally active company with a worldwide presence. Everyday, our 5,800 employees enable KARL STORZ to implement new products and innovative ideas to support physicians.

The company continues to greatly value collaboration with physicians and leading research institutions as we did in the early years, so that we are constantly aware of the newest developments in medical technology.

In 1965, Dr. Storz collaborated with Prof. Hopkins to develop the powerful HOPKINS® rod lens system. The new technology delivered previously unimaginable image quality in terms of light intensity, depth of field, contrast, and resolution. About 20 years later, advancements in camera technology permitted the display of the surgical site on a monitor, so that the physician now uses a monitor rather than an eyepiece to view the inside of the patient's body. This advancement promotes ergonomics in the operating room and significantly improves the training of young physicians, since they can now better observe surgical procedures.

Today's minimally invasive surgery 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 additionally contribute to much better cosmetic results – permanent scars are reduced to a minimum. In addition, faster healing reduces hospital stays. The rapid development of communication technology ensures better patient information and the informed selection of treatment options for specific diseases.

Increased demands on the quality of medical care

To further increase the quality of medical care, the World Health Organization (WHO) started the "Safe Surgery Saves Lives" initiative, which aims to reduce serious errors with simple tools. The principle is easy enough: Error prevention through the use of checklists.

The medical technology manufacturer KARL STORZ has responded to this initiative by developing the new software KARL STORZ OR1™ Checklist. Checklist is embedded in the OR workflow and enables the OR staff to automatically view and "check off" all relevant data in short and clear steps through a central control interface (touch screen) and to thereby ensure that all required conditions are met. Checklist is modular so that it can be adapted to the varied demands of users and specific procedures. Every individual step is securely documented and saved, ensuring a transparent workflow.

To further optimize the workflow in the operating room and ensure quality, the documentation system KARL STORZ AIDA® NEO was advanced and adapted to the increasing documentation requirements of hospitals and patients. During the procedure, images and videos are already centrally recorded and saved in HD quality via a touch screen from the sterile area. Through central interfaces at the hospital, the data are directly stored under the respective patient in the central hospital information system (HIS) and can be accessed any time via the patient identification number. This enables the surgeon to quickly and efficiently create a patient or surgery report with meaningful intraoperative pictures. Patients also benefit from the complete and transparent documentation of every procedure. Working through a checklist reminds the staff of the necessary steps associated with each surgical procedure and therefore contributes to minimizing routine errors and risks.



Innovative system supplier

KARL STORZ is a successful full-range supplier, offering a product range that easily combines innovative instruments and devices with system solutions. The company presents process solutions that reflect the full range of medical services. KARL STORZ demonstrates its expertise as a system partner with the integrated treatment concept OFFICE1 for diagnostic workplaces, the integrated operating room concept OR1™, and the comprehensive OR management module ORchestrion® that is designed to optimize all processes and resources involved in surgery.

As one of the market leaders in endoscopic imaging, KARL STORZ continued this innovative tradition in 2011 with the presentation of the KARL STORZ 3D System. KARL STORZ 3D technology offers very good image quality and excellent depth perception for surgeons. In combination with exact spatial orientation, precise hand-eye coordination facilitates difficult endoscopic tasks for the surgeon, including suturing, knot tying, and preparation.

Prospects for the future

The development of minimally invasive surgery is linked inextricably with the name KARL STORZ. Today, our product portfolio contains over 8,000 products for 22 medical disciplines. Nevertheless, the family-run business does not rest on its laurels but is always on the lookout for innovative improvement and solution options. Our motivation can be described with a quote from Hippocrates: “Healing is a matter of time, but it is sometimes also a matter of opportunity.”

Dr. h. c. mult. Sybill Storz, Managing Partner and daughter of KARL STORZ, thinks that the potential of minimally invasive surgery has still not been exhausted by a long way. “Operating techniques that place less strain on the patient will continue to develop and give rise to new methods and areas of application.” With entrepreneurial foresight, a good instinct for future trends, highly specialized employees, and innovative ideas, KARL STORZ plans to continue to develop products that will make new treatment options possible and make endoscopy even less invasive and even safer.



The implementation of the Ten Principles at KARL STORZ

Global Compact Principles 1 - 2: Human Rights

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

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

For KARL STORZ, respecting human rights also means explicitly promoting projects focusing on human dignity within and outside of the company's core business. On the basis of this fundamental principle, KARL STORZ again provided sustainable support this year. We focused on supporting projects that specifically assist people in less privileged situations or that help others to help themselves.

