

UN Global Compact Communication on Progress 2016

Successful together



Human



Labor



Environment



Compliance







Communication on Progress 2016 – Table of contents

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Sustainability & responsibility – the foundation of entrepreneurial success and future value creation



Economic success is the basis of every company's long-term innovative strength and competitiveness on the market. At the same time, companies can only achieve long-term success if they act responsibly and holistically vis-à-vis employees, business partners, the society as a whole, and the environment. For that reason, sustainability is an integral component of the KARL STORZ company philosophy.

As a globally active medical technology company, we aim to combine economic growth with environmentally and socially compatible corporate policies. Social responsibility in a globalized and dynamic economy as well as sustainable resource management have been integral parts of our corporate strategy for decades. We strive to use the options available to us to positively influence the society in which we live and work, consciously make our contribution to society, and minimize our environmental footprint wherever possible.

In 2016, we continued and further expanded our support of medical training in less-privileged regions, of occupational training and university education, and of young talented individuals. Further, we have consistently continued our resource conservation efforts in our business activities, for instance in the area of paper use and in the new construction of our production company in Estonia.

This year, I would like to particularly emphasize our employees' volunteer activities again, as they make a decisive contribution to our company's sustainability. Impressive examples from Tuttlingen, Romania, South Africa, and the US are described below in this report. I would like to personally and cordially thank our employees for their extraordinary dedication.

Knowledge and expertise have a particularly positive effect if they are shared with others. This is certainly the credo of many physicians who volunteer their knowledge, time, and dedication to conduct medical training events in underserved regions of the world. We are especially pleased with the confidence placed in us, which allowed us to act as an important partner in many of these projects. This year's report presents related projects from a total of three continents – Africa, Asia, and South America.

As a signatory of the UN Global Compact, we commit our continued support and dedication to the initiative and the associated principles for next year as well. We will continue to actively integrate compliance with human and labour rights, sustainable use of environmental resources, and anti-corruption efforts into our business processes.

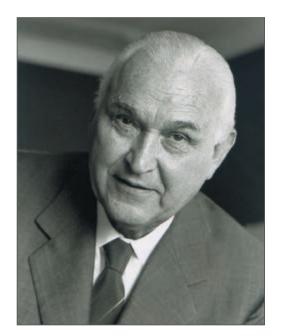
Dr. h. c. mult. Sybill StorzOwner and Managing Partner of KARL STORZ GmbH & Co. KG

Tuttlingen, December 30th, 2016





KARL STORZ Endoskope – The path to gentle surgeries



The breakthrough in minimally invasive surgery

In 1945, Dr. med. h. c. 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 over 70 years, the former two-person enterprise has developed into a globally active company with a worldwide presence. Everyday, our 7,100 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 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.

The KARL STORZ product highlights presented in 2016 are representative of the company's innovative strength and sensitivity to the most important market trends: Modular system solutions as well as forward and backward compatibility offer customers security of investment and the opportunity to seamlessly integrate future-oriented technologies into existing systems. Finding an optimum between economics, preservation of resources and hygienic requirements play an increasingly important role in the purchase decision: Therefore reusable endoscopy products are specifically complemented by singleuse KARL STORZ MTP products for relevant applications. The use of software solutions – whether for intracorporeal tissue differentiation, for the surgical workflow, or for the efficient management of medical data – is now a cornerstone relied on by KARL STORZ customers worldwide.

In 2016, KARL STORZ, a globally active family company with over 50 subsidiaries domestically and abroad, consistently invests in research and development as well as in customer service and support and hence continues on its track of lasting growth.





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 and the integrated operating room concept OR1™ that is designed to optimize all processes and resources involved in surgery.



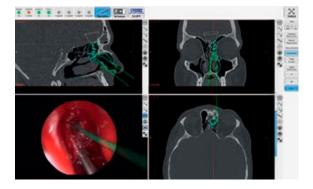
KARL STORZ sets new standards in 3D endoscopy with a brilliant three-dimensional display. The wide range of high-quality 3D video endoscopes in sizes 10 mm and 4 mm as well as the VITOM® 3D system for microsurgical procedures and for visualization in open surgery offer a wide range of applications – in ENT, laparoscopy, gynecology and other specialties. Thanks to the modular system design, existing 2D systems can be upgraded to 3D. Three innovative visualization options for easy tissue differentiation, CLARA, CHROMA and SPECTRA are available in 2D and 3D and support the physician in diagnosis and treatment.



Today, the documentation of endoscopic examinations and procedures is a standard requirement that confronts hospitals and practices with the increasingly complex handling of large data volumes. Constant progress in medicine is associated with a growing need for and interest in a solution that allows easy data distribution and management. Only if collected data are sensibly filed and easily accessible can they be used later for patient follow-up or for performing studies and research. In addition, medical professionals are interested in simplified processes, increased productivity, and patient satisfaction. With SCENARA™, KARL STORZ offers a new, platform-independent and modular software solution that meets these requirements.



Another innovation is the NAV1™ electromagnetic navigation system. Navigation technology has become firmly established in the endoscopic treatment of paranasal sinus disorders. Using a navigation system, surgeons can compare the endoscopic view of findings and their anatomic interpretation with the radiology data and instrument position displayed by the navigation system. Navigation is intended to shorten the duration of surgery and reduce complications.



The NAV1™ SINUSTRACKER planning software enhances KARL STORZ navigation systems by adding the automatic planning of access paths in paranasal sinus and skull base surgery.





Prospects for the future

The development of minimally invasive surgery is linked inextricably with the name KARL STORZ. Today, our product portfolio contains over 15,000 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 side we focused on supporting projects that specifically assist people in less privileged situations or that help others to help themselves.

I. Africa: KARL STORZ Head & Neck Fellowship at the University of Cape Town

Worldwide, endoscopy training for physicians is an important prerequisite for the use of modern surgical methods to benefit patients. For decades, KARL STORZ has been supporting hospitals and universities in this important task. In Africa in particular, special efforts must be taken to make medical knowledge available where it is urgently needed.

For 10 years, KARL STORZ has been supporting one of these efforts, a fellowship initiative in head and neck surgery of the University of Cape Town.

Guest Author:
Prof Johan FAGAN
Professor of Otolaryngology
University of Cape Town, Groote Schuur Hospital, Cape Town, South Africa

University of Cape Town KARL STORZ Fellowship in Advanced Head and Neck Surgery

Cancer poses a major public health crisis in the developing world. Developing countries accounted for >50% of newly diagnosed cancers in 2010; it is projected that this figure will increase to 70% by 2030 (Figure 1). There is a wide disparity in cancer-related fatality which is aligned with income levels, ranging from 75% in low income countries, to 46% in high income countries (Figure 2). Therefore it is essential that innovation, expertise, resources, teaching and research be directed to addressing cancer in the developing world if we are to improve cancer outcomes globally.

Surgery is the only treatment for cancers of the head and neck in many African countries that do not have any/adequate radiotherapy facilities. However, before 2005, there were no trained head and neck surgeons between South Africa and Egypt. Consequently patient with cancers in the head and neck were dying from curable cancers.

Prof Johan Fagan, Head of Otolaryngology at the University of Cape Town (UCT), instituted the University of Cape Town KARL STORZ Head and Neck Fellowship, the first such fellowship training programme in Africa for surgeons from Sub-Saharan Africa in 2005. The Fellowship is based at UCT. The fellowship is for a period of one year, and the fellow's salary is paid by Mrs Storz, the owner of KARL STORZ Endoskope.

Fellows are either qualified otolaryngologists or general surgeons. The first 11 fellows have emanated from Uganda, Kenya, Nigeria (2), Senegal, Ghana (2), Tanzania, Rwanda, and Malawi and Zimbabwe. All have returned to teaching hospital in their own countries to establish head and neck programs and teach others. The next two fellows are from Ethiopia and Libya.





Prof Fagan recent benchmarked the surgery that the head and neck fellows are exposed to with that of two top institutions in the USA (Johns Hopkins and MD Anderson), and found that his fellows are exposed to more surgery than their American counterparts during their year of training.²

A recent exciting development has been the founding of the African Head and Neck Society (AfHNS), the office bearers of which are all past KARL STORZ head and neck fellows (Figure 3). It is hoped that this new society will be a further important step to develop head and neck surgical services on the African continent.

