



UN Global Compact Communication on Progress 2013

Successful together



Communication on Progress 2013 – Table of Contents

ENTREPRENEURIAL COMMITMENT AS AN INVESTMENT IN THE FUTURE	4
KARL STORZ ENDOSKOPE – THE PATH TO GENTLE SURGERIES	5
IMPLEMENTATION OF THE TEN PRINCIPLES AT KARL STORZ	7
GLOBAL COMPACT PRINCIPLES 1-2: HUMAN RIGHTS	7
I. Contribution to „2 nd World Congress for Surgical Training“	7
II. Support of a platform for the online knowledge transfer in medicine	9
III. Employee solidarity	9
IV. Support of children and adolescents	12
V. Donation of medical products for sustainable development	13
GLOBAL COMPACT PRINCIPLES 3-6: LABOR	15
I. Support of working parents	15
II. Modernization of the trainee workshop	16
III. University cooperation projects	17
GLOBAL COMPACT PRINCIPLES 7-9: ENVIRONMENT	19
I. Historic hospital: Structural preservation in our building conversion in Berlin	19
II. New office building in the United Kingdom – focus on environmental protection	22
III. Climate-friendly conversion of the Swiss production plant	24
IV. Switch to lead-free glass	24
V. Recycling of packaging materials	25
VI. Resource conservation in daily business	26
VII. Reduced paper use per staff member	27
VIII. Company fleet: Fuel consumption and CO ₂ emissions	28
GLOBAL COMPACT PRINCIPLES 10: ANTI-CORRUPTION	29
I. Continued dedication with training and information	30

Entrepreneurial commitment as an investment in the future



„People and companies keep asking what their own actions can actually achieve. To what extent can they positively influence things? I think the answer is clear: Individuals and companies enjoy some freedom of action and therefore bear the responsibility to act in such a way as to benefit the local and global society. The principles of the Global Compact, to which we committed in 2004 and which we have since been actively supporting, are based on this idea of individual responsibility.

Achieving corporate economic objectives is no different from reaching sustainability-related goals. Both require patience, diligence, motivation, and continuous commitment. In both cases, it is important not to lose sight of our ultimate goals, even under difficult conditions. One of the keys to economic success and successful sustainable management lies in setting goals that initially seem unreachable. As an entrepreneur, I know that persistence and continued commitment pay off when trying to reach big goals.

The 2013 worldwide actions and discussions about a global climate protection agreement are a good example underlining the importance of continuing to work hard to achieve long-term improvements, even if many obstacles must be overcome. Such global initiatives are very important, but the contribution of each individual is critical as well. With this conviction, in 2013 the KARL STORZ company has dedicated itself to the following projects and objectives, which not only benefit our company and employees but also serve the objectives of the Global Compact:

As a medical device manufacturer, we have continued to support medical training through a variety of activities in 2013. This investment in physicians additionally promotes better and less invasive patient treatment. Our work also focused on protecting resources and the environment. We are happy to report that this objective has been consistently implemented in a wide range of areas, for instance by ensuring sustainable construction, recycling packaging materials, selecting production materials, avoiding unnecessary business travel, and minimizing paper use. Resource protection is a multifaceted topic, and it has been sustainably implemented through many individual projects.

We also invested continuous, long-term support in educational projects and staff development. We continued to fight corruption in 2013, dedicating the necessary attention on a global level.

Our 2013 achievements are very positive and motivate employees and myself to continue our hard work in this area. Optimistically and goal-focused, we start into a new year in which we will again support and promote the Global Compact.“

Dr. h. c. mult. Sybill Storz
Managing Partner of the KARL STORZ Group
Tuttlingen, December 30, 2013

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 68 years, the former two-person enterprise has developed into a globally active company with a worldwide presence. Everyday, our 6,400 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 used a monitor rather than an eyepiece to view the inside of the patient's body. This advancement has promoted ergonomics in the operating room and significantly has improved 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.

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. Working through a checklist contributes to minimizing routine errors and risks.

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.



Innovative system supplier

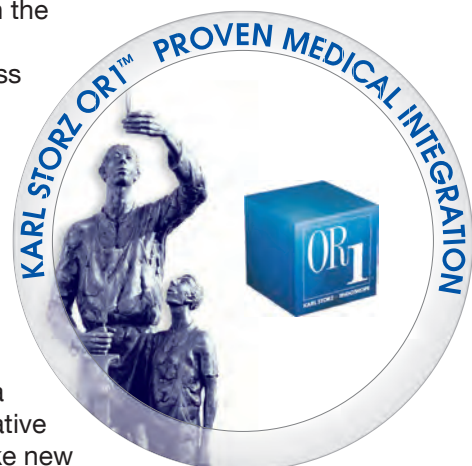
KARL STORZ is a successful full-range supplier, offering a product range that easily combines innovative instruments and devices with system solutions. The company presents process solutions that reflect the full range of medical services. KARL STORZ demonstrates its expertise as a system partner with 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.