I. Supporting the Navajo Nations (Arizona, US)



*Ceremony on the occasion of the donation hand-over in March 2012
with Dr. h. c. mult. Sybill Storz and Congressman Paul Gosar*

KARL STORZ and Tuba City Hospital, which is run by members of the Navajo Nation, are building a strategic partnership. Navajo Nation is a semi-autonomous region governed by the Navajo Tribe that is located in northeastern Arizona, southeastern Utah and northwestern New Mexico and forms the largest reservation in the United States.

This cooperative project is based on a decision by the KARL STORZ management to implement healthcare projects with high social impact. Jack A. Frydrych, member of the KARL STORZ Global Executive Committee, describes the process as follows: "Recently, a decision was made by Dr. h. c. mult. Sybill Storz to undertake a series of transformative projects of high impact to meaningfully increase access to quality healthcare, while lowering costs, in a Native American community that has a challenging infrastructure (such as a large land mass, unimproved roads and minimal public utility delivery), lack of significant sources of revenue, has a hospital that is tribally run, and has the support and encouragement of administration, medical staff, and tribal leadership to collaboratively undertake and sustain programs to provide access to advanced medical procedures as a center of excellence in Native American communities, notwithstanding the revenue and infrastructure challenges. We found that Tuba City Regional Hospital and the Navajo/Hopi Nations met our criteria."

Initial onsite meetings helped in determining the most pressing needs of the hospital and surgeons. Because of limited funding available, Tuba City Hospital is severely under-resourced, with limited to no funding sources available to purchase much-needed equipment. The hospital was overjoyed at the possibility of working with KARL STORZ on a “true” partnership. The hospital’s commitment to the project has reinforced the interest of KARL STORZ in supporting transformational change for the hospital and the Navajo Nation, and not in merely donating a “piece of equipment.”



© The Navajo Post

The current stage of the partnership program now addresses the hospital’s strong commitment to developing its minimally invasive surgical techniques in gynecology. The hospital’s vision is to become a regional center of excellence, providing advanced laparoscopic surgery to women from all of the reservations in the Southwest. More specifically, an additional aim of the hospital is to create a Women’s Health Center at Tuba City that will function as a center of knowledge and serve as a training site where surgeons can improve their skills and master new techniques. The two current gynecologic surgeons at Tuba City are expert in laparoscopic hysterectomies and laparoscopic surgery for pelvic organ prolapse.

Paul Gosar, first-term Congressman from Flagstaff, Arizona

“I am proud to have been a part of this unique partnership. The philanthropic giving of KARL STORZ will empower Arizona native tribes to pursue excellence in healthcare. The donations of KARL STORZ will impact the day-to-day lives of many throughout the region, improving access and the quality of care. I hope that this exceptional partnership encourages other companies to consider how their investment can also change the future of healthcare for communities in need. I thank all who came together to be a part of this exceptional initiative.”

Jennifer Whitehair, MD, FACOG, Department of OB/GYN, Tuba City Regional Healthcare

“The majority of our patients live with extreme poverty, many times with limited running water and electricity. The ability for them to access high level healthcare without having to go hundreds of miles for care is a major step forward. It’s critical for their health and welfare to have a first-class medical facility. We are grateful to KARL STORZ for their commitment to women’s health worldwide.”

The donation program with Tuba City is a reflection of the social and ethical values that have long been an integral part of the KARL STORZ business culture. A primary objective has been to support worldwide training activities to enable doctors to carry out minimally invasive interventions. To achieve this, Dr. h. c. mult. Sybill Storz and the global KARL STORZ organization have supported numerous humanitarian projects throughout the world. Each project was aimed at improving medical care and training in underdeveloped countries and in regions with less developed infrastructure.

Dr. h. c. mult. Sybill Storz, CEO of the KARL STORZ group

"Beyond our core competencies of being an innovation and quality leader in providing endoscopic product solutions, it is our tradition to actively support medical training. With this effort we especially focus on hospitals and healthcare centers that need this support in order to advance the usage of minimally invasive techniques for the better care and well-being of patients. Therefore we very much appreciate this intensive dialog and exchange with the Tuba City Health Care Corporation, and we are glad that physicians and patients will benefit from the endoscopic equipment of KARL STORZ."