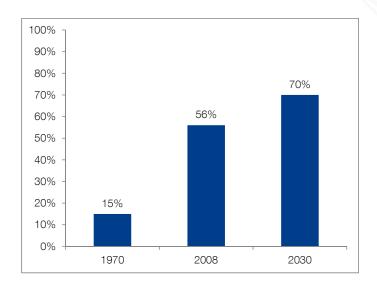


Figure 1: Increasing percentage of global burden of cancer in the developing countries 1

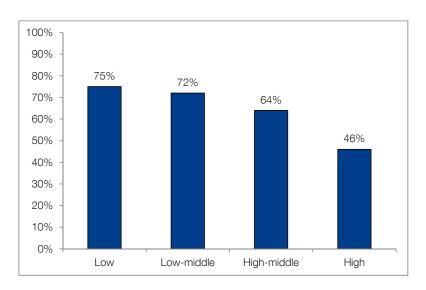


Figure 2: Case fatality from cancer according to income levels of countries







Figure 3: Past KARL STORZ head and neck fellows at inaugural meeting of AfHNS, Kigali, Rwanda, June 2016

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- 2. Fagan JJ, Zafereo M, Aswani J, Netterville JL, Koch W Head and Neck Surgical Subspecialty training in Africa. Sustainable models to improve cancer care in Developing Countries. Head Neck. 2016 Nov 23. doi: 10.1002/hed.24591. [Epub ahead of print]
- 3. Fagan JJ, Aswani J, Otiti J, Mushamba V, Liyombao E, Woodson G, Weed D, Zender C, Mannion K, Netterville JL, Wagner R, Zafereo M. Educational workshops with graduates of the University of Cape Town Karl Storz Head and Neck Surgery Fellowship Program: a model for collaboration in outreach to developing countries. SpringerPlus 2016 Sep 23;5(1):1652 (http://link.springer.com/article/10.1186/s40064-016-3290-2?wt_mc=Internal.Event.1.SEM. ArticleAuthorIncrementalIssue





Dr. Innocent Kundiona – Fellow General Surgeon / Head and Neck Surgeon Parirenyatwa Group of Hospitals (Teaching Hospital for University of Zimbabwe)

"The fellowship was a fantastic experience. It is a fully funded fellowship, thanks to KARL STORZ. This goes a long way in making sure that the fellow concentrates on his duties knowing very well that his financial needs are covered.

The fellowship is well structured competing with similar fellowships in first world countries in terms of exposure. The fellow has an opportunity to work with different departments and also just the exposure of working in a first class hospital in a third world. There are visiting students who come to Cape Town and you make new friends and share different experiences from different countries. You are also connected to the rest of the world through the fellowship, I am now a member of the American Head and Neck Society International Advisory Board and I have been invited to moderate one of the sessions at the 3rd World Congress on Thyroid Cancer in Boston. The fellowship also has a research component to it. I managed to publish an article in the clinical otolaryngology journal during my time in Cape Town.

This year I had the pleasure of meeting all the past fellows when we formed the African Head and Neck Society. Upon completion of my fellowship I went back to my country, Zimbabwe, where I am working at the biggest teaching hospital. I am involved in teaching both medical students and post graduate students in both departments of general surgery and ENT. I had the honor of being invited to examine general surgery post graduate students in their final year exams. Would like to thank Johannes Fagan for the opportunity and KARL STORZ for making it possible since most of us who do this fellowship come from poor countries."

Reference - Springer Plus

Educational workshops with graduates of the University of Cape Town KARL STORZ Head and Neck Surgery Fellowship Program: a model for collaboration in outreach to developing countries Fagan, J.J., Aswani, J., Otiti, J. et al. SpringerPlus (2016) 5: 1652. doi:10.1186/s40064-016-3290-2

Abstract

The University of Cape Town KARL STORZ Head and Neck Surgery Fellowship is the only head and neck surgery fellowship in Sub-Saharan Africa. This article briefly describes this fellowship and outlines the experience and ongoing collaborative efforts of members of the American Academy of otolaryngology-head and neck surgery with graduates of this program who are now building head and neck surgery programs in East Africa. This educational collaboration avoids many common pitfalls associated with short-term humanitarian outreach and represents a successful model for international collaborative educational efforts with head and neck surgeons in developing countries in Africa.

Read more:

http://rd.springer.com/article/10.1186/s40064-016-3290-2?wt_mc=Internal.Event.1.SEM. ArticleAuthorIncrementalIssue





II. Australia - Asia: Paediatric Surgery Education Project

Monash Children's Hospital International Asia Paediatric Surgery Education Project

In 2016 the world health organisation recognised that 35% of the global disease burden was surgical diseases. Five billion of the world's population lack safe surgical care. Less privileged countries are the low income areas of Asia, particularly those with a high proportion of young children. Placing surgical educational resources into these countries was likely to yield a huge improvement in the care of children. Over 20 years ago KARL STORZ developed regional partners to enable this process.

This project started off on a relatively small scale in 1998 with initial teaching courses in Laparoscopic Paediatric Surgical techniques in Hanoi, Vietnam. The success of these early courses has seen surgeons who attended these courses blossom in their clinical acumen and technical surgical skills.

Since those early days, the program has expanded dramatically with programs run in various centres in Vietnam, Cambodia, Laos and Myanmar and covering many diverse topics associated with Paediatric Surgery. KARL STORZ has provided support for these activities for over 15 years in both the provision of much needed funds to cover expenses as well as the provision of equipment and field support for the many workshops and training events. Several key surgeons have been identified and trained within Australia for periods of up to six months utilising KARL STORZ international fellowships. The teaching surgeons from Australia, New Zealand, France and Singapore who teach on these courses fund their own expenses and volunteer their time.

The driving force behind the program is Professor Chris Kimber (Head of Children's Surgery at Monash Children's Hospital, Melbourne Australia). Early in his career Professor Kimber was deeply influenced by the training he received while working as a Senior Lecturer and tutor in the Surgical Skills Centre in Dundee, UK which was the initiative of Sir Alfred Cuschieri and supported by KARL STORZ. The experience that Professor Kimber received in the Storz Surgical Skills Centre gave him the experience and skills to lead and influence many training courses and centres in Australia and overseas.

In 2016 the project team from Monash Children's Hospital has grown and there are over 24 surgeons from Australia who have given their time to teach on 55 courses over 15 years. Currently the team conducts 6-8 in country training courses per year with an international faculty of 4-5 surgeons per trip. In 2016 the team has taught courses in:

- Myanmar 3 trips and 2 courses in Yangon and Mandalay
- Cambodia 3 trips, 2 courses and coordination of a national Disorders of Sexual Development service. The team will also conduct the National Paediatric Surgical Meeting in Phnom Penh in 2017
- Vietnam 3 major courses in Ho Chi Minh City and Hanoi in May, September and November 2016.
- Laos 1 lecture series in July 2016.

Activities in Vietnam

These courses are planned with the senior hospital faculty and the programs incorporate local speakers and visiting faculty. The recent neonatal endosurgical meeting at Ni Dong Hospital No 2 in Ho Chi Minh had over 150 surgeons from Southern Vietnam attend for 2 days. Dr Linh from Hanoi (a previous KARL STORZ fellowship in Australia) presented over 300 complicated laparoscopic operations in very small babies. This is the largest series in the world and demonstrates how the Vietnamese surgeons have taken the teaching provided and become world leaders. Eight surgeons from Sydney, Singapore and Melbourne taught advanced surgical techniques.





Dr Linh, Hanoi, Vietnam

"The Monash Children's training has given me excellent foundations in surgical knowledge which I apply to Vietnamese children."

Dr Linh plans to develop a simulation and training centre in Hanoi to emulate the Monash Children's centre. Furthermore, with the assistance of KARL STORZ Monash Children's Hospital will continue to host 6-8 training fellowships in paediatric endoscopic surgery each with a duration of 4-8 weeks in 2017.

Nguyen Thanh Liem, Ph.D, MD Director of Vinmec International Hospital Professor Liem is the former Director of the National Paediatric Hospital, Hanoi

"This project is useful to ameliorate the quality of care of Paediatric surgical patients in Vietnam: Many workshops have been organized to provide new knowledge to Vietnamese surgeons. Many young Vietnamese surgeons had opportunities to go to and learn in Australia."

Pham Ngoc Thach, MD Vice Director Children's Hospital 2 Ho Chi Minh City, Vietnam

"Prof. Chris Kimber – Head of Children's Division and Head of Paediatric Surgery at Monash Children's Hospital first visited Children's Hospital 2 in November 2015. He has brought a team of 7 delegates to conduct a 2-day working on malformations of genital and urinary system in children. There were 120 surgeons from many different hospitals in Vietnam joining the workshop. After the workshop, Prof. Kimber consulted 10 complicated cases at Urology department.

Prof. Kimber and his team returned to Children's Hospital 2 in November 2016. They also conducted a workshop on neonatal surgery for 2 days. This year, the number of participants increased to 150 surgeons.

Although the workshops were only for 2 days, Prof. Kimber and his team have provided lots of useful knowledge and techniques to the participating surgeon which would be such great benefit to patients.

We really appreciate Prof. Kimber and his team for their time and effort. We are grateful to KARL STORZ for their support. We look forward to more and more cooperation in future."

Back home in Australia, the team will conduct 2 major teaching courses in Melbourne in the coming year with sponsored delegates from South East Asia.





Activities in Cambodia

In Cambodia, the level of surgical expertise remains challenging and much basic training is required. The Monash Children's team with the KARL STORZ support from Singapore has gone into a very basic hospital and trained staff in safe surgical techniques. Many of these courses attract surgeons from all over Cambodia. Dr Sophy Khan from Angkor Hospital for Children has co-ordinated these visits and feels they have made a huge impact on local care.

Dr Sophy Khan Angkor Hospital for Children, Cambodia

"Professor Kimber and his team have helped us save many lives. We have learnt cystoscopy and how to unblock kidneys and bladders in small babies. They have sourced equipment for us and help with discussed patients with the internet."

Activities in Myanmar

The lack of paediatric surgeons in Myanmar is at crisis point. There are 7 paediatric surgeons for over 55 million people. Monash Children's International director of surgical simulation, Dr Ram Nataraja, recognised this problem 2 years ago and has rapidly introduced simulation based training for many junior doctors in Yangon and Mandalay. These 2-3 day courses often using iPAD based technology have enabled Dr Natarja to monitor the Myanmar surgeons' ongoing skills development via the internet. Data is entered automatically from the trainers in Yangon to his office in Monash Childrens Hospital in Australia.

The local head Assoc. Prof Nyo Nyo Win feels that this training has been vital:

Assoc Prof Nyo Nyo Win Yangon, Myanmar

> "It is indeed very beneficial to our young surgeons with this collaboration helping to upgrade our standard of patient care to an international level."

Outlook & Summary

In April 2017 the new Monash Children's Hospital will open with a Surgical Simulation Centre which has been supported financially as well as with equipment from KARL STORZ. This new state of the art centre will enable surgeons to hone their surgical skills as well as provide linkages via the internet to hospitals and universities around the world but especially in the Indochina region.

In summary, the shared values and long standing relationships have enabled surgeons in developing countries in Indochina to learn new techniques and provide superior outcomes for their patients. There is a deep commitment to make large change in a very under-resourced part of the world. These changes make a huge impact on individual children's lives. KARL STORZ is pleased to continue to be part of this program as a catalyst for change.







Laparoscopy Surgery course Angkor Hospital for Children's (9-10th of November 2015, Siem Reap, Cambodia)



Workshop on Neonatal Surgery and Perioperative Care Children Hospital No. 2 (20-21st of November, 2016, HCMC, Vietnam)





III. Uzbekistan: Efficient usage of modern medical equipment – Cooperation with GIZ

Our 2014 progress report already discussed the private-public partnership project conducted in collaboration with GIZ (Gesellschaft für internationale Zusammenarbeit GmbH) in Uzbekistan. The project has been continued as planned, and since the last report, three more training centers have been put into operation.

Project description

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) the German GIZ (Gesellschaft für internationale Zusammenarbeit GmbH) conducts in cooperation with the Ministry of Health of the Republic of Uzbekistan the project "Advanced Training of Doctors and Medical Staff to Work on Modern High-Tech Medical Equipment in Uzbekistan".

Starting point of this project

The Uzbek health system disposes of a certain amount of high-tech medical equipment that has been purchased through donor-funded programs. In order to effectively use this modern equipment GIZ and the Uzbek MOH (Ministry of Health) identified the need for capacity building in the following fields:

- 1. Capacity building of medical and technical professionals in the use of advanced, modern health technology;
- 2. Quality assurance and management improvement within procurement, logistic and maintenance in the selected clinical areas:
- 3. Improvement of procurement planning and financing in selected clinical areas,
- 4. Public-Private-Partnership (PPP) in Centres specialized in advanced training for health professionals and technicians.

The overall goal of the project is: "In selected clinical areas advanced, modern technology is used in a more efficient and effective way". The selected clinical areas are: (i) imaging systems / CT and MRI equipment and (ii) endoscopy equipment / less-invasive surgery. The ultimate beneficiaries are the people of Uzbekistan as well as health professionals using the advance modern technologies as specified.

Cooperation partner KARL STORZ

Based on the sustainable concept of this training initiative KARL STORZ was very happy to parti cipate in this project as cooperation partner. Therefore KARL STORZ supported this project in the years 2013 and 2014 as follows:

- Support of 6 Uzbek senior physicians from the Republican Scientific Center for Emergency Medical Care (RSCEMC) and the Tashkent Institute of Postgraduate Medical Education (TIPME) being trained in Russia (St. Petersburg & Moscow) and France (CICE – Centre International de Chirurgie Endoscopique, Clermont-Ferrand)
- Supporting Russian faculties doing training in Uzbekistan
- Provision of equipment for laparoscopy working stations





Update Information (December 2016)

In the context of this program, GIZ collaborated with local partners to build a total of four training centers in the years 2013 through 2016.

- 1st Center, March, 2013: Training Center for Clinical imaging (CT / MRI) and less invasive surgery within the partner institutions of the Tashkent Institute of Postgraduate Medical Education and RRCEM
- **2**nd **Center, June, 2015:** Training Centre for less invasive pediatric surgery at the Republican Scientific Center of Medicine and pediatric endovisual surgery
- **3**rd **Center, November, 2015:** Training Center for less invasive surgery in gynecology and neonatology at the Republican Perinatal Center
- 4th Center, October, 2016: Training Centre for less invasive surgery at the clinic of Andijan State Medical Institute
- The above activities have provided local physicians many new impulses and professional knowledge regarding endoscopy.
- Alongside physicians, training was provided for nurses and medical technicians as well. For the future, the establishment of three medical technology centers is planned.
- Benefits of the newly built training centers include the following: Medical specialization in the country is
 further supported through two training centers in Tashkent, one for pediatrics and one for gynecology
 and neonatology. The establishment of a training center in Andijan (about 380 km from Tashkent) further
 supports the decentralized transfer of medical knowledge.
- KARL STORZ contributions in 2015 & 2016: Consultation regarding the development of the training centers, supply of consumables for live surgeries during medical training courses, donation of endoscopic instruments, funding of travel costs and course fees for trainers and trainees.



New training center in Andijan: Training at modern working stations







Local doctors during the lectures



Inauguration of latest training center in Andijan in October 2016: Mr. M. Nishanov (first vice-govenor of Andijan region), Dr. Gunnar Strote (GIZ Project Manager), Prof. M. Sadikov (Head of Main Department of the Ministry of Health of Uzbekistan on Protection of Motherhood and Childhood)





IV. Indonesia: Support of screening program for early cancer diagnosis in ENT

Smaller secondary care centres are equipped with necessary equipment for screening programmes for early diagnosis of nasopharyngeal carcinoma

Dr. Matthias Lechner from the Medical Genomics department at UCL Cancer Institute, University College London, UK, one of Europe's largest and most productive centres of biomedical research, founded the "Yogyahealth" project under the umbrella of the ASEA-Uninet (ASEAN-European Academic University Network). This project ensures that smaller secondary care centres with small ENT outpatient departments are equipped with the necessary equipment where it is most needed for screening programmes to help with the early diagnosis of Nasopharynx cancer or nasopharyngeal carcinoma (NPC). The partners to this "Yogyahealth" project are: Gadjah Mada University, Yogyakarta and Dr. Sardjito Hospitals, Yogyakarta

More information: http://www.yogyaent.org/

The project was presented at the ASEA-Uninet Meeting at Udayama University in Bali and the Bernd Rode Award 2016 was presented to Dr. Matthias Lechner for this project. http://asea-uninet.org/86.bra-laureates-2016/

In 2016 this project was supported by KARL STORZ through a donation of ENT equipment for early diagnosis of NPC.



Instructions on the handling of the new endoscopic equipment





Matthias Lechner, MD PhD MRCS DOHNS FHEA Specialty Registrar in ORL-HNS, University College London Hospitals NHS Trust Honorary Lecturer, UCL Cancer Institute Founder, Yogyakarta Health Programme

"Our goal is to promote a very important project, namely the establishment of a screening program for nasopharyngeal cancer, which is endemic in Southeast Asia. At district hospitals of this rural and poor region around Yogyakarta, the equipment available to ENT physicians is very limited. The physicians there cannot directly examine the nasopharyngeal area. Tissue samples (biopsies) from the nasopharynx are typically taken through the nose without visualization. This results in very high complication rates as well as a high risk of failing to detect tumors early. Without endoscopic visualization of the nasopharyngeal area, normal tissue rather than the tumor is often removed, and therefore, tumors in early stages are very easily overlooked. The KARL STORZ donation ensures that the ENT physicians of two district hospitals can now endoscopically examine the nasopharynx of symptomatic patients and take biopsies under endoscopic view of the nasopharynx. As a result, the rate of negative biopsies taken in patients with tumors can be distinctly reduced in these hospitals.

The establishment of a risk-specific cancer screening program in ENT is essential because this region in Central Java is one of the poorest regions in Indonesia. The mortality rates for head and neck cancer are very high in this region since the cancer is often only detected in late stages. Data collected at Dr. Sardjito Hospital in Yogyakarta show that about 50% of all cancer cases in ENT are based on nasopharyngeal cancer.

In August, I traveled to Indonesia again, and I was able to present the donated KARL STORZ equipment to the hospitals in the week of August 22, 2016.

Following a presentation ceremony at Universitas Gadjah Mada [...] we took the first set of equipment to Wonosari District Hospital. At its small ENT department, everything was immediately installed, and I could train Dr. Ima's team. I delivered the second set of equipment to Banyumas District Hospital, which is located a few hours of travel from Yogyakarta, to present the endoscopes and the LED system to Dr. Mugi.

I would like to take this opportunity to convey the gratitude of all physicians and employees of the district hospitals, particularly Dr. Ima and Dr. Mugi, who so urgently needed the endoscopes and additional equipment."







From the left to the right: Dr. Camelia Hendini (Hospital Sardjito), Cindy Teh (KARL STORZ Endoscopy Asia Marketing Pte Ltd, Singapore), Dr. Ima Dewi Rosmawati from Wonosari Hospital, Dr. Matthias Lechner





V. Brazil: Supporting medical care in rural regions

Together with our Brazilian distributor H. Strattner, KARL STORZ has been supporting the project "Bandeira Cientifica" (banner of science) since 2013. The mission of this initiative is described as follows: Support of the social, academic, and professional training of students at the University of São Paulo through activities that aim to improve health conditions in remote regions of Brazil. (http://www.bandeiracientifica.com.br/)

In the scope of the project "Bandeira Cientifica", the University of São Paulo (USP) also performs minimally invasive gynecological procedures in remote regions of Brazil, where they are virtually unknown and/or have not previously been performed.

The project combines aspects of medical training, research, and free medical care as well as the establishment of medical structures in remote regions. Currently, about 30 students and physicians of the renowned Brazilian USP Medical School are involved in the project. The project is also supported by the US society AAGL Advancing Minimally Invasive Gynecology Worldwide, with several US physicians helping to conduct free surgical procedures every year.

The initiative aims to establish certain medical procedures in remote regions, to offer women in these areas diagnosis and treatment, and/or to reduce long waiting times. Performing the procedures in these regions is intended to additionally train local physicians in the new techniques to enable them to continue offering the treatments. The project thereby contributes to improving medical care in Brazil's rural areas, spreading minimally invasive techniques, and providing training in the handling of endoscopic instruments and devices.

In recent years (2013 to 2016), minimally invasive gynecological procedures were performed for one week in each of various remote regions. In June 2016, the expedition went to Bandeirantes in the federal state of Paraná, where about 40 minimally invasive gynecological procedures were performed.

Together with the local dealer, KARL STORZ supported this activity again in 2016 by providing the following:

- · Supply of endoscopic instruments
- Prior training of program participants on the handling devices and instruments in the KARL STORZ showroom.
- Funding of transport costs for the necessary medical devices.





VI. Donation for medical technology products for sustainable development

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

In 2016, we supported projects in the following countries:

- Algeria (Urology)
- Bolivia (ENT)
- Ecuador (ENT)
- Ethiopia (2 x ENT)
- Ghana (ENT)
- Guinea-Bissau (Anesthesia)
- Honduras (Laparoscopy)
- India (2 x ENT)
- Indonesia (ENT)
- Liberia (ENT)
- Moldova (Laparoscopy)
- Nicaragua (Arthroscopy)
- North Korea (Urology)
- The Philippines (Laparoscopy)
- Romania (ENT)
- Rwanda (ENT)
- Senegal (Gastroenterology)
- Tadzhikistan (ENT)
- Togo (Anesthesia)
- Ukraine (Neuro-Endoscopy)
- Vietnam (Anesthesia, 2 x ENT)
- West Africa (Anesthesia)

VII. Employee solidarity KARL STORZ employees support charitable organization

This year, the company sports group KARL STORZ Aktiv once again organized two large sport events and invited employees and business partners from near and far. With the 23rd International KARL STORZ Volleyball and Soccer Event held in April 2016 and the 29th KARL STORZ Soccer Tournament in Juli 2016, KARL STORZ Aktiv e.V. promoted athletic competition and interactions between colleagues away from the workplace. Already since 2004, KARL STORZ Aktiv has upheld this tradition of donating the net proceeds of these sports events to a social aid facility located in the region.





Thanks to employee donations, KARL STORZ Aktiv was able to present a donation of the respectable sum of € 4000 to Arbeiter-Samariter-Bund Tuttlingen.

Arbeiter-Samariter-Bund Region Tuttlingen (ASB) is a charitable organization with 30 employees who are assisting people in need in Tuttlingen County. The volunteers of the rescue dog unit are available for searches around the clock, 365 days a year, and make an important contribution to disaster protection as well.



Presentation of the donation (October 2016)

KARL STORZ collecting kilometers for charity

The Run & Fun race held in Tuttlingen in June 2016 and the Berlin Firmenlauf (company race) in May 2016 promoted team spirit and athletic competition among KARL STORZ employees, and for the first time this year, our employees' participation also benefited charity.

In line with this charitable idea, the KARL STORZ company management donated € 1 for each kilometer run by employees. Since more than 120 employees participated, this added up to the considerable sum of € 921, which was generously rounded up to € 1500 by Dr. h. c. mult. Sybill Storz. In addition, proceeds of € 306 were generated by the company sports group KARL STORZ Aktiv e.V. by inscribing medals for Run & Fun and were donated as well.







Over 100 KARL STORZ runners and helpers at Run & Fun (June 2016)



The KARL STORZ running team at the 16th Berlin company race (May 2016)





This year, the total donation of € 1806 was presented to the Tuttlingen association Phönix e.V. This association assists and counsels children and adolescents in the Tuttlingen region who experienced sexual abuse. It also offers counseling to women and men who became victims of sexual abuse in their childhood. In addition to counseling in acute situations, the association provides education and information about sexualized violence and preventive education.



Presentation of the donation to Phönix e.V. (July 2016)





KARL STORZ honors employees who donated stem cells

Between 2007 and 2015, a total of eleven KARL STORZ employees as well as former employees were willing to donate stem cells, thereby saving lives in the fight against leukemia. In May 2016, the donors were honored by Dr. h. c. mult. Sybill Storz and Petra Ennenbach, representative of the DKMS German bone marrow registry.

The KARL STORZ employees donated to benefit patients in Germany, Italy, France, Bulgaria, Sweden, and the US. Some of the employees also have personal contact or correspond with the recipients. All donors agreed that they would be willing to donate again any time and were delighted to have been able to increase the life expectancy and quality of life of another human being.

DKMS and other institutions such as the Freiburg stem cell registry call for individuals to register as stem cell donors to help leukemia patients with a blood transfusion or bone marrow donation.

In 2006, KARL STORZ already supported a public donor registration drive in the old festival hall of Tuttlingen, in which over 180 employees volunteered to be entered in the DKMS donor registry. In 2012, an additional in-house registration drive was held at KARL STORZ in collaboration with Freiburg University Medical Center and the Tuttlingen Institute for Occupational and Social Hygiene. At that time, more than 380 employees registered, demonstrating a great willingness to help. The registration costs were fully covered by KARL STORZ.

The DKMS Deutsche Knochenmarkspenderdatei gemeinnützige Gesellschaft mbH, which celebrated its 25-year anniversary this year, searches and matches stem cell donors with people with leukemia and other disorders of the hematopoietic system. At 6 million registered individuals (over 4.3 million in Germany) and over 55,000 facilitated stem cell transplantations, it is the largest international stem cell registry.



Honoring of stem cell donors (May 2016)





Dr. h. c. mult. Sybill Storz Managing Partner of KARL STORZ GmbH & Co. KG

"It is extraordinary that over the past years, eleven employees were identified as so-called genetic twins and provided patients with a life-saving donation. I am delighted that our company's employees are so committed to the common good and particularly to the healing of the sick. This project deserves our utmost respect and support. I want to personally thank each and every employee for this exemplary deed."

Donation drive for South African colleague

In November 2016, KARL STORZ employees from Tuttlingen collected donations for a South African colleague from Cape Town whose husband died in an attack.

The donated money is intended to help the colleague secure a livelihood again for herself and her family. The Storz family generously added to the amount collected by employees.





International solidarity among KARL STORZ employees



KARL STORZ Group - Subsidiaries' Initiatives

USA: Community Services

At our subsidiaries in the US (California and Massachusetts), employees volunteered to join forces and commit to the following projects:

The Dana-Farber Cancer Institute

The Ragnar Relay Race is a major fundraising activity for KARL STORZ Endovision (Charlton) and KARL STORZ Southbridge employees. The event comprises a series of long-distance running relays organized in 16 relays different geographic locations. Each relay is approximately 200 miles (320 kilometers) in distance, and lasts two days and one night.

This year, the KARL STORZ participants raised funds for The Dana-Farber Cancer Institute in Boston. Between the amount raised by this year's relay team, as well as a dodgeball tournament and golf event, the group exceeded its 2016 fundraising goal of \$40,000 for the institute. The Dana-Farber Cancer Institute provides adults and children with cancer with the best treatment available today while striving to develop advanced cures through cutting-edge research.

UNICEF

Following the April 2016 earthquake that devastated parts of Ecuador, the Latino Network Group at KARL STORZ Endovision wanted to help the event's younger victims. The group organized a series of fundraising events and activities, raising \$6,874 that was presented to a UNICEF representative in October 2016.

KIDSAVE

KIDSAVE and the Los Angeles County Department of Children and Family Services (DCFS) work together to find permanent homes for older children in the County foster care system. KARL STORZ Endoscopy America (El Segundo) employees took part in the second annual KIDSAVE hike to raise funds to support efforts to find adoptive families and permanent connections for older foster youths. In announcing this year's event, the KIDSAVE organization highlighted the Los Angeles event's creator, Mark Green, Vice President, Business Processes & Finance, KARL STORZ.

Other Fundraising & Community Outreach Efforts

Employees at the various KARL STORZ locations around the U.S. also raised substantial funds for Stand Up to Cancer (nearly \$10,000), the Arthritis Foundation (\$2,000), the Diabetes Walk (\$1,500) and an ongoing United Way program (more than \$56,000). Fundraising also benefitted the American Red Cross and Florida Equality Institute (both were in response to the June 2016 Orlando nightclub mass shooting), as well as Adopt-a-Family drives and donations of food, clothing, toys, blankets and other goods community outreaches to the homeless and related programs.





KARL STORZ Group – Subsidiaries' Initiatives Romania: Supporting children with disabilities

This year, KARL STORZ Romania was involved in supporting children and young people with physical disabilities to explore their full potential and become full members of society. KARL STORZ Romania financially supported the non-profit organization ASCHF-R (Romanian Association of Support for Disabled Children, located in Bucharest, www.aschfr.ro) to develop several social programs for these children and their families, such as summer camps or the 1st of June International Children's day. In July 2016 a summer camp in the mountain was organized, in which 56 children and their parents participated. Another camp for 60 participants was organized at the seaside.







VII. Promoting the talents of children and adolescents



Sponsor of the regional "Jugend forscht" [youth research] competition

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

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

This year's Jugend forscht competition (2016) was held under the motto "Neues kommt von Neugier" (Novelty originates from curiosity). This was the 51st round of Germany's most successful youth competition. Regional competitions were held throughout Germany and the winners qualified for the next round in state and federal competitions. After the regional premiere in 2014, the third competition for the "Donau-Hegau" region was held in Tuttlingen in 2016.

The sponsors of the competition, KARL STORZ GmbH & Co. KG and the City of Tuttlingen, have been very satisfied with the rising interest of young people to participate in the competition. In February 2016, 98 participants presented their abilities and knowledge in 47 projects in the fields of technology, work environment, physics, chemistry, biology, mathematics and computer science, geosciences and space research. In addition to benefit from the experience of having participated in Jugend forscht, young researchers gain skills that will be great assets for their future. For example, one group of the regional competition "Donau-Hegau" 2016 received a special award at the federal competition and was invited by the German embassy in Bangkok, Thailand to present their project at the National Science and Technology Fair.

The competition's sponsors are already looking forward to the next Donau-Hegau regional competition, which will be held in late February 2017: "Future – I shape it" is the motto of the 2017 "Jugend forscht" youth research competition. The next regional competition will again be organized by the sponsors KARL STORZ and City of Tuttlingen and held at the KARL STORZ Visitor Center. For 2017, we expect a total of 137 participants and around 71 projects in seven disciplines (as of December 2016).







Dr. h. c. mult. Sybill Storz Managing Partner of KARL STORZ GmbH & Co. KG

"With great interest, our company gladly supports the youth research competition "Jugend forscht" as well as the highly motivated young researchers and talents participating in it. It is wonderful to see young adults taking the initiative to learn and generate new knowledge. This same initiative optimally prepares adolescents for taking on future challenges with joy and motivation. Every year, we are happy to see the KARL STORZ Visitor Centre become a living platform on which the next generation presents its wealth of ideas." (February 2016)

Michael Beck Mayor of Tuttlingen

"Even after its successful 50th anniversary celebration, "Jugend forscht" is still a highly attractive event. This is also quite apparent in Tuttlingen, where the regional competitions "Jugend forscht" and "Schüler experimentieren" are already held for the 3rd time. We are very happy to see so many students participating in the Donau-Hegau regional competition again, with this year's motto being "Novelty originates from curiosity." (February 2016)

Review of the 2016 Donau-Hegau regional "Jugend forscht" competition

Available at http://go.karlstorz.com/gc-2016-de-1

Available via QR code (please scan):







KARL STORZ medical devices for schools

This year, KARL STORZ donated medical devices to several schools in the region. By donating endoscopy systems, KARL STORZ intends to support scientific education in schools and to facilitate practice-based experiments for the benefit of students and teachers. Endoscopes can generate student interest in modern medicine as well as optimally explain physical and technical principles. The research of biological objects is optimally supported as well.

To secure our future, it is essential to help students find the occupation that best suits their interests and abilities. KARL STORZ was therefore happy to provide modern medical technology to support an inspiring and interesting education.

The school representatives were delighted and expressed their gratitude for the donated endoscopy units, which have a wide range of applications in various school subjects and offer new learning experiences with modern technologies.



Sybill Storz presents the endoscopy system to the director of Gymnasium (secondary school) Spaichingen (March 2016)







Presentation of the donation with representatives of Realschule (intermediate-level secondary school) am Salinensee in Bad Dürrheim (March 2016)



Presentation of donations with the directors and subject teachers of Hermann-Hesse-Realschule, Ludwig-Uhland-Realschule, and Wilhelmschule (intermediate-level secondary school) in Tuttlingen (June 2016)





School project with the Wild Wings team

For the third year in a row, KARL STORZ has implemented school partnership projects in collaboration with the local ice hockey club Wild Wings from Schwenningen. This year, a social component was added to the concept. Under the motto "Strong together", students were asked to develop an idea for a local social project whose implementation is then supported by KARL STORZ with up to € 1000.

A motivational trailer was used to contact the schools of the counties Rottweil, Schwarzwald-Baar-Kreis, Tuttlingen, and Zollernalbkreis and invite them to participate in the competition:

Motivational trailer

[Trailer only available in German]

Available at: http://go.karlstorz.com/gc-2016-de-2

Available via QR code (please scan):



Between August and November 2016, eleven school classes from Bad Dürrheim, Balingen, Donaueschingen, Furtwangen, Gosheim, Spaichingen, Tuttlingen, and Villingen submitted excellent project ideas. The four winner projects were chosen in a selection process, and the students are now implementing their projects by April 2017:

- Realschule am Salinensee (Bad Dürrheim) with the project "Gymnastics equipment for children":
 A group of students from grades 5 and 6 regularly spends time playing and doing gymnastics with
 children in daycare. In their project, the students want to donate suitable gymnastics equipment to the
 daycare facility to ensure that in the future, they can play more gymnastics, exercise, and skill-based
 games.
- Gymnasium Spaichingen with the project "JufaM! Junge Menschen für andere Menschen" (young people for other people): The so-called "JuFaMs" are students of grades 9 to 12 who visit, accompany, and support people at social facilities and volunteer to improve the interactions between younger people, older people, and people with disabilities.
- Rupert-Mayer-Schule (Spaichingen) with the project "15-minute Christmas": With the "15-minute Christmas" project, a 5th grade class aims to bring joy to people who cannot be home for Christmas. With their self-made Christmas boxes, they plan to visit social facilities in Spaichingen to bring Christmas joy to their residents.
- Hermann-Hesse-Realschule Tuttlingen with the project "The FED is moving we need a swing": As part of their project, the 7th graders started a charity run with the goal of donating a handicapped-accessible garden swing to the Family Relief Service (FED), an association assisting people with disabilities.





Review of the 2015 school project: Ice hockey meets endoscopy



(November 2015)

"We are School 2.0" was the motto of the 2015 school partnership project of the ice hockey club Wild Wings and KARL STORZ GmbH & Co. KG. Among the school classes who applied for this partnership program in 2015, the 6th grade class of Ludwig-Uhland-Realschule (Tuttlingen) won an action-packed day at the KARL STORZ trainee workshop.

The exciting start into the day was a ride on the Wild Wings team bus to the KARL STORZ trainee workshop. In a diverse program, the students produced an exclusive Wild Wings KARL STORZ puck, following the instructions of KARL STORZ apprentices. The fascinated students were explained the work steps of machining, milling, bonding and laser marking and of course were allowed to practice them hands-on.

A special highlight was the later signing session with Wild Wings player Simon Danner, who answered the students' questions in a friendly and open way and with a lot of humor. "The direct communication with students is important to me in this project. It gives me an opportunity to provide students with a glimpse into my life as an athlete – the motivation and efforts that are required", said Simon Danner.

KARL STORZ, the family-run company and main sponsor of the Wild Wings team, is a project partner of "We are School 2.0" to support the important communication between athletics and schools and to promote the regional focus, creativity, and enthusiasm of young adults. "With this initiative, we combine the best our region has to offer: The Wild Wings club from Schwenningen is an athletic flagship, and particularly children and adolescents identify with it. As a regional employer and workplace offering apprenticeships, we want to support this role model function because dedication and enthusiasm are values that promote success in daily and professional life as well," explained Dr. h. c. mult. Sybill Storz





Global Compact Principles 3 - 6: Labor

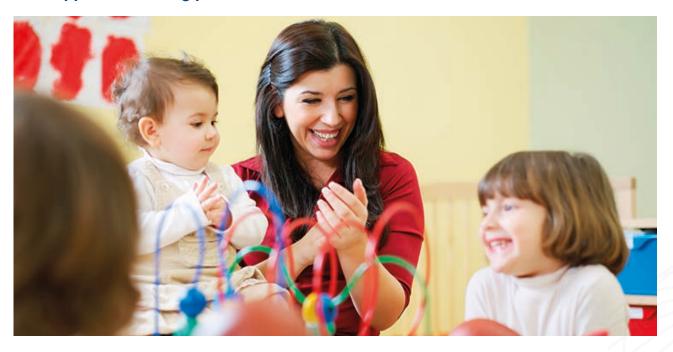
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

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, 13.1 % of 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 2016, women hold about 15% of German technical jobs (MINT = mathematics, informatics, natural sciences, and technology). At KARL STORZ, women represent **37,6** % (2015: 37,4 %) of workers in manufacturing and **25,9** % (2015: 26,9 %) of those in Research & Development. The company is happy about this stable result, the company is happy about this stable result, which is far above the state average. This is considered the result of a consistent human resources policies that focus on abilities rather than gender roles.

I. Support of working parents



In 2016 KARL STORZ again increased its long-term commitment to supporting working parents. For the seventh **consecutive year**, KARL STORZ has expanded its cooperation with the local child care facility "Haus der Familie" [House of Family]. Our commitment has further expanded to a cooperation with another childcare facilities in Neuhausen ob Eck (Tuttlingen county). The KARL STORZ family company has now reserved a total of **28 child care spots** for use by employees with young children. The cost of care are sponsored by the company.





Overview of child places – development since 2009

	Total number	Full-day places	Half-day places
2009	8		
2010	10		
2011	12	10	2
2012	14	13	1
2013	19	16	3
2014	20	15	5
2015	25	20	5
2016	28	18	10

Due to continued high demand, the company decided to create 15 additional childcare places in a mixed-age group (0-6 years of age) at Neuhausen industrial park, where the KARL STORZ logistics center – that opened in 2013 – is located. The cost of these places are fully covered by KARL STORZ, and therefore the places are reserved for the children of our employees, but children of employees of other companies located in the industrial park may benefit from the places as well if capacities are available.

A contract was concluded between KARL STORZ and the child-care center "Denk mit!", and the mixed-age group was established in January 2016.

Dr. h. c. mult. Sybill Storz Managing Partner of KARL STORZ GmbH & Co. KG

"With regard to the compatibility of family and career, high-quality, reliable childcare is an important factor. Therefore, we consider the expansion of available childcare facilities an important step to benefit working mothers and fathers. With such initiatives, we can also retain employees with their important knowledge and expertise and simultaneously ensure that parents know that their children receive the best possible care. We wish to particularly thank the City of Tuttlingen, the Community of Neuhausen, and the Take Off Industrial Park Association for their continued support and cooperation."



Child-care center "Denk mit!" in Neuhausen (photo: © Denk mit!)





II. KARL STORZ Family Day

At the KARL STORZ Family Day held in late October 2016, over 180 children between the ages of 2 to 16 had the opportunity to get a glimpse of their parents' daily work. The young participants were allowed to visit their mothers' and fathers' workplaces in administration, production, and at the logistics center and then discover the KARL STORZ Visitor Centre. Here, they learned many interesting details about KARL STORZ company history as well as about the operating principles of endoscopes and their applications in human medicine, veterinary medicine, and technology.



For this purpose, KARL STORZ prepared six learning stations to teach kids about the operating principles of endoscopes in a playful manner. In the networked treatment room OFFICE1, the children were shown how endoscopes help physicians to establish a diagnosis. The children then discovered the integrated operating room OR1™ by taking the role of a physician and familiarizing themselves with networked technology. In the world of endoscopy, the children discovered the wide range of applications of endoscopes and also examined a Playmobil hospital with an endoscope.







Thanks to the active support of KARL STORZ apprentices and employees, a child-appropriate program was developed that playfully taught children what their parents do at work. With internal events such as the Family Day, KARL STORZ aims to particularly promote a child-friendly and family-friendly environment.



Children of KARL STORZ employees taking a tour through the world of endoscopy (October 2016)

Dr. h. c. mult. Sybill Storz Managing Partner of KARL STORZ GmbH & Co. KG

"We are delighted that the Family Day was so well received. Thanks to a child-appropriate program, the children were playfully involved at the "learning stations." In the context of the compatibility of family and career, it is important to us that even the littlest ones get to discover the KARL STORZ family-run company and can better imagine what their parents do at work."





III. Support of education and apprenticeship training

Following up on our 2011, 2014 and 2015 Progress Report, we want to highlight our efforts in the area of education and apprenticeship training. We are happy to report that we have been able to successfully continue all initiatives. Our program was expanded by the participation in an internship initiative for the integration of refugees.

Training and university studies at KARL STORZ



Employees are a company's most important resource. Therefore, KARL STORZ places great value on young people receiving a solid education today, as they are tomorrow's qualified employees. In 2016, we hired 40 trainees and 17 university students who are enrolled in a practice-oriented program at the Baden-Württemberg Cooperative State University (DHBW). In addition, 53 trainees and students successfully completed their training or university degree and we offered 100% of them an unlimited employment. Currently, there are a total of 184 young people who are in training or enrolled in university studies.

Since 2006, KARL STORZ has also been inviting interested parents of first-year apprentices. At an afternoon event, the parents receive a company tour and the opportunity to talk with representatives of the Human Resources department.



Parents of apprentices visited the KARL STORZ Visitor Centre and familiarized themselves with the KARL STORZ product range as well as the newest trends in medical technology (March 2016)





Trainee exchange with supplier

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

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

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

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

The KARL STORZ management of the family-run company is particularly committed to support people with disabilities and their integration into society. Therefore, we not only support the "Cooperation without handicaps" project but have been placing production orders with the Lebenshilfe workshop for years. The workshop employs people aged 18 to 65 with mental and multiple disabilities. The employees are supported occupationally and also receive personal development opportunities in the form of numerous accompanying programs, such as on numbers and money, cooking and baking as well as through music therapy, etc.

Internship year with technical focus

In cooperation with the local Steinbeis vocational school, we support adolescents who have not found an apprenticeship position to help them get ready to enter the professional world. During the one-year program, participants attend the vocational school three days per week. On the remaining two days of the week, participants work at the KARL STORZ trainee workshop. The project's practice orientation is intended to improve the readiness of participants to enter an apprenticeship program. KARL STORZ actively contributes to the support and development of these students. We aim to offer program participants a regular apprenticeship position. Between 2008 and 2016, we have already been able to provide apprenticeship positions to **13 program participants**.





Educational partnership with local schools

Since 2009, KARL STORZ has been in a cooperation agreement with the Hermann-Hesse-Realschule (intermediate-level secondary school). In 2010, we added an agreement with the Wilhelmschule. Throughout the school year, we conduct joint events such as

- Job internships & tours
- Technology classes at the KARL STORZ trainee workshop
- Applicant training, including a "real" job interview with staff from KARL STORZ Human Resources
- In-house exhibition, where KARL STORZ trainees present their occupations to the students
- Support of Girl's Day and the Technolino project to offer girls and elementary students playful and age-appropriate insights into technical occupations

Project FUTURE - Internships for refugees

This year, KARL STORZ participated in Project FUTURE, which was initiated by the City of Tuttlingen and promotes the integration of refugees. In the context of the project, internships for vocational orientation were offered to refugees to prepare them for future occupations and establish contact between refugees and companies.

A total of seven refugees from Afghanistan, Gambia, Cameroon, Nigeria, and Pakistan successfully completed a 3-month internship at the KARL STORZ Production department. As a result of this initiative, an employment contract was entered into with one refugee.

Beyond the FUTURE Project, KARL STORZ welcomed the soccer club SC 04 Tuttlingen, which assists two refugee teams. The young athletes received a tour of the KARL STORZ trainee workshop and Production department. In addition, the relevant skilled occupations were presented to them.

IV. University cooperation projects

Collaboration with the Tuttlingen University Campus – KARL STORZ Premium-Semester



In 2009, the Tuttlingen university campus was established; it is a model institution of higher education that differs from existing universities in terms of trusteeship, organization, and teaching. This idea was developed and implemented with joint commitment of the industry, Tuttlingen city and county, the Furtwangen University of Applied Sciences, and the state of Baden-Württemberg. Tuttlingen now offers a cutting-edge international university based on the public-private partnership model. With its innovative approach, the Tuttlingen university campus aims to recruit additional engineering students.





Offering the five Bachelor programs Automation & Mechatronics, Manufacturing, Materials Engineering, MedTec, and Engineering Psychology and the Master programs Material Sciences, Mechatronic Systems and Medical Devices & Healthcare Management, the Tuttlingen university campus perfectly responds to the needs of the economy of the region and beyond. During their studies, students already familiarize themselves with the companies, use their laboratories, and develop social networks. The public-private partnership between the regional industry, the city of Tuttlingen, Tuttlingen county, and Furtwangen University of Applied Sciences makes the Tuttlingen campus 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.

Because we strongly believe in this idea, the company KARL STORZ has been a founding member of the sponsoring association founded in 2009. KARL STORZ and 100 other partners from the association have agreed to support this unique university concept with 2,5 million euro annually for 10 years. In February 2016, the cooperation agreement of this private-public partnership model was extended for another ten years by all involved parties, that is, the State of Baden-Württemberg, Furtwangen University, and the association, which means that the financing of this university model is secured until 2029.



Premium semester: In 2014, KARL STORZ introduced the "US Premium Semester." In the context of a competition, university students receive a technical task. The solved task and complete application documents are submitted to and evaluated by KARL STORZ. Two students with excellent results and documents are awarded a six-month work experience semester at a KARL STORZ development site in the US (Massachusetts or California). KARL STORZ pays for the travel cost, lodging, and internship pay.

This attractive program is intended to particularly promote the professional and personal qualifications of participants through the experience abroad.

In 2016, Annika Siebold was awarded the Premium Semester, which allowed her to gain insights in the development and production site KARL STORZ Endovision in Charlton, Massachusetts, for six months. After her return in August 2016, she summarized her experience as follows:

Annika Siebold Student at Tuttlingen university campus – field of study Industrial MedTec

"The Premium Semester in Charlton was a very good experience for me which helped me to develop not only professionally but also personally and linguistically."

KARL STORZ additionally supports the Tuttlingen University Campus as follows:

- **Freshman meeting:** Introductory event for first-semester students to get to know the company through a presentation and factory tour.
- **Mentoring program:** KARL STORZ employees from R & D, Production, and Product Management serve as mentors to students in their 2nd and 3rd semesters.
- Internship positions for 6th semester students.





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.



© Deutschlandstipendium

Until 2017, the project aims to support up to 2 % 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. In the year 2016, the company grants a total of **six scholarships** to students at the following universities:

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

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 supports in 2016 one student.

"Endoscopy" lecture series – elective at Furtwangen university

In October 2016, KARL STORZ offered for the third time an elective at Furtwangen university that was open to Medical Engineering students in the 3rd semester or above. In 14 teaching units (1.5 hours each), KARL STORZ product and marketing managers teach the essentials of endoscopy. The lecture series particularly covers the fundamentals of anatomy, indications, methods, and technical instruments. Further teaching units deal with devices, cameras, molecular imaging, integrated operating rooms / OR management, and hygiene. To enhance their new knowledge, students receive hands-on training using endoscopy training stations. At the end of the lecture series, presenters and students discuss professional opportunities in medical technology.





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. Environmental protection through innovative medical devices Virtual Reality (VR) in medical training and continued education



UroTrainer – the VR simulator for safe training in urology

The adaptation of simulator training for medical purposes and particularly for minimally invasive surgery opens new options in surgeon training: Virtual reality training simulators for surgery permit learning the technical aspects of minimally invasive surgery in a controlled environment under standardized conditions. Particularly the handling of instruments and navigation in three-dimensional space on a two-dimensional screen can be improved by simulator training, and specific surgical steps can be efficiently trained as well. In addition, trainees can try out and practice techniques as often as desired on these computer-based simulators.

Realistic surgeon training using VR simulators allows surgeons – in a training phase – to optimally prepare for real-life conditions and situations.

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





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

Training on VR simulators therefore has the following advantages:

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

With the increasingly binding incorporation of VR simulators in training curricula as well as the associated savings, the use of VR simulators will increase in surgical training and continued education.



MultiTrainer- the high-end platform for safe training of diagnostic and surgical skills





VITOM® 3D – Digital 3D camera microscope with intuitive control unit for the operating room

For about 50 years, the surgical microscope has been the gold standard for microsurgical interventions. Surgeons look through a binocular, and due to two separate optical paths, they see a high-quality stereoscopic and magnified image of the surgical field. The procedure is performed with magnification, which ties the surgeon to the eyepiece. With certain patient positionings, this can require the surgeon to maintain and perform surgery in an ergonomically unfavorable position, possibly for hours. This uncomfortable posture interferes with concentration and increases fatigue. In the worst case, the quality of the surgery will suffer.

In the VITOM® 3D system, the image recording system (exoscope and microcamera) and the image reproduction system (monitor) are separate. The surgeon views a 3D monitor and can freely choose and change his or her posture during surgery. The slender design of the VITOM® 3D recording head means that the surgeon can directly view the surgical field with the unaided eye as well if necessary. For this purpose, the operating microscope has to be pivoted away to the side.

The compact system allows flexible and space-saving positioning in the operating room, and it also requires less material and resources during manufacture.

Due to the relatively inexpensive system price, this new technology is also suitable for use in emerging and developing countries.



The VITOM® 3D - The small, lightweight, and flexible solution for microsurgical procedures





Optimization of product packaging and shipping cartons

In 2015 and 2016, KARL STORZ has been continuously working on optimizing packaging. The goal is to reduce the packaging volume to save materials, achieve a smaller transport volume, and hence conserve resources. In this area, the following ideas are being implemented: Continuous introduction of size-adapted packaging, introduction of packaging units fitting a larger number of the same products in one package, enclosure of products in existing product packaging, change of filling material in shipping boxes from bubble wrap to paper.

Power savings in compressed air generation

In Production, compressed ambient air is needed for operating machines as well as for cleaning processes in manufacture. By using pressure boosters and piston compressors, KARL STORZ has reduced the compressed air in Production from a maximum of 9.5 bar to 6 bar during the daytime and to 3 bar at night. Hence, less energy is required for generating and maintaining the compressed air. To supply machines with more than 6 bar or 3 bar, several pressure boosters were installed. This allows supplying the entire system with lower pressure while still ensuring full performance of the individual systems. Reducing the air pressure additionally makes any leaks less problematic.





II. New production building in Estonia

Within the KARL STORZ group, KARL STORZ Video Endoscopy Estonia OÜ is one specialized production facility for video endoscopes, their components and endoscope repair. Thanks to a positive growth trend, the KARL STORZ management decided to enlarge the Tallinn location. Within 3 years a new and multifunctional production building with 9,300 m² floor area has been established in which 170 employees are now at work. The new building that has been finished in 2016 is located 15 km from Tallinn Airport and Tallinn City Center, and 1 km south-west from the Tallinn City boundary.



The building concept is highly flexible, which means all office and manufacturing areas have the same infrastructure to enable cross-usage of this facility. With respect to resource-saving construction and maintenance of the building, the following aspects have been realized:

- Light architecture that allows a lot of natural light coming into the building.
- The interior of the factory was designed to be very people-friendly and pleasant.
- The building has a highly efficient heat recovery ventilation system which enables to save energy. For example, a system was installed to use the heat emitted by ovens and machines for the heating process of the building. Additional the thermal insulation of the building is very efficient.
- The ventilation system is energy saving and equipped with temperature and CO₂ sensors. The automation of the building is software- and sensor-controlled. A sophisticated controller adjusts and runs the temperature and air flow of the building.
- The limestone soil from the excavation period has been crushed and was used as a surface stuffing. No additional soil has been transported from site.
- The existing trees have been preserved during the construcution and additional trees have been planted around the building.
- The Estonian subsidiary fulfills the EVS-EN ISO Standard 14001:2015 an international standard that specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance.
- The concept of the building enables the extension of the gross floor area and cleanroom readiness to meet future requirements.





Karl-Christian Storz Member of the Board – representing the 3rd generation of the KARL STORZ family business



"We have realized a location that offers modern and motivating work places in order to realize high quality medical products. We have created an adjustable environment for implementing best performing manufacturing processes. With the new facility – together with perfectly trained people – we are happy that the Estonia subsidiary makes an important contribution to the high quality portfolio of the KARL STORZ group which medical users from all over the world can rely on."



Reception







Manufacturing



Manufacturing







Office



Cafeteria





KARL STORZ Group – Subsidiaries' Initiatives

USA: Environmental programs

In the U.S., KARL STORZ has long supported efforts to reduce waste, emphasize recycling and promote other environmental programs.

Electric vehicle charging

At KARL STORZ Endoscopy America (El Segundo), the installation of four electric vehicle charging stations in 2015 was so popular that four additional charging units were added this year, for a total of eight stations, helping to reduce both gas use and lower emissions. The stations are used daily by fully electric vehicles as well as plug-in hybrid cars. The program has prompted a significant number of employees to select such vehicles when purchasing or leasing new cars.

Planting of trees

KARL STORZ Endoscopy America (El Segundo) also participates in a city program titled Tree Musketeers, which organizes teams of young people in planting new trees along selected streets of the city, increasing the environmental benefits that the trees provide.

Waste reduction

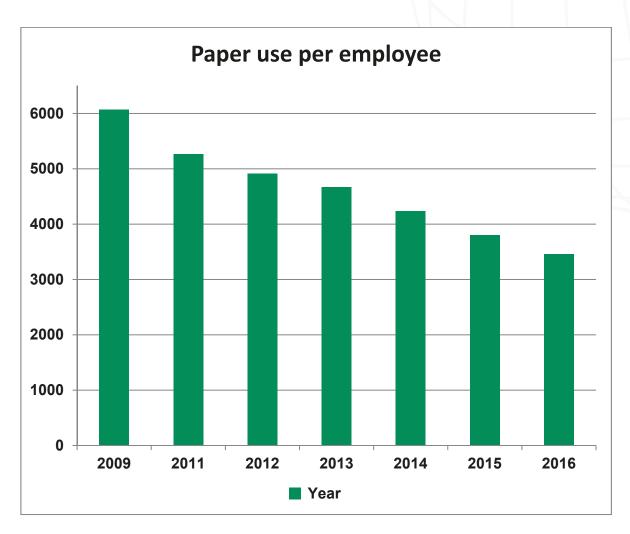
The facility in El Segundo has also switched from the practice of providing bottled water in meeting rooms and other areas to installing a number oQf water machines that provide hot, cold and room temperature water, as well as ice. Because the company previous consumed an average of 15 24-bottle cases per week, or nearly 19,000 plastic bottles per year, the conversion has resulted in significant reduction in plastic waste. Similarly, conversion from paper plates, towels, cups and similar items to company-provided reusable cups, as well as environmentally friendly recycled alternatives, has further reduced waste and use of natural resources. Special towel dispensers have been installed in restrooms to also help limit waste. All building waste is also separated and recycled.

Other programs include reduction of packing materials used in shipping, and the decision to change from the use of printed white boxes to Earth-friendly recycled brown boxes for packing and shipping products.





III. Reduction of paper use



KARL STORZ pursues the long-term goal of continuously reducing paper use by improving processes and thereby sustainably contributing to resource conservation. Since 2009, our average paper use has dropped from initially 6,100 sheets per employee to 3,457 sheets (-43%) in 2016. Compared to last year (3,800 sheets), this corresponds to a **reduction of 9% per employee**.

Paperless shipping of order confirmations

Since August 2016, Sales Administration sends order confirmations to customers, subsidiaries, and dealers only in electronic form. For each order, this saves the duplicate print-out of order confirmations (one copy for the customer, one for the archive). The associated correspondence is also processed and archived exclusively electronically.





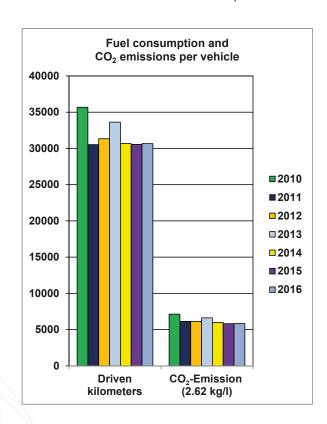
IV. Company Fleet: Fuel consumption and CO₂ emissions

Company fleet	2010	2011	2012	2013	2014	2015	2016
Total kilometers driven	6,494,594	6,256,525	7,051,607	7,127,941	7,085,096	7,057,877	6,744,900
Kilometers driven per vehicle	35,684	30,519	31,340	33,622	30,671	30,554	30,659
Average fuel consumption (liters / 100 kilometers)	7.63	7.67	7.45	7.51	7.46	7.26	7.26
Total CO ₂ emissions (2.62 kg/l*)	1,298,955	1,257,333	1,376,070	1,403,128	1,383,900	1,342,415	1,283,434

^{*}Ministry of the Interior of the state of Baden-Württemberg: Average CO2 emission per liter of diesel: 2.62 kg.

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

Since 2013, the average fuel consumption per car has dropped, and in 2015, it reached the lowest average so far, at 7.26 liters per 100 kilometers. This year, we were able to achieve the same low value again, that is, the average fuel consumption remained constant with 7.26 liters per 100 kilometers.



Optimized vehicle use in Service

By switching our service vehicle type, we were able to significantly reduce fuel consumption in this area. The optimization of service routes has also reduced the kilometers driven.





Global Compact Principle 10: Anti-corruption

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

I. Continued dedication with information and training

Transparent Statement on the KARL STORZ website

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. Under "Compliance", visitors to the KARL STORZ website can find out anytime about the basic principles we practice, with references to the Global Compact, the KARL STORZ anti-corruption guideline, and environmental and resource conservation.

KARL STORZ Website - Compliance Statement

"The KARL STORZ family company is committed to legal compliance, honesty, loyalty, transparency, sustainability, and fairness in everyday business operations. These values are not abstract requirements but essential guidelines for our corporate activity. Our company founder, Dr. med. h. c. Karl Storz, already practiced these values and recognized them as the key to long-term, sustainable success. Following laws and company-specific rules and principles of conduct is referred to as "compliance". To KARL STORZ, this means that each and every employee, all supervisors, and the management board continuously ensure that our business activities are always conducted respecting the law and ethical rules. For this purpose, the company management in Tuttlingen puts in place global compliance standards in the form of a code of conduct and associated guidelines. At our worldwide sites, these standards are bindingly implemented through local instructions or expanded if national law requires.

Throughout recent decades, our company has worked hard to gain an excellent reputation for quality and innovation in endoscopy. Therefore, each and every employee is responsible for maintaining this excellent reputation and for further promoting it through positive action, for strengthening our customers' confidence placed in us time and again and for safeguarding the company from any illegal or unethical actions. The compliance guidelines created for this purpose offer employees clear orientation, and to our customers and suppliers, they promise partnership in a fair and transparent business process."

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

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

To support all of us in "doing things right" and in following our conviction in an ethical conduct a Compliance Management System is established. This system is built on three pillars: Prevent, Detect, Respond. Each pillar handles a detailed and thorough system of activities by which it is intended to ensure that KARL STORZ acts completely in accordance with applicable laws and regulations as well as own policies.





Prevent

For preventing breaches a clear understanding of binding rules is mandatory. Regular trainings and support for employees exposed to high-risk fields are therefore preventive compliance tools to raise understanding and awareness. In 2016, KARL STORZ again offered face-to-face anti-corruption trainings and also offered refresher courses for employees being in regular contact with customers and other external stakeholders.

In addition extensive compliance communications measures internal processes were established to support sustainability at KARL STORZ.

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, Compliance is responsible for handling every case that someone gets aware of and that could represent a potential contravention of the Law, Code of Conduct or KARL STORZ Policies.

So in 2016, a Compliance Risk Management Policy was introduced and distributed to all Local Compliance Officers in our entities. Twelve risk categories were identified and tools for assessing the risks were established. The local Compliance Officers were personally trained in order to ensure that everybody understands how risks are identified and how they should report them to the central Compliance department quarterly or in critical cases immediately.

Respond

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

If compliance violations reveal systematic deficiencies or structural failures Compliance supports the business units to improve their processes.

Applying lessons from past compliance cases improve our compliance system. Therefore our policies and trainings will be regularly reviewed under compliance perspective and adapted and communicated where necessary.

Concerning anti-corruption there were no accusations of corruption in 2016 against KARL STORZ.