In 2013, KARL STORZ presented the newest development in endoscopic imaging with the modular camera platform IMAGE 1 SPIES™. Surgeons particularly benefit from the innovative SPIES™ modes, which offer an excellent view in any situation thanks to flexible illumination, contrast adjustment, and specific color shifting. IMAGE 1 SPIES™ offers users maximum convenience and support through brilliant FULL HD images, innovative SPIES™ technology, and a clear and helpful menu structure.

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.



Implementation of the Ten Principles at KARL STORZ

Global Compact Principles 1-2: Human Rights

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

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

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

I. Contribution to „2nd World Congress for Surgical Training“



On a world-wide level KARL STORZ is very involved and dedicated to support medical training institutions so that young physicians can receive endoscopic training in order that more patients can benefit from the great advantages of this surgical technique.

KARL STORZ and its management are of the firm opinion that the medical industry has to take its responsibility for education and training. Furthermore KARL STORZ believes that medical education and training have to remain in the hands of surgeons and therefore the company focuses on supporting education and training with high quality equipment and logistics. Medical content is exclusively provided by physicians.

Based on these aspects KARL STORZ accepted the invitation of 2nd World Congress on Surgical Training organized by Surgicon to give a presentation about KARL STORZ training activities in Sub-Saharan Africa. In June 2013 the Regional Director Ara Sarkissian gave a presentation that touched the following topics:

In less developed countries, supporting training is not only a philanthropic activity but is part of the business model. This somehow modern approach for development aid put emphasis on building a sustainable and adapted business model and is not only about donating equipment. This was, for example, achieved with the Women Health Initiative in India (project duration 2004 – 2009) - a PPP project that was conducted by KARL STORZ, the GIZ (German Association for International Cooperation) and academically evaluated by the United Nations University, Tokyo. Aim of this PPP project was to provide start-up aid to establish six gynecological training centers that will continue, after the project end, to offer sustainable training on a financially self-supporting manner.

Training needs are immense in Sub-Saharan Africa. Over the years, links were established with a network of regional specialists, their needs in training discussed and training programs established and executed. This regional network was put in communication with the company's international network of surgeons. Permanent training centers were put in place and supported in some major regional cities. The challenge is to make these centers sustainable with self-funding and operational capacity. KARL STORZ keeps on cooperating with local faculties in scheduling and supporting targeted training programs. The company continues its quest in enlarging the access for training to other parts of the region.

There are numerous entities supporting surgical training and education activities in Sub-Saharan Africa. Why not think of a more global and more standardized efforts to reach even more efficient results and sustainable activities?

Ara Sarkissian, KARL STORZ Regional Director Sub-Saharan Africa & Maghreb:

"Our participation to this congress and session was quite beneficial in reflecting the company's image and its commitment to surgical training. Participants came from different horizons and from all continents. All had involvement in surgical training in their countries or regions. Coming from different backgrounds and experiences, the exchanged contents were quite enriching to all. As a representative from the industry, our input was significant in terms of exposing our company's philosophy and way of doing business within established compliance guidelines. At the end, academic and industry have to join efforts in supporting surgical training. Presentations exposed the challenges and need to cooperate as resources are scarce. I believe that such forums are necessary in an effort to standardize training curriculums, as much as possible, make participants think on better cooperation and exchange of information towards achieving more efficient training programs and activities. It was our privilege to get invited to present and debate."

About the congress

Surgicon is a non-profit global network intending to harmonize surgical skills across borders. Since 2010 they have connected leading surgeons from different specialties and different countries and continents, and organized two meetings in 2011 and 2013. The human anatomy does not differ between countries, cultures or continents. For this simple reason the surgical profession should be the same anywhere on the globe. In reality, surgical training programs are different not only between countries but also within countries. Competition between educational models seems, from this perspective, to be contra-productive. In addition, surgical curriculums will no longer be fixed entities but include developing processes, due to the rapid technical development taking place. (Source: <http://www.surgicon.org/about-us/>)

II. Support of a platform for the online knowledge transfer in medicine



KARL STORZ provides material, content-related, and conceptual support for the jointly funded project „SurgeryNet“, an online knowledge platform created with the help of hospitals, universities, and the industry.