II. Employee solidarity

Colleague support for fire victims

Employees and management conducted a joint donation drive for an employee who lost her home in a fire. Along with the money, which was donated by employees and supplemented by management, they sent their best wishes and hopes that the donation will help her to rebuild her life.

KARL STORZ employees support the Tuttlingen Frauenhaus

As in previous years, the KARL STORZ Aktiv association collected a significant donation amount from KARL STORZ employees and partners in the context of two KARL STORZ sports events; in 2012,



the money was donated to the Tuttlingen Frauenhaus [women's house]. Frauenhaus Tuttlingen helps women who are abused or at risk of abuse as well as their children and shelters them at the facility to protect them from further violence. The non-profit facility offers care and shelter, strengthens the women's and children's self confidence, and accompanies them into an independent, violence-free life. The management of Frauenhaus Tuttlingen was very pleased with the support of KARL STORZ employees and with the donation amount. "We will use the money to provide care for the children, who suffer greatly under the psychological stress and need special care.

We particularly rely on donations for the care we provide to the children, so we are very happy about the support and thank everyone who contributed", states the Frauenhaus association manager.

Employees participate in bone marrow drive



"The donation of your life."

KARL STORZ employees also showed great solidarity in the case of an employee whose daughter was diagnosed with leukemia and desperately needed a bone marrow donation. Employees and management donated money to financially support the required bone marrow drive. The company also organized an additional in-house bone marrow drive where employees could volunteer to be entered in the German Bone Marrow Donor Database (DKMS) as potential bone marrow donors. The goal was to provide a life-saving bone marrow donation for the employee's daughter but also for other, future patients. Almost 400 employees participated in the in-house drive.

III. Supporting children: Big focus on the little guys

Experiencing the family company – employees' children discover KARL STORZ



Almost 120 children followed the invitation to the KARL STORZ Employee Children's Day to get to know mom's or dad's workplace. This was the first year we held the KARL STORZ Children's Day, inviting employees' children aged 5-18 to visit the company and become familiar with it by participating in age-appropriate workshops.

Before their arrival, the children chose one of five workshops on sports medicine, high-tech in the OR, veterinary medicine, experiencing production, or using industrial endoscopes in cars. Each of the workshops informed the kids how endoscopy works in the specific area and what endoscopy can do for humans, animals, and in machines. But the areas were not only explored theoretically; the children were able

to actively participate to find out how the individual technologies work. For instance, gummi bears were surgically removed from simulation trainers, key chains were produced with a laser machine in production, and cars from the company fleet were thoroughly inspected endoscopically. In veterinary medicine, child-appropriate activities were provided by integrating anatomic models in various stuffed animals. The children then examined the stuffed animal and removed foreign objects from the bronchial model. In the operating rooms of the Visitor Center, groups of children focused intensely on a simulated laparoscopic procedure and decided independently when to use the respective instruments.

“We are very happy about the big response and the children’s natural curiosity. As a family company, it is very important to us that our employees’ workplace is not an alien element in their family lives but that children have a specific idea about their parents’ work at our company. Teaching highly complex information that is usually presented to doctors and professors in a child-appropriate and playful manner is also an interesting challenge for workshop leaders. We always learn quite a bit from this exciting challenge”, comments Dr. h. c. mult. Sybill Storz.

Children’s museum

The newly founded “MACH MIT!” children’s and youth museum in Donaueschingen aims to clearly illustrate various topics related to water, energy, natural sciences, mechanics, electronics, computer science, and medical technology to children and adolescents. According to the initiators, the museum aims to create “spaces for learning and experience that stimulate young people’s curiosity, imagination, and desire to discover new insights that promote their development and understanding of various worlds”, states Konrad Hall, the association’s first chairman. The museum is based on a consistent “hands on – minds on” concept. That means that children not only look at exhibits but can touch and experience them with all senses.

KARL STORZ supported this project with a medical engineering model that demonstrates to children how endoscopic surgery works in humans and how medical technology can be used for the benefit of patients.

IV. Donation of medical products for sustainable development

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

In 2012, we supported projects in the following countries with equipment donations:

- Afghanistan (specialty: anesthesia)
- Ethiopia (specialty: urology)
- Myanmar (specialty: dental and oral–maxillofacial surgery)
- Ecuador (specialty: ENT)
- Guinea (specialty: anesthesia)
- Guinea-Bissau (specialty: anesthesia)
- Honduras (specialty: gynecology)
- India (specialty: ENT)
- Cambodia (specialty: laparoscopy & gynecology)
- Lesotho (specialty: urology)
- Mauritius (specialty: laparoscopy)

- Mongolia (specialty: laparoscopy)
- Namibia (specialty: ENT)
- Nepal (specialty: gynecology)
- Nicaragua (surgery: arthroscopy)
- Niger (specialty: anesthesia)
- Peru (specialty: gynecology)
- Philippines (specialty: ENT)
- Poland (specialty: pediatrics)
- Rwanda (specialty: ENT)
- Russia (specialty: ENT)
- South Africa (specialty: pediatrics & ENT)
- Tanzania (specialty: urology)
- Vietnam (specialty: ENT)
- Zimbabwe (specialty: ENT)



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 labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

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

- Flexible work time models
- Flexible job reintegration for working mothers
- Financial participation of employees in the company's success
- Voluntary extended benefits for employees
- Support of continued education and professional development

According to the University of Hohenheim, women hold less than 20% of German technical jobs (MINT = mathematics, informatics, natural sciences, and technology). At KARL STORZ, women represent 36% of workers in manufacturing and 24% of those in Research & Development. The company is happy about this positive trend and considers it the result of consistent human resources policies that focus on abilities rather than gender roles.

I. Support of working parents



In 2012, KARL STORZ again increased its long-term commitment to support working parents. For the third consecutive year, KARL STORZ has expanded its cooperation with the local child care facility "Haus der Familie" [House of Family]. KARL STORZ has reserved a total of 14 child care spots that can be used by employees with young children. The child care costs are shared by the company and the parents.

2009	2010	2011	2012
8 childcare spots	10 childcare spots	12 childcare spots Of these: 10 all-day 2 half-day	14 childcare spots Of these: 13 all-day 1 half-day

II. Professional opportunities across borders

Employee diversity enriches our company climate. It increases our flexibility, promotes creativity, and creates synergies. For that reason, KARL STORZ joined a recruitment project of the Economic Development Association for the Schwarzwald-Baar-Heuberg region and the Baden-Württemberg State Ministry of Finance and Economic Affairs in 2012. In the context of this project, 100 job-seeking Spanish engineers were invited to the Schwarzwald-Baar-Heuberg region to provide an opportunity for companies and potential employees to meet. As a result of this event, KARL STORZ hired two female Spanish engineers.



Region for winners: Alliance for skilled labor - German companies meet Spanish engineers.

Stefan Ahlhaus, KARL STORZ Head of Human Resources:

"When we heard of this program, we immediately made it clear that we would participate. From our perspective, the program was a complete success. The Spanish engineers were well trained, highly motivated, and open-minded – a good basis for successful collaboration. Only in terms of language skills, there is still a need for improvement, and we are looking into language courses."

III. University cooperation for a better future



Tuttlingen county has one of the highest industrial densities and one of the strongest economies in the state and in the nation. Medium-sized companies characterize the industrial landscape. Staying competitive and ready for the future requires recruiting well-qualified specialists and managers since the commitment and expertise of skilled employees is essential to the quality of KARL STORZ products.

This motivated the idea of creating a model institution of higher education that differs from existing universities in terms of trusteeship, organization, and teaching. This idea was developed and implemented with joint commitment of the industry, Tuttlingen city and county, the Furtwangen University of Applied Sciences, and the state of Baden-Württemberg. Tuttlingen now offers a cutting-edge international university based on the public-private partnership model.



© Hochschule Furtwangen Hochschulcampus Tuttlingen

With its innovative approach, the Tuttlingen university campus aims to recruit additional engineering students. The five major courses of study offered at the Tuttlingen campus, Industrial MedTec, Industrial Systems Design, Industrial Manufacturing, Industrial Virtual Engineering, and Industrial Materials Engineering, specifically meet the needs of the regional and supra-regional economy. During their studies, students already familiarize themselves with the companies, use their laboratories, and develop social networks.

The public-private partnership between the regional industry, the city of Tuttlingen, Tuttlingen county, and Furtwangen University of Applied Sciences makes the Tuttlingen campus a novelty in the

German university landscape. The Förderverein Hochschulcampus Tuttlingen e.V. [University Campus Tuttlingen Association], whose membership includes more than 100 regional companies, has a voice and decision-making rights regarding the university's teaching. This model concretely implements the companies' demand for practice-oriented university education.

The company KARL STORZ has been a supporter of this idea since 2009 and is a founding member of the association. KARL STORZ and 100 other partners from the association have agreed to support this unique university concept with 2.5 million euro annually for 10 years.

In addition to its financial commitment, KARL STORZ also participates in the Tuttlingen university campus in other ways:

- Provision of internship opportunities
- Provision of thesis opportunities
- Mentoring program
- Practical input in the definition of the "Industrial MedTec" curriculum
- Karl-Christian Storz (member of KARL STORZ management) is on the advisory board for the "Industrial MedTec" course of study.

Karl-Christian Storz, Member of the KARL STORZ Board

"We are happy to contribute to this successful university concept because investing into practice-oriented, quality education today ensures tomorrow's quality and expertise. With well-trained employees, we can ensure that physicians worldwide can continue to rely on our technological innovations and quality products in the future."

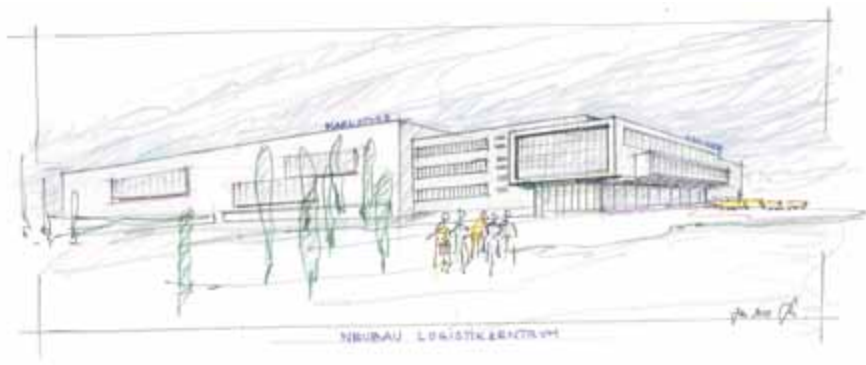
Global Compact Principles 7 - 9: Environment

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

The sustainable and responsible use of resources is particularly important to KARL STORZ, a globally active company with a long history, and its Managing Partner Dr. h. c. mult. Sybill Storz. As a family company with regional roots, KARL STORZ has been committed to the environmental protection for decades, and the company strives to protect the environment for subsequent generations as well. We believe that environmental protection and economic success are not mutually exclusive. At KARL STORZ, environmental protection and resource conservation are important criteria in business decisions.

Manufacturing high-quality, multi-use products and using durable materials achieves long product lifetimes and thereby conserves resources. When developing new products, we place particular value on durability.

I. KARL STORZ logistics center: Resource conservation during new construction



Thanks to a number of measures taken in the new construction of the KARL STORZ logistics center in Neuhausen (Tuttlingen county), CO₂ emissions are **501,582 kg/CO₂** lower per year than in other reference projects (new construction).

The potential savings are calculated on the basis of a comparable reference project (new construction) with a maximum annual energy consumption of 178.33 kWh/m²a in accordance with EnEV 2009 (German Energy Saving Ordinance). The calculated energy needs of the KARL STORZ building equal to 106.55 kWh/m²a.

These savings are based on the following measures:

- Use of metal facade elements and windows with very good thermal insulation (U value).
- Design of a compact structure with minimal external surfaces and associated heat loss
- Heat recovery in ventilation systems
- Efficient energy use in the building
- Use of district heating with very high primary energy rate, meaning that the majority of the district heat (approx. 80%) is generated by a wood chip heating system. Only wood from domestic forests is used. The remaining heat (approx. 20%) is generated by a small-scale natural gas cogeneration unit.

II. Historic hospital: Structural preservation in building conversion in Berlin

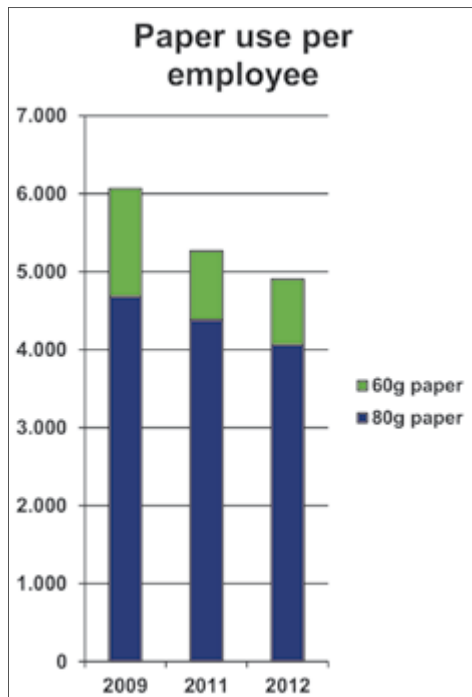


© The Modern Ruins Project / Photographer: Wesenstein

Currently, KARL STORZ is converting the former *Kaiserin Augusta Hospital* in Berlin into another company location. The building's history dates back to 1869. At that time, it was built as a military hospital under the patronage of Empress Augusta. The current conversion is expected to be completed in 2013. In the long term, this strategic step will have the following resource-conserving effects:

- The activities that are currently scattered throughout Berlin will be centralized at a single location. We thereby increase efficiency and conserve resources.
- The structure-preserving conversion project does justice to the building's historic and cultural value and also prevents additional soil sealing.
- Energy conservation and long-term energy efficiency are priorities in the conversion project. For instance, the entire building will be heated with returning water from a district heating center. Using this residual heat and special very-low-energy distribution systems, we will achieve the desired comfort with heating surfaces in floors, walls, and ceilings.
- Establishing a central location in Berlin will shorten the travel for various customers and partners since Berlin is already a central and conveniently reached location for training events, and many important partners such as hospitals, research facilities, and associations are themselves located in Berlin.

III. Successful further reduction of paper consumption



In 2012, KARL STORZ efforts to reduce our paper consumption have been successfully continued. In 2012 (12 Dec 2011 - 12 Dec 2012), the paper consumption at the Tuttlingen headquarters was reduced by 7.11% compared to the previous year. In 2012, a total of 11,615,700 sheets of paper were used. Hence, the average paper consumption per employee and year dropped by 358 sheets (see diagram). Since 2009, a total of about 1,206,900 sheets of paper have been saved. This equals approx. 10% of the entire paper consumption at the Tuttlingen location.

The major reduction in paper consumption in the past year particularly results from the following measures:

- Digital archiving of customer invoices
- Partial electronic distribution of commercial documents
- Optimization of offer and order forms to print less data
- Electronic dissemination of newsletters to business partners
- Launch of an online application tool with subsequent paper-less internal processing. About half of the received applications are already in electronic form.
- For advertisement and information brochures that are primarily used by Sales, Marketing, and subsidiaries, the use of printed documents has been reduced by using approx. 600 tablet computers. The attractive and modern digitalization of our print documents and their availability through a computer app ensures contemporary product presentation to our customers and also meaningfully reduces paper consumption and the use of additional resources, such as print cartridges.

As a result of our reduced paper use, the required storage space and associated resources have also significantly dropped.

Model calculation of resource economization based on reduced paper consumption		
Resource	Economization 2011 (compared to 2009)	Economization 2012 (compared to 2011)
Wood (1,7 t wood/ 1 t paper) ¹	-14.92 t	-117.53 t
Water (95.000 l/ 1 t paper) ¹	-833,933 l	-6,567,722 l
CO₂ emissions (800 kg/ 1 t paper) ²	-7,020 kg	-55,307 kg

In 2012, 117 fewer tons of wood were used, corresponding to about 80 spruce trees.³

KARL STORZ would like to continue reducing paper consumption in collaboration with our customers. Since July 2012, we have been asking our customers to support us in saving resources by agreeing to receive information in paper-less electronic form. The initial response has been promising, and we will continue this campaign in 2013.



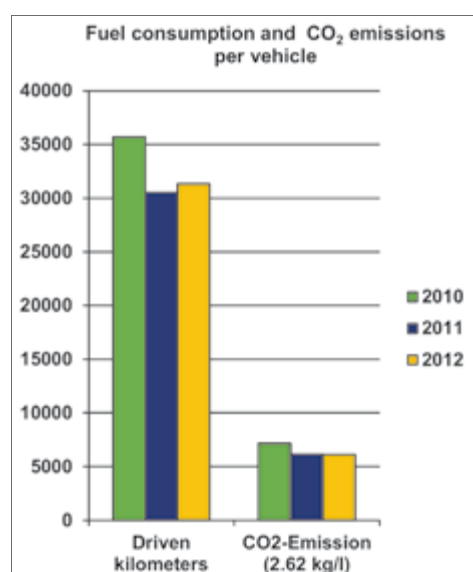
¹ Calculated in accordance with Senatsverwaltung für Wirtschaft und Technologie [Senate department for economics and technology] (publisher), Ökobilanzen populär [ecological balances, popular] Berlin, 1995.

² Calculated in accordance with Trauth, J./ Schönheit, E., Kritischer Papierbericht 2005, Initiative 2000 plus (publisher), Essen, 2005.

³ Model calculation based on the following assumption: Height: 25 m, Diameter: 40 cm, Density of spruce: 470 kg/m³.

IV. Company fleet: Fuel and CO₂ emissions per vehicle slightly reduced

Fleet	2010	2011	2012	Change (absolute)	Change (percent)
Driven kilometers	6,494,594	6,256,525	7,051,607	795,082	12.71 %
Average fuel consumption (liters/100 km)	7.63	7.67	7.45	-0.22	-2.89 %
CO ₂ emission (2.62 kg/l) ⁴	1,298,955	1,257,333	1,376,070	118,738	9.44 %



KARL STORZ pursues the long-term goal of reducing its average fuel consumption and CO₂ emissions.

In late 2008, we introduced a fuel card system at the Tuttlingen headquarters that allows us to analyze the fuel consumption of company cars. Thanks to their consistent use in 2012, more cars could be analyzed than in the previous year — which is the primary reason for the significant increase in driven kilometers, by about 12.71%, to 7.05 million kilometers. However, the average number of driven kilometers per vehicle only increased by 821 km, corresponding to a slight increase of 2.69%.

While between 2010 and 2011, the average fuel consumption increased by 0.47%, **it dropped by 2.89% in 2012 compared to the previous year, with an average consumption of 7.45 liters per 100 kilometers.** Despite the increase in driven kilometers, greater efficiency meant that there were no changes in CO₂ emissions. The 2012 analysis is based on 225 vehicles.



⁴ Baden-Württemberg Ministry of the Interior: average CO₂ emissions per liter of diesel fuel: 2.62 kg.

Global Compact Principles 10: Anti-corruption

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

I. Continued dedication with training and information

Transparent statement on the KARL STORZ website

Since 2011, we share our thoughts on “responsibility” with the visitors of our website, and we offer interested users the opportunity to enter into an active dialog with KARL STORZ using our contact form.



In 2012, KARL STORZ continued to pursue the following responsible action guidelines: “Our emphasis on responsible action calls for transparent and lawful collaboration with sales partners, physicians, medical facilities, and other medical staff, following a clear code of conduct. We strictly reject and will not tolerate corrupt or otherwise unlawful behavior. All KARL STORZ, managers and staff are therefore asked to comply with legal requirements as well as with the below code of conduct and to implement them in their everyday work. Doing so will increase the trust placed in KARL STORZ in the competitive environment.”

Employee anti-corruption training

In 2012, KARL STORZ again held employee anti-corruption training sessions to specifically inform employees who are in contact with customers and suppliers about this topic and to teach them to reliably and consistently apply anti-corruption rules in daily business dealings.

Update of our anti-corruption brochure

In December 2012, employees were informed of the new version of our anti-corruption brochure, which takes into account recent court decisions and includes practical examples, making it an even more useful employee reference.

Supplier dialog

Christmas time is often present time as well, but ethical issues can arise in the context of anti-corruption efforts. In 2012, KARL STORZ informed its suppliers that it makes business decisions lawfully, fairly and transparently and never bases them on personal or objectionable gifts.

Therefore, KARL STORZ employees are not permitted to accept presents that are more than minor and that may create the appearance of undue influence being taken. KARL STORZ therefore asks its partners to completely eliminate presents and to instead donate to the charitable organization “Lebenshilfe für Menschen mit Behinderungen Kreisverein Tuttlingen e.V.” [association for the assistance of people with disabilities, Tuttlingen county].



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