

UN Global Compact  
Communication on Progress 2021  
Successful together

**STORZ**  
KARL STORZ — ENDOSKOP



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

We welcome feedback on its contents.



## Shaping the future: Focus on sustainability & responsibility

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

Due to the continuing COVID-19 pandemic, we were determined to devote our expertise toward making substantial contributions to supporting COVID-19 patients and physicians worldwide. In this difficult situation, physicians as well as medical and non-medical staff work tirelessly to ensure optimal patient care every day. Their dedication has served the health not only of individual patients, but also of our society as a whole. Given this special situation, we have dedicated one additional chapter of this report to present our COVID-19 related efforts.

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

It is also important for us to offer young people an educational and rewarding apprenticeship experience as a first step towards a promising future career. Erik Hirse's recent win in the field of surgical mechanics, shows that our training approach continues to pay off.

To continue to live up to our responsibility as a globally active family company toward society and the environment, KARL STORZ's corporate sites in Germany have been

supplied with climate-neutral green electricity as of this year. This will reduce the company-wide CO<sub>2</sub> footprint by more than 4,000 tons of CO<sub>2</sub> per year. We are also pleased to see our consistent corporate responsibility strategy bear fruit, in continuing to reduce paper consumption at our Tuttlingen headquarters substantially – by nearly 19.3% compared to last year.

We kindly invite you to find more details about this and further topics in our 2021 Communication on Progress report exemplifying our support of human and labor rights, the environment and anti-corruption.

For 17 years, KARL STORZ has been dedicated to the sustainable and forward-looking goals of the United Nations Global Compact. In the coming year, we remain committed to the Ten Principles of the Global Compact, and to focusing on our corporate values in order to continue these efforts effectively in challenging times.

### **Karl-Christian Storz**

Managing Director  
KARL STORZ SE & Co. KG

Tuttlingen, December 23<sup>th</sup>, 2021

## Our Corporate Vision

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

## Our Corporate Values

- **Patient Health & Safety**  
We provide safe and high-quality solutions that help to care for the well-being of patients.
- **Respect**  
We treat everyone with respect and encourage diversity of thought.
- **Self-reflection & Continuous Improvement**  
We act as a learning organization and embrace our failures to learn from them.
- **Integrity**  
We are trustful, compliant, committed and accountable.
- **Courage**  
We openly share our ideas and encourage strong and thoughtful decisions.
- **Social Responsibility**  
We care about our environment and give back to our communities.



# shaping**our**future

# KARL STORZ at a glance

46 subsidiaries in

44 countries worldwide



more than 15,000 products



19.3%

reduction in paper use  
per employee compared to 2020  
(headquarters)

49



young people completed an  
apprenticeship at KARL STORZ in 2021

3,000

employees at the  
Tuttlingen headquarters



8,300

employees worldwide



People from over

52

nationalities working at the Tuttlingen  
headquarters

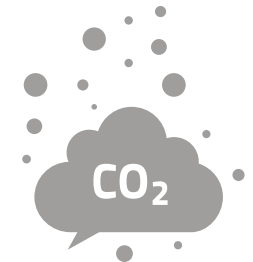
€1.8 billion

sales in 2020



4.7%

less CO<sub>2</sub> emissions of company fleet  
compared to 2019 (headquarters)





# KARL STORZ – Shaping progress together

In 1945 the KARL STORZ family company was founded by Dr. med. h. c. Karl Storz as a two-person operation in Tuttlingen, Germany. In the past 76 years it has developed into one of the leading suppliers of endoscopes, endoscopic instruments and devices for more than 15 human medical specialties. The product portfolio also includes solutions for veterinary medicine. Throughout its history, the company has focused on supplying functional and ergonomic devices to meet medical needs as well as using technology for the benefit of patients.

At over 45 KARL STORZ subsidiaries in Germany and abroad, 8,300 employees worldwide pursue this goal, offering customer-focused consultation, sales, and service.

## Shaping the Future of Endoscopy with You

With this central motto, KARL STORZ underlines its vision of shaping the future of medical technology and making an impact with new developments and suitable solutions for future requirements. The family company relies on successful cooperation with customers and employees, because only through their involvement can KARL STORZ strengthen its success factors and continue to grow as an industry leader in medical technology. Since the beginning we have been a pioneer company in the sector of minimally invasive surgery. This operation method makes procedures much less physically traumatic and thereby contributes to reducing fear and worry about necessary medical procedures. The incisions, which are often only a few millimeters long, reduce wound pain and wound healing problems and permanent scars are reduced to a minimum. In addition, faster healing reduces hospital stays.

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

As a solution provider and partner in the healthcare sector, the company offers medical products and services that add significant value to patient safety. Dialogue and cooperation with leading physicians, universities and research institutes is one of the most important components of the continuous improvement process. The medical expertise of the users and the technical solution competence of KARL STORZ ensure ideal functionality and intuitive user guidance of the

endoscopes, devices and systems. We have developed products that in many cases played a pioneering role and secured the company's position as a global leader. Truly knowing the requirements of our customers is essential to achieving this kind of success. In addition to profound knowledge of medical requirements, this requires close observation of specific market developments to intuitively comprehend market needs, analyze problems, and then identify what the best feasible solution may look like. The technological fields of optics, mechanics, electronics and software are combined in an optimal way to create modern solution systems for integration in the operating room and to support clinical processes.

Since the beginnings in 1945, the company has constantly developed and established itself worldwide. With respect and pride, we can look back on the history of the family business and celebrate the successes achieved to date. Karl-Christian Storz's main focus is on offering customers immediate product and service availability, cost control and continuous innovation. He also sees it as a priority to ensure patient health and safety and to optimally adapt the product range to the needs of the market. In addition, the CEO wants to give the employees more responsibility and give them the chance to help shape the „culture of change“ in the company, while ensuring that the motivation and commitment of the workforce remains high. The company wants to continue to embody a strong focus on respect, integrity and social responsibility, which is also underlined by its participation in the United Nations Global Compact.

# COVID-19: Our contribution to the healthcare system

As the pandemic situation continues globally, the situation remains tense, making safety, stability, and particularly the flexibility to quickly adapt to this exceptional situation indispensable.

From today's perspective, it is possible, to a limited extent, to estimate the longer-term course of the pandemic. For this reason, we are continuing to monitor the situation very carefully in close coordination with our global subsidiaries and are adapting our actions and regulations directly to regional conditions as necessary.

In this situation, our focus remains on supporting our partners in health care by providing the necessary products, consultation, and service.

With a great sense of responsibility and commitment, our staff members are working to ensure that our customers and partners in health care can continue to treat their patients with quality products from KARL STORZ – whether they are treating COVID-19 patients or performing planned endoscopic procedures.

## Flexible work – protecting our employees

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

- Formation of pandemic teams that regularly assess the local situation and decide on measures to be taken.
- A transparent information policy and enhanced employee training
- Rules for wearing a mouth-nose protection
- Provision of two self-tests per week for employees
- Internal testing strategy including the performance of rapid antigen tests for employees carried out by our company physician or by medically trained personnel
- Strong restriction/limitation of cross-border travel including stricter approval processes
- Promotion of virtual meetings instead of personal meetings/travel
- Extension of break room facilities to ensure social distancing
- Use of air purification systems
- Use of Mobile Office for office and comparable activities
- Maximal room occupancy of 50% for required on-site office activities
- Stricter hygiene and cleaning measures

- Company vaccination campaigns during working hours for all employees and their relatives in Germany

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

## Delivery capacity – staying focused

Currently, our Production, Logistics, Service, and all other support functions are fully operational. This is true at our Tuttlingen headquarters and production site as well as at our production sites in Switzerland, Estonia, and the USA. In addition, we remain in very close contact with our suppliers to ensure our supply of materials. So far, we have not had any critical supply interruptions. We will continue to focus on securing our production capacities to maintain our ability to act in support of patient care. Naturally, the current situation does not lend itself to more detailed forecasts, but thanks to the outstanding commitment of all parties involved, we aim to always provide a focused supply.



## Ensuring employee safety through the COVID-19 pandemic – vaccination offer

Since the beginning of the pandemic, the goals of KARL STORZ have been clearly defined: protecting the health of all employees, ensuring safety, and remaining operational as a company.