SurgeryNet is a Web 2.0 platform for surgeons and has been developed by experts for interested individuals from hospitals, science, and industry. Through videos, case discussions, and live transmissions, young and experienced surgeons have the opportunity to exchange information by discussing specific cases, sharing knowledge, and gaining new insights. This makes the platform a valuable tool for supporting learning processes, particularly for beginning surgeons. The innovative project is supported by the Federal Ministry of Education and Research and the European Social Fund. (Source: <http://surgerytube.fit.fraunhofer.de/pub/>)

Project partners include:

- University Medical Center Schleswig-Holstein, Clinic for Surgery, Lübeck campus
- Witten-Herdecke University in conjunction with the Clinic for Visceral Surgery of the Cologne-Merheim Medical Center
- University of Magdeburg, Visualization Group
- RWTH Aachen – Chair of Computer Science V, in collaboration with Fraunhofer FIT, St. Augustin
- European Surgical Institute (ESI), Johnson & Johnson Medical GmbH, Norderstedt
- KARL STORZ GmbH & Co. KG, Tuttlingen
- Coordinator: UniTransferKlinik Lübeck

III. Employee solidarity

Support of colleagues who fell victim to the typhoon Haiyan

Right before Christmas, the KARL STORZ management initiated a donation drive for our colleagues in the Philippines and their families. Supplementing the immediate help already provided by the KARL STORZ company through the German Red Cross, this donation drive is primarily intended to help local staff members rebuild their livelihoods.

The employee donations will be supplemented by a financial contribution from the KARL STORZ company.

KARL STORZ employees support the „Wärmestube“ organization

In 2013, the „KARL STORZ Aktiv“ association once again organized two sports events, in which staff and business partners from Tuttlingen, the US, and Europe participated. As in previous years, the active support and generosity of employees resulted in proceeds of 7,000 EUR. This amount was donated in full to the „Wärmestube organization for Tuttlingen county.“

Wärmestube [warm room] is a central contact point for people without a permanent place of residence and those at risk of becoming homeless or in precarious housing and living conditions. It offers people with little income food and drink, laundry services, and infrastructure, such as a showers and a clothing bank, at low cost.



Presentation of the Wärmestube donation

The company sports group and the association KARL STORZ Aktiv, to which it gave rise, celebrated their 20-year anniversary in 2013.

Thanks to generous staff support, the sports events have also been used to collect donations since 2004. In the past nine years, KARL STORZ employees have invested more than 30,000 EUR in charitable projects.



**Dr. h. c. mult. Sybill Storz & Karl-Christian Storz, KARL STORZ management,
on the occasion of the 20th anniversary of KARL STORZ Aktiv e.V.**

„For an impressive 20 years now, the annual International KARL STORZ Sports Event has been bringing our staff together. In these 20 years, active KARL STORZ athletes have managed to organize an annual event that also gives us an opportunity to invite to Tuttlingen the staff of domestic and international KARL STORZ subsidiaries as well as business partners.

Over the years, athletic friendships have formed, and getting to know one another also creates a good basis for working together to solve business challenges across locations and across borders. This will succeed much easier when knowing each other personally instead only from E-Mail correspondence.

For these 20 years of athletic friendship, we are very grateful to the many volunteers who have actively contributed to the success of each of the Sports Events as well as to all active athletes and visitors. We welcome the beautiful tradition started in 2004 of donating the net proceeds of the KARL STORZ Sports Event to a regional charitable project. Special thanks goes to all those who generously support this important commitment by visiting the events.

We are looking forward to many more years of athletic encounters and friendship within the international KARL STORZ Group.”

IV. Support of children and adolescents

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



„Jugend forscht“ is Germany’s best-known competition for young scientists. It aims to raise adolescents’ interest in mathematics, IT, natural sciences, and technology as well as to discover and nurture young talent. Nationwide, more than 100 competitions are held each year. Participants range in age from 4th grade through 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. In 2014, a regional competition will be held in Tuttlingen for the first time. The company KARL STORZ and the city of Tuttlingen will sponsor the new Donau-Hegau regional competition.

„We are very happy to host this competition at our company“, comments Dr. h. c. mult. Sybill Storz, managing director of the KARL STORZ company. „Nurturing talent and young researchers is very important to us. We want to help children and adolescents discover and utilize their interests and skills from an early age. So we are more than happy to support this competition.“

In previous years, students from the Tuttlingen and Singen areas have been distributed to competitions in the surrounding regions, and some had to travel quite far. Thanks to the new regional competition, this is no longer necessary. In view of declining student numbers, fiercer global competition, and the already existing shortage of skilled professionals, intensively fostering young talent at an early time is becoming increasingly important. „Jugend forscht“ makes an important contribution to discovering and nurturing talent. „Holding the competition is therefore a great advantage, particularly for an economically strong region like Tuttlingen. With the new regional competition, we are closing a gap on the map,“ states Dr. Martin Leonhard, head of KARL STORZ Technology Management. The second sponsor of the project is the city of Tuttlingen. Mayor Michael Beck is fully committed to „Jugend forscht“: „Children and adolescents are naturally curious, so it is very important to support their interests and to encourage young researchers.“ He believes that this is particularly true for a city with high tech industry: „After establishing the university campus a few years ago, this is another step on the way to Tuttlingen becoming an educational powerhouse.“

By late 2013, KARL STORZ and the city of Tuttlingen were delighted with the great interest expressed by adolescents. Young researchers could apply until the end of November 2013. „We received applications for 48 projects, with 97 active participants,“ announced Dr. Martin Leonhard from KARL STORZ. „After reviewing the application forms, we are looking forward to many impressive and interesting projects. We are already curious to see how the young scientists will present their work. The young researchers’ inventiveness and creativity are the basis for future innovations in research and technology. And we are happy to nurture and support them,“ added Leonhard.

V. 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 2013, this type of support went to projects in the following countries:

- **Bolivia** (neurosurgery)
- **Burkina Faso** (urology)
- **Chile** (laparoscopy)
- **Dominican Republic** (laparoscopy)
- **Eritrea** (laparoscopy, anesthesiology)
- **Ethiopia** (bronchoscopy, urology)
- **Gabon** (anesthesiology)
- **Georgia** (laparoscopy)
- **Ghana** (gynecology)
- **Guatemala** (laparoscopy)
- **Guyana** (urology)
- **Haiti** (urology)
- **Honduras** (ENT)
- **India** (urology, gynecology)
- **Indonesia** (arthroscopy)
- **Moldavia** (bronchoscopy)
- **Myanmar** (laparoscopy, gynecology)
- **Nicaragua** (pediatric urology, urology, arthroscopy)
- **North Korea** (ENT)
- **Pacific Islands** (urology)
- **Palestine** (urology)
- **Peru** (laparoscopy, ENT)
- **Romania** (ENT)
- **Rwanda** (ENT)
- **South Africa** (arthroscopy)
- **Syria** (ENT, anesthesiology)
- **Tanzania** (urology, anesthesiology)
- **Ukraine** (ENT, bronchoscopy, laparoscopy)
- **Zambia** (anesthesiology)

Training and education in Africa supported by 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 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 in the company's success
- Voluntary extended benefits
- Support of continued education and professional development

According to a study of the University of Hohenheim published in 2012, women hold less than 20% of German technical jobs (MINT = mathematics, informatics, natural sciences, and technology). At KARL STORZ, women represent **37,5%** (2012: 36%) of workers in manufacturing and **29,3%** (2012: 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. The distinct year-to-year increases also confirm the sustainability of this HR policy.

I. Support of working parents



In 2013, KARL STORZ again increased its long-term commitment to supporting working parents. For the **fourth consecutive year**, KARL STORZ has expanded its cooperation with the local child care facility „Haus der Familie.“ Our commitment has further expanded to a cooperation with two other childcare facilities in Tuttlingen and Neuhausen ob Eck (Tuttlingen county).

The KARL STORZ family company has now reserved a total of **19 child care spots** for use by employees with young children. The cost of care is shared by company and parents.

Overview of childcare spots

2009	2010	2011	2012	2013
8 spots	10 spots	12 spots Of these: 10 full-day spots 2 half-day spots	14 spots Of these: 13 full-day spots 1 half-day spots	19 spots Of these: 16 full-day spots 3 half-day spots

II. Modernization of the trainee workshop

Germany's dual training system enjoys an excellent reputation worldwide. The proven system of teaching practical skills in combination with theoretical content guarantees the quality training we need for producing medical products. For decades, KARL STORZ has offered young adults a future in the form of occupational training in industrial and administrative fields. In 2013, a total of 161 apprentices are completing dual training at KARL STORZ.



Apprentices starting training in 2013

In 2013/2014, KARL STORZ is investing a seven-digit figure (EUR) in equipping a new trainee workshop for mechanics and optics. The new trainee workshop is attractively designed and includes the newest machines. This renovation ensures that trainees already familiarize themselves with and learn to operate the newest technologies during their apprenticeship. As a result, apprentices will be even better prepared for their later careers and master the skills they need.



New and modern working environment



Franz Sieger, head of industrial training KARL STORZ:

„The new trainee workshop offers young employees the optimal environment for mastering basic skills using very advanced machines. It makes us more competitive and enables us to prepare apprentices even better for their work in the manufacturing departments. Another focus was the attractive design of this area to create a positive, inquisitive environment in which apprentices can prepare for their careers.“

III. University cooperation projects

Award of the Germany Scholarship [DeutschlandSTIPENDIUM]

Through the Germany Scholarship initiative, the federal government and private sponsors support tomorrow's leaders. Together, sponsors want to ensure that top university students reach their full potential and thereby invest in Germany's future. In the medium term, the project aims to support up to 8% of students at each German university.



Germany's wealth, positive economic development, and innovative strength are primarily the result of the many excellently trained professionals working here. Their extensive knowledge, ideas, and motivation ensure our country's global competitiveness. But we must not rest on our laurels. In view of the demographic changes in Germany and the growing global competition, it is increasingly important to specifically support top talents. (Source: <http://www.deutschland-stipendium.de/de/1748.php>)

KARL STORZ has been supporting this initiative since 2011. Currently, the company grants a total of **nine scholarships** to students at the following universities:

- Since 2011: Charité Berlin (1 scholarship), University of Ulm (2 scholarships)
- Since 2012: Furtwangen University (1 scholarship), Pforzheim University (2 scholarships)
- Since 2013: Reutlingen University (1 scholarship), Regensburg University (1 scholarship)
- Starting in 2014: Tübingen University (1 scholarship)

Support of the „Medical technology“ study program cooperatively offered by the universities of Stuttgart and Tübingen

Through the Medical Engineering Foundation [Förderfonds Medizintechnik], various medical device manufacturers are supporting university students, particularly those starting into their first year of studies. Provided they maintain good grades, their scholarship continues for the program's regular study period. Through this program, KARL STORZ has been supporting two students since 2010.

Semester project in cooperation with the University of Konstanz department of Computer and Information Science

In the course of a practice-oriented semester project, 20-25 students taking human-computer interaction at the University of Konstanz received a practical challenge with respect to the integrated KARL STORZ OR1™ system. The students were invited to the company and given the opportunity to design alternative control concepts for software modules used in a clinical environment.



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

As announced in 2012, we finished the conversion of the former Empress Augusta Hospital in Berlin into a new KARL STORZ location in October 2013. As planned, the conversion offers the following benefits:

- The structure-preserving conversion project does justice to the building's historic and cultural value and also prevents additional soil sealing. The conversion intentionally left in place historic elements from the World War II and GDR eras to preserve them as pieces of history for future generations.
- Bundling the activities that have previously been spread throughout Berlin ensures resource conservation, increased efficiency, and a stronger feeling of community among the various company divisions.
- Energy conservation and long-term energy efficiency were priorities in the conversion project. For instance, the entire building is heated with returning water from a district heating center. This residual heat and special very-low-energy distribution systems achieve the desired comfort with heating surfaces in floors, walls, and ceilings.
- Establishing a central location in Berlin shortens the travel of 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.

With the completed conversion and restoration of the former Empress Augusta Hospital, our family company has strengthened its presence in Berlin. Simultaneously, the building offers existing and potential customers a high quality venue for holding conferences, meetings, and endoscopy training events.

The historic charm of the building erected in 1868 was preserved in the context of the conversion and expertly expanded with modern elements. The former hospital has become a KARL STORZ location, housing offices and a modern visitor and training center in a central location (Berlin-Mitte). As in the past, the building is used to benefit medical science and patients. History has not only been preserved but was given a future.

The KARL STORZ Visitor and Training Center Berlin is primarily intended to promote medical science and continued medical education and to serve as a dialog platform. For this reason, KARL STORZ management has decided to donate the full amount of rental income from medical partners to charitable institutions. The following institutions will benefit from the donations of rental income:

- German Doctors e.V., Bonn
- Fistula e.V. – helping women with obstetric injuries in Ethiopia (Bruchsal, Germany)
- SOS Children's Villages International
- Heart for Children

The Empress Augusta Hospital before the conversion:



The Empress Augusta Hospital after the conversion:



*Front of the KARL STORZ Visitor and Training Center Berlin
in the former Empress Augusta Hospital (Berlin Mitte).*



Reception area at the KARL STORZ Visitor and Training Center



*Event location for medical workshops –
20 modern endoscopic workspaces*



Holding events in a special ambiance – the historic lecture room



The library for guests of the KARL STORZ Visitor and Training Center

II. New office building in the United Kingdom – focus on environmental protection

In 2013, the British KARL STORZ subsidiary moved into a new building to accommodate its positive growth and to further improve customer service. The building was designed with the features below to protect and preserve the environment:



New building of the subsidiary in Slough, UK

Reclamation of previous building materials

The new KARL STORZ Building in Slough stands on a site previously occupied by some industrial units built in the 1950's. Wherever possible, materials from these buildings have been reclaimed and used in the development of the new facility. All metals were recycled and hazardous substances dealt with appropriately.

Photovoltaic Cells

A solar photovoltaic array comprising 48 multicrystalline panels is mounted on the roof of the building. This array generates electricity and is connected to the electricity grid via a three phase inverter. Electricity generated by this array will be used within the unit if a demand exists and any surplus will be 'exported' to the grid. It is estimated that this PV installation will generate 3730 kW/h annually.

Lighting

All lighting within the building utilises low-energy fluorescent bulb technology which is controlled via motion and lux detectors to ensure minimal energy consumption. All external lighting uses highly efficient LED lighting and is again controlled by lux level and motion sensors.

Insulation

The external walls of the building are highly insulative, using the PermaRock fibre system. Thermal conductivity is very low (between 0.033 – 0.036W/mK) and also has Class A1 fire resistance (non-combustible).

Windows

To reduce thermal transfer, the glazed areas of the building are fitted with insulation foil-backed glass with an Argon gas filled cavity.

Electricity charging points

In anticipation of future developments in automotive technology, we have installed two external electrical points which can be used for charging electric vehicles. We will be trialling two hybrid Volvos in 2014 as part of an assessment as whether this technology will help us to reduce our CO₂ emissions.

Centrally controlled Air conditioning

Air conditioning within the building is centralised and centrally controlled. There are no auxiliary or satellite units, and the operating times and parameters are controlled by a master controller. This ensures that the system is always operating optimally.

Video conferencing

New video conferencing suites will facilitate better communication between our two UK sites, Germany and other subsidiaries. Locally, this will reduce unnecessary journeys and improve staff wellbeing, helping staff to work better, safer and more cost-effectively.

Central training facility

The new building features an impressive training centre that can cater for all UK staff training requirements as well as hosting external courses. Prior to having our own facilities, we had to run training ad-hoc in various locations around the UK where we could be accommodated. Having a centralised resource means we can now provide improved logistical efficiency and more consistent training.



Opening and handover of the new building by the company management, Dr. h. c. mult. Sybill Storz & Karl-Christian Storz, to the head of the British subsidiary, Mike Perks (left to right)

III. Climate-friendly conversion of the Swiss production plant



Schaffhausen production site (Switzerland)

The Production department at our Swiss production site in Schaffhausen was converted and modernized in 2013. This optimization and modernization of the production plant and an air conditioning system improved the indoor climate and thus process reliability in production. In addition, the plant's power consumption has significantly dropped. The company estimates **annual energy savings of 140,000 kW/h. This reduces CO₂ emissions by about 82,600 kg/CO₂ annually.**

IV. Switch to lead-free glass

In endoscopy, glass is an important material for transporting light into the body and images to the outside. The optical image chain is based on glass components mounted in light cables and endoscopes. The high quality image taken inside the body is transferred through a camera system to a monitor.

In 2013, KARL STORZ has proactively endeavored to replace the glass fibers in light cables and in a specific endoscope series by lead-free glass. In 2014, we plan to switch all other glass lenses in endoscopes to the more environmentally friendly glass.

Key advantages of this switch include less resource-intensive glass production and the elimination of heavy metals for disposal.

V. Recycling of packaging materials

The German Packaging Ordinance requires initial distributors (manufacturers, trade, importers) to license all sales packaging passed on to final users and to thereby ensure that it is properly taken back and recycled. (Source: <http://www.bellandvision.de/>)

Of course, the KARL STORZ company fully meets this requirement. In the fall of 2013, KARL STORZ was notified that a total of 97.8 tons of our sales packaging has been recycled in the context of a modern recycling system.

Our disposal partner BellandVision thereby confirms that a total of **40.9 tons of CO₂ emissions were reduced** in 2012 through the recycling of KARL STORZ packaging.



BellandVision
Zukunft braucht Recycling

CO₂-Klimazertifikat 2012

BV 15116.2012

Recycling und Abfallvermeidung, basierend auf einer modernen Kreislaufwirtschaft, liefern einen wichtigen Beitrag zum Klimaschutz. Die Reduzierung des CO₂-Ausstosses und die Schonung von natürlichen Ressourcen durch Recycling sind folglich die Hauptaufgaben jeder Nachhaltigkeitsstrategie. Mit dem CO₂-Klimazertifikat bestätigt BellandVision Ihrem Hause die Reduzierung von CO₂-Emissionen durch das Recycling Ihrer Verkaufsverpackungen.

Karl Storz GmbH & Co. KG
Mittelstr. 8, 78532 Tuttlingen
hat im Jahr 2012

insgesamt 97,8 t Verkaufsverpackungen
an den Systemen BELLANDDual und BELLANDBranche beteiligt

Diese wurden gemäß testierten Mengenströmen durch BellandVision verwertet.

Durch die Verwertung Ihrer Verpackungsmengen konnten
40,9 t CO₂ eingespart werden.

Dies entspricht der durchschnittlichen jährlichen Emission von 11 PKW (8,0 l/100km; 15.000 km/a).



DFGE Institut für Energie, Ökologie und Ökonomie

Die Emissionseinsparung wurde von der DFGE - Institut für Energie, Ökologie und Ökonomie berechnet. Basierend auf dem Green-House -Gas-Protokoll und in Anlehnung an die Normen DIN EN ISO-Norm 14040 ("Environmental management - Life cycle assessment - Principles and framework") und DIN EN ISO-Norm 14044 ("Environmental management - Life cycle assessment - Requirements and guidelines") wurden Emissionen für Management und operative Umsetzung bei Sammlung, Sortierung, Transport und Aufbereitung erfasst und mit Emissionsgutschriften für die stoffliche und thermische Verwertung saldiert.

Pegnitz, den 17. September 2013

Thomas Mehl
Geschäftsführer

Diana Uschkoreit
Gesamtvertriebsleiterin

BellandVision GmbH ■ D-91257 Pegnitz ■ www.bellandvision.de ■ Tel. +49 (0)9241-4832-200 ■ Fax +49 (0)9241-4832-444

VI. Resource conservation in daily business



Optimized transport routes

For the „Video Endoscopes“ product group, a direct routing procedure has been in place since 2013. This means that European subsidiaries and sellers send goods for repair directly to the repair unit in Austria to eliminate the transport between Tuttlingen and Austria and the associated emissions.

Launch of STORZ Online Support

The launch of the STORZ Online Support program proves that customer service and environmental protection can go perfectly hand-in-hand. A „Remote Service Platform“ has been developed for select OR1™ products, allowing KARL STORZ technicians online access to customers' installed systems for maintenance or repair purposes. This system guarantees optimal, fast customer service and reduces on-site service needs, thereby conserving resources and travel-related emissions. In the future, this innovative technology will be expanded to other devices, such as our endoscopic camera systems and other medical devices.



Enhanced use of video conferencing systems

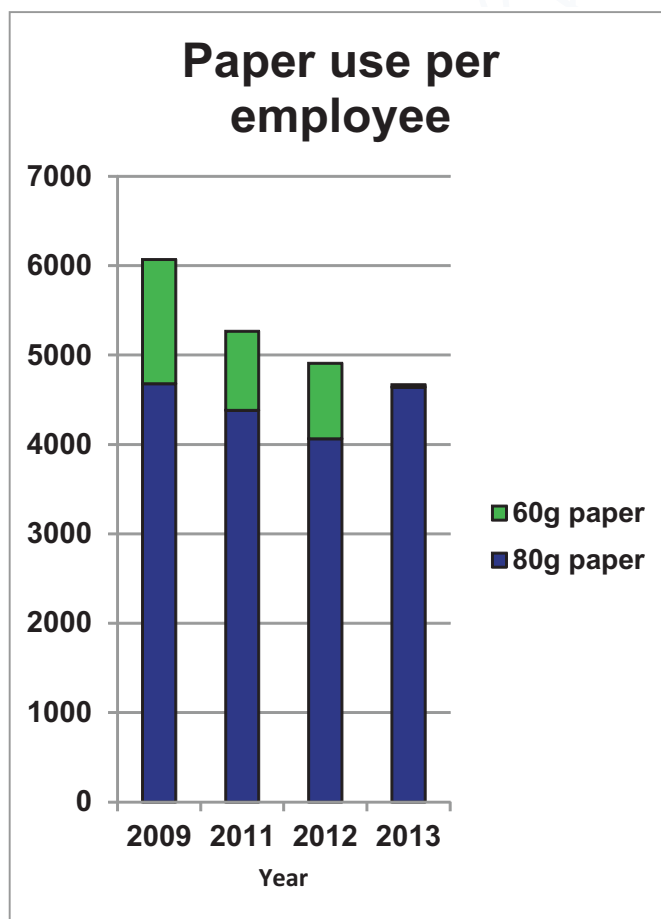
We have further invested in establishing powerful video conferencing systems to improve communication between teams across locations and to reduce travel.

Restructured sales regions

In 2013, the service areas of the German field service staff were reviewed. The size of the regions was reduced, and the place of residence of each staff member was taken into account to optimize travel distances. Furthermore, hospitals were assigned a central contact person, so that customers can contact a single expert with all their concerns. This customer service concept simplifies processes and eliminates multiple visits by different employees. The new system takes effect in 2014 and reduces unnecessary travel, cuts emissions, further improves customer support, and offers staff multi-faceted tasks.



VII. Reduced paper use per staff member



As a result of process optimization, paper use has been continuously and significantly reduced at our Tuttlingen headquarters in recent years. In 2013, paper use remained unchanged despite our staff growth. This year, we used 11,649,050 sheets of paper, corresponding to a slight increase of 0.29% compared to the previous year. The downward trend in per-capita paper use successfully continued in 2013. On average, each staff member used 240 fewer sheets of paper, corresponding to a **reduction of 4.5%** (see diagram).



VIII. Company fleet: Fuel consumption and CO₂ emissions

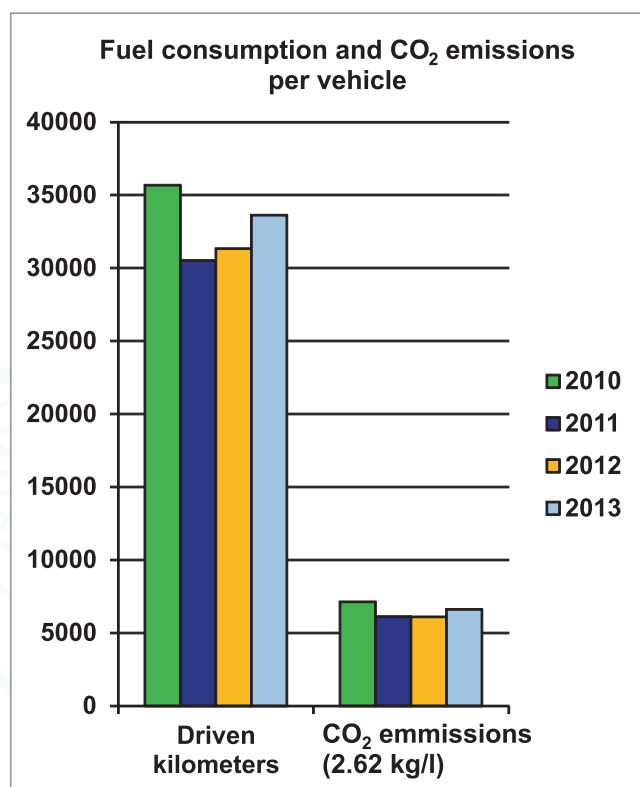
Fleet	2010	2011	2012	2013	Change (in absolute numbers)	Change (in percent)
Driven kilometers	6,494,594	6,256,525	7,051,607	7,127,941	76,334	1.08
Average fuel consumption(liters/ 100 kilometers)	7.63	7.67	7.45	7.51	0.07	0.87
CO ₂ emission (2.62 kg/l)	1,298,955	1,257,333	1,376,070	1,403,128	27,057	1.97

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

In late 2008, we introduced a fuel card system at our Tuttlingen headquarters that allows us to analyze the fuel consumption of company cars. Thanks to its consistent use in 2012, many more cars could be analyzed than in 2011 – which is the primary reason for the significant increase in driven kilometers, by about 12.71%, to 7.05 million kilometers. In 2013, the total rise in driven kilometers was 1.08%, corresponding to a slight increase of 2,282 kilometers per vehicle.

While the average fuel consumption was nearly unchanged at 7.51 liters per 100 kilometers, CO₂ emissions rose slightly by 1.97% because of the increase in traveled kilometers. The 2013 analysis is based on a total of 212 vehicles.

In the context of the new logistics center built near our headquarters, five energy-efficient VW up! cars were purchased for city travel. With CO₂ emissions of 103 grams per kilometer, they lie far below the average CO₂ emissions of new passenger car registrations in Germany (141.8 g/km).²



¹Ministry of the Interior of the state of Baden-Württemberg: Average CO₂ emission per liter of diesel: 2.62 kg.

²www.autokiste.de: Average CO₂ emissions of all new passenger car registrations in Germany in 2012: 141.8 g/km.

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

Transparency 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 2013, 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 2013, 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.

International working group established

In a global company like KARL STORZ, compliance issues and adherence to anti-corruption guidelines are never viewed for one country in isolation but must of course be understood and implemented both nationally and internationally. To further improve this process, we have established an international working group tasked with unifying global requirements in 2013. The working group is expected to report initial results in 2014.



WE SUPPORT

STORZ
KARL STORZ — ENDOSKOPE

THE DIAMOND STANDARD