As the central and most effective measure, vaccination against COVID-19 has been a pervasive topic for months now. Vaccinations to control the pandemic are expressly advocated and supported by KARL STORZ and are considered as an important protective measure.

Even before receiving the first deliveries of vaccines, organizationally, the necessary vaccination lines including medical staff were already prepared in the Visitor Centre in Tuttlingen as well as in the Take Off 50 building in Neuhausen.

During the first company vaccination campaign in May, vaccination was made possible for all employees aged 60 and older and those having specific diseases. In accordance with government regulations and the recommendations of the Robert-Koch-Institute on the vaccine, this vaccination offer could only be made to the mentioned age group.

The second phase of the company vaccination offer started in July. From that point on, all other employees were able to receive their shots then. The time spent for the vaccination process was charged as working time.

More than 500 employees and 100 relatives have received their COVID-19 vaccination through the company vaccination campaign in Tuttlingen, Neuhausen, Berlin and Stutensee.

The exemplary commitment and excellent cooperation of everyone involved has enabled KARL STORZ to protect the health of employees and colleagues in the best possible way and to successfully ensure customers continue to be supplied with urgently needed medical products.



*The company's physician Dr. Jochen Molsner and his assistant were very busy vaccinating the employees. (above and below)*





## KARL STORZ Group – Subsidiaries' Initiatives

### USA: Safety measures for healthcare workers

The COVID-19 pandemic placed a significant strain on healthcare networks, and KARL STORZ subsidiaries sought practical ways to support customers and their patients.

For example, demand for airway management devices—particularly video laryngoscopes—increased considerably as mentioned above, and production facilities redoubled their efforts to provide the required equipment along with added safety features, such as extension cables that allowed healthcare workers to maintain a suitable distance from patients.

In-person training programs were converted to interactive webinars so that physicians could learn about new techniques and technologies without having to travel. Flexible financing options made it easier for hospitals to continue receiving vital equipment despite greater budgetary constraints.

A comprehensive vaccine mandate ensured that technicians servicing endoscopic devices in hospital facilities would not increase infection risk. Appropriate measures were also put in place to safeguard the health of KARL STORZ employees—for example, automated screening stations in office buildings, new wellness protocols, expanded remote work opportunities, and regular communications to update and educate the staff.

Collectively, these actions helped maintain reliable access to medical care for patients.

### Vaccination policy at KARL STORZ Endoscopy in America

This summer, KARL STORZ Endoscopy-America implemented a mandatory COVID-19 vaccination policy for its employees. This policy protects employees, customers, families, and communities and helps ensure a safe and conducive work environment.



*KARL STORZ's offices in the USA are subject to strict COVID-19 rules, including temperature measurement upon entry.*





## Global Compact Principles 1-2: Human Rights

# Implementation of the Ten Principles at KARL STORZ

## Global Compact Principles 1-2: Human Rights

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

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

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





# I. Support of medical education and training

## KARL STORZ supports “German Doctors” in the COVID-19 pandemic

In 2021, KARL STORZ once again supported the “German Doctors” aid organization with a generous donation. The internationally active non-governmental organization sends volunteer doctors to medically underserved areas, particularly in the Southern Hemisphere. They provide basic medical care to people at the margins of society and train local healthcare workers in an effort to sustainably strengthen local systems from within. By doing so, they stand up for every individual’s right to medical care and contribute to numerous projects fighting practices violating human rights, such as female genital mutilation. Since the establishment of the aid organization in 1983, some 3,500 “German Doctors” have completed around 7,600 missions in 12 different countries.

The doctors receive no remuneration and even contribute to the cost of the mission. Projects are financed through donations such as the one from KARL STORZ. In 2021, the help of “German Doctors” was needed even more urgently due to the COVID-19 pandemic, but few doctors could be sent abroad to areas in need. On the ground, long-term doctors and local teams continued projects and patient care. In addition, food packages were distributed, hygiene kits and protective materials such as face masks passed out, and people educated about infection pathways and COVID-19. Even during this challenging time, two additional outpatient clinics successfully opened in Kenya. “German Doctors” is currently active in Kenya, Sierra Leone, Bangladesh, India, and the Philippines. In addition, the organization actively provides refugee aid in Greece and in the Mediterranean region.

KARL STORZ has been donating to “German Doctors” for many years and is part of its Circle of Supporters. In addition, we support the aid organization by providing equipment, staff, and know-how.

Further information is available at [www.german-doctors.de](http://www.german-doctors.de).



*In 2021, few doctors were able to participate in “German Doctors” missions abroad. But donors were more important than ever. Photo: German Doctors / Archive*



## KARL STORZ Training and Technology Center has opened in the UK

On 29<sup>th</sup> April 2021, KARL STORZ Endoscopy (UK) Ltd were delighted to welcome Professor the Lord Darzi of Denham to officially open the new Training and Technology Center (TTC) based in Slough. The TTC is designed with the customer in mind and aims to showcase the very latest in minimally invasive surgery technologies and airway management, as well as facilitate surgical skills training within true to life surgical and clinical settings. The surgical skills training courses are complemented by hands-on training models and virtual reality training stations. Here we focus on sustainability, quality, reusability, and innovation to empower clinicians with the skills and knowledge necessary to excel.

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

There is an open invitation to any UK theatre-based NHS or UK private hospital staff to visit the Training and Technology Center.



*KARL STORZ has installed a new Training and Technology Center in the UK.*

## Kenya and Senegal: Biomedical engineers for Sub-Saharan Africa

### Background

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

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

### Update 2021

Due to the ongoing spreading COVID-19 pandemic, most of the planned project activities for 2021 could not be implemented in time. After several consultation meetings with the involved alliance partners and finally after permission from the German Federal Ministry for Economic Cooperation and Development (BMZ), the duration of this strategic project was extended until March 2022.

During 2021 local construction activities in the laboratory facilities, both at Ecole Supérieure Polytechnique (UCAD ESP), Dakar/Senegal and at Kenyatta University, Nairobi/Kenya have been further progressed. Alongside others, KARL STORZ provided and delivered a "Reprocessing Workstation for flexible Endoscopes and Instrumentation" for installation at UCAD ESP.

It is also planned to deliver all defined product workstations (Endoscopic Towers), equipped with camera systems for flexible and rigid endoscopy, insufflators, cold-light fountains and HF-units with related surgical instrumentation to both strategic partner universities.

In September/October 2021 KARL STORZ organized and started the "Training of Trainers" (ToT) program with the local university lecturers and those responsible for the new study course "Biomedical Engineering" with a two days' virtual basic training course (warm-up or introduction course) via TEAMS for each country. Access to the e-learning platform as well as copies of teaching materials were provided to all the participants of the courses.

Based on the knowledge gained from the course, practical hands-on and technical-oriented "On-site-ToT-Training Courses" on the equipment will take place immediately after it has been delivered.

After the ToT has been passed, the responsible trained persons will be in position and ready to develop their own teaching materials during 2022 and to devise a curriculum to be used locally for sustainable teaching and learning of students.

## KARL STORZ supports the building of two Training Centers

Following the collaboration with Renji Hospital Shanghai Jiao Tong University School of Medicine in establishing a Training Center, KARL STORZ continues to build world-class MIS (minimally invasive) training and academic centers with hospitals in China.

The newly built training center in Shengjing Hospital of China Medical University, which covers 1400 square meters, is composed of an MIS training lab, dry lab and conference centers. KARL STORZ collaborates with hospitals to deliver MIS training of general surgery, gynecology, urology, otorhinolaryngology, head and neck surgery, etc. The COGA-GESEA program in particular has become a standardized training course for doctors of the northeast region of China.

The training center in the First Hospital of Lanzhou University is situated in the northwest region of China. The hospital aimed to build a regional excellence center and turned to KARL STORZ for support integrating multiple training facilities. KARL STORZ provides valuable know-how as well as outstanding design to accomplish this task.

The training center in Huashan Hospital of Fudan University is the first specialized training center in neurological surgery. This training center, equipped with the latest endoscopic technology of KARL STORZ, has become an international academic exchange center as soon as it opens. Renowned neuro experts from around the world, such as Prof. Paul A. Gardne, Prof Carl H. Snyderman, Prof. Sebastien Froelich, Prof. Paolo Cappabianca, and Prof. Henry W. S. Schroeder sent a video to celebrate the opening.

KARL STORZ has now supported the construction and operation of seven training centers in China. All of them have become important facilities and academic hubs to promote MIS standards and skills.



*KARL STORZ helped to build two new Training Centers in China in 2021.*



## II. Support of people in less privileged situations

### Donations of medical technology products for sustainable development

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





## KARL STORZ supports flood victims and the German Red Cross

The summer of 2021 brought extreme weather to parts of Germany. Worst hit were the federal states of Rhineland Palatinate and North Rhine-Westphalia. On July 14 and overnight to July 15, parts of both states received between 100 and 150 liters per square meter of rain within 24 hours. Most of the rain came down within only 10 to 18 hours, delivering more rain than this area normally receives in the entire month of July. Following the torrential rain, the affected regions experienced flash floods and massive flooding, causing enormous damage and even loss of life.

The Storz family and the entire company were relieved to find out that the employees living near the disaster area were healthy and safe. None of the team members were injured, and none of the employees' houses and apartments were damaged.

Nevertheless, KARL STORZ wanted to support victims as well as the people helping them tirelessly day and night. Therefore €25,000 was donated to the German Red Cross (DRK). More than 3,500 DRK volunteers were constantly on the ground in the disaster areas to evacuate people from their homes, nursing homes, and hospitals and then provided further assistance. It was really important to ensure that basic medical care, mobile medical practices and emergency pharmacies were set up, and sanitation and hygiene facilities were planned to prevent the spread of disease. The DRK additionally offered affected people shelter, food, water, electricity, and mobile communications. In addition to medical care, psychological support was also provided.



*July 2021: The torrential rain led to flooding and high water in parts of Germany. Pictured is Ahrweiler County in North Rhine-Westphalia.*

## KARL STORZ Group – Subsidiaries' Initiatives

### China: KARL STORZ donated heavily needed medical equipment after the flood

This summer, heavy rainfall affected the Henan province, especially the provincial capital Zhengzhou, flooding roads and subways, damaging properties and claiming many lives. KARL STORZ China learnt that the medical equipment in many hospitals in Henan was seriously damaged, and patient examination and treatment were greatly affected. Immediately, the “Disaster Relief and Anti-epidemic Team” contacted the Henan Charity Federation to provide equipment assistance to local hospitals to support the emergency relief efforts in the affected areas.

KARL STORZ China donated medical equipment and materials with a market value of more than €1 million to the first-line flood-fighting hospitals, including laparoscopic surgery equipment and instruments.

Affected by the record rainstorm in Zhengzhou, the hospital's attached courtyard suffered a power outage, with elevators out of operation and a backup power supply unavailable. Beyond medical equipment donations, KARL STORZ China also provided 2,000 portable chargers to local medical staff to support their daily communication.



*KARL STORZ CHINA offered immediate help after the flood.*

## KARL STORZ Group – Subsidiaries' Initiatives

### China: The 12<sup>th</sup> year of KARL STORZ student funding

2021 is the 12<sup>th</sup> year for KARL STORZ China to carry out student funding activities. By November 2021, it had donated supplies worth over €207,000 to Xuwei School District and Baoji School District, two major school districts in Huaiyuan County, Bengbu City, Anhui Province.

Since 2019, KARL STORZ China has also been involved with improving local teaching quality through the establishment of a comprehensive assessment system to award teachers with outstanding teaching achievements and motivate them to improve their pedagogy. In 2021, we announced special awards for progress in improvements of “mental health”, “safety education”, “moral and legal system”, and “teacher ethics model”. As a result, 160 teachers won the prize with a combined total worth of just over €24,000.

Moreover, KARL STORZ China has signed an agreement with the Adream Foundation, one of the leading public fundraising foundations focused on competency-based education and promoting equity in education, to combine the strengths of both sides to benefit more students and teachers in remote areas in the future.



*At a Conference, excellent teachers were honored by KARL STORZ.*



*KARL STORZ donated desks and chairs for students again in 2021.*



### III. Employee Solidarity

#### KARL STORZ Group – Subsidiaries' Initiatives Singapore: Support of HCA Hospice Care

Exercising KARL STORZ values on providing safe and high-quality solutions that help to care for the well-being of patients; respect for an individual; continuous improvement; belief in caring about our environment and giving back to our communities, KARL STORZ Singapore office has selected Hospice Care HCA for the donation of SGD 150,000 (Singapore Dollars) to support their continued excellent hospice care. KARL STORZ Singapore office staff volunteers also embarked on a program of spending their weekend time with the patients by chatting with them and engaging them in activities like drawing and simple handicraft.

HCA Hospice Care (HCA) in Singapore is the largest home hospice care provider and is a registered charity since 1989. This charity organization provides comfort and support to patients with life-limiting illnesses regardless of age, religion, ethnicity, nationality and financial status. Its core service, home hospice care, is provided at no charge to more than 3000 patients annually. Besides medical care for patients, this service also entails psychological support for patients and caregivers. A 24/7 hotline ensures help is available round-the-clock. HCA is a National Council of Social Service Centre of Specialization for palliative care and conducts palliative care training for its patients' caregivers. Its other services and programs include day hospice care, pediatric palliative care (Star PALS), bereavement support and outreach programs such as the Young Caregivers Program (YCG).

HCA's mission is to ensure the best quality of life for patients by delivering professional palliative care and providing compassionate support to their families; at the same time continuously nurturing the dedicated individuals who are helping HCA in accomplishing its mission and serving the community through continued learning and development, exemplifying its core value of Compassion, Professionalism and Respect for human life along the way. As patient health & safety is part of KARL STORZ core values, it strongly resonates with HCA's initiative. Sharing this similar value, we can brighten the lives of patients together, one day at a time.

The symbolic check handover ceremony with a Chinese New Year theme coupled with the first patient engagement session was conducted on the 8<sup>th</sup> of February 2021.



*KARL STORZ employees were spending time with patients.*



*A check handover ceremony took place on February 8<sup>th</sup>, 2021.*



## KARL STORZ Group – Subsidiaries' Initiatives

### USA: Workforce Diversity

#### **Diversity, Equity, and Inclusion (DEI) in the KARL STORZ US Office**

KARL STORZ Endoscopy-America in El Segundo has started a company-wide effort to make Diversity, Equity, and Inclusion part of every employee's mindset. The goal is to foster a fair and supportive workplace where employees feel safe and comfortable being their genuine selves. This effort is ongoing and continues to build momentum.

#### **Business Resource Groups**

KARL STORZ Endovision, Inc. (Charlton) supports diversity through Business Resource Groups – communities of employees who come together around common interests, issues, and backgrounds to provide support, networking, and professional opportunities. The division has six Business Resource Groups for veterans, women, Asian Americans, African Americans, and Latinx and LGBTQ individuals. These groups help identify and develop talent from traditionally underrepresented communities.



## KARL STORZ Group – Subsidiaries’ Initiatives

### USA: Community Services

KARL STORZ Endoscopy-America encourages employee contributions to charitable causes through a matching gift program. This year, the company matched more than \$22,700 in charitable donations made by individual employees to organizations throughout the United States.

#### Donations for the community

The employees at KARL STORZ Endovision (Charlton) participated in the annual United Way campaign for South Central Massachusetts. Employees donated more than \$10,500 to help needy families pay for essentials such as education, health, and basic supplies. KARL STORZ was recognized as top corporate sponsor and received the Diamond Award.

KARL STORZ Endovision also supported the local community through corporate donations to worthy organizations, such as the Charlton PTO (Parent Teacher Association), Harrington Hospital Auxiliary, PanMass Challenge, Old Home Day, and the American Red Cross. In addition, the Women’s Network began a Winter Coat drive to help needy families.

#### Support for the Cancer Foundation in Santa Barbara

KARL STORZ Imaging (Goleta) took part in the 29th annual (virtual) walk/run to support the Cancer Foundation of Santa Barbara. The group also continued support for Habitat for Humanity of Ventura County, which creates affordable housing for struggling families; the Children’s resource program of the Ventura County Medical Resource Foundation, which helps low-income families obtain dental and vision care; the Teddy Bear Cancer Foundation, which provides financial, educational, and emotional support to local families that have a child with cancer; and Direct Relief International, a humanitarian organization delivering aid to people affected by poverty or disaster.

#### Military Personnel

The Veteran’s Network Group at KARL STORZ Endovision (Charlton) led to an effort to send care packages for deployed troops, including units stationed in South Korea for the 6th year in a row.

The care packages include DVDs, socks, food (such as candy, popcorn, beef jerky and ramen) as well as toiletries including baby powder, baby wipes, Q-tips and hand sanitizer.



*Employees of KARL STORZ in the US sent out packages for soldiers in South Korea and other countries.*

### KIDSAVE helps finding families

KIDSAVE is an organization focused on finding permanent adoptive families or long-term mentors for older youths in the Los Angeles County foster care system. This year, a team from KARL STORZ Endoscopy-America held the sixth annual in-person hike in conjunction with the KIDSAVE Weekend Miracles program. The hike provides an opportunity for the kids to spend time with prospective mentors and adoptive families in a community setting. Despite the continuing effects of the pandemic, the event drew more than 100 participants and raised \$26,000 in donations. KIDSAVE also launched its first virtual hike on a national level. The goal is to have in-person hikes with kids and families throughout the United States. These events help bring older kids in foster care one step closer to their forever family.

### Foodbank of Santa Barbara County

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



*KARL STORZ Imaging supports the Foodbank in Santa Barbara.*



*KARL STORZ Endoscopy-America organized a hike for children who are searching for an adoptive family.*

## IV. Promoting the talents of children and adolescents

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



Under the motto “Let there be a future”, the “Jugend forscht” Youth Science Competition 2021 went into its 56th round. In the Donau-Hegau regional competition, 95 participants from the counties of Tuttlingen, Konstanz, Rottweil, Schwarzwald-Baar, and Tuebingen presented a total of 53 projects. Rather than taking place at the usual venues, the KARL STORZ Visitor Centre and Tuttlingen Civic Hall, the competition was held virtually this year. While the altered conditions meant quite a change for the young researchers, they rose to the challenge full of energy and enthusiasm.

“We think it’s fantastic that so many participants persevered and continued researching and developing impressive projects despite the lockdown. The pandemic changed not only the competition itself, but also rendered the conditions under which they conducted their months-long research and preparations more difficult. The children and adolescents had to do a lot of the work from home and had little opportunity to personally discuss things with their project partners and project supervisors. The fact that more than 50 “Jugend forscht” projects were nevertheless completed is a remarkable achievement, and I would like to congratulate all participants: You dealt with all of these uncertainties and have overcome the current challenges. Congratulations for staying courageous, motivated, and curious”, said Dr. Knut Siercks, Executive Vice President for Research & Innovation at KARL STORZ.

“In the present time, science is particularly important; we need to break new ground and develop innovative solutions. The virtual competition shows the extent to which modern technology enables us to manage daily tasks while remaining connected to others. I would not have expected the 2021 competition to be so special, unforgettable, and above all successful”, declared Roland Renner.

Mayor Michael Beck agrees: “The importance of research in our daily lives has become more apparent than ever. In the future, we will continue to depend on qualified, innovative, and bold scientists. In addition, competitions such as “Jugend forscht” serve to expose the wider public to scientific thinking. The discourse around COVID-19 has made it abundantly clear that many people possess little understanding of scientific processes and easily fall for pseudoscience.”

Everyone is already looking forward to the 2022 “Jugend forscht” competition:





Adolescents 15 years and older will once again compete in the “Jugend forscht” division, while younger participants from grade 4 and up will enter the junior division “Schüler experimentieren.” Participants conduct research in the following areas: work environment, biology, chemistry, geo and space sciences, mathematics and computer science, physics, and technology. Some of the fascinating research projects investigated specific measures for containing the COVID-19 pandemic. For instance, CO<sub>2</sub> was measured in classrooms to determine air quality and thereby ensure better protection against infection. Another project developed a disinfection robot. This year’s motto ran like a common thread through the research projects: The focus was on sustainability, for instance by producing algae bioplastics, carrying out “carrot upcycling” and developing an ecological and antibacterial toothbrush cover.

Unlike in previous years, project presentations on the first day of the competition (February 25, 2021) were held online. In a video conference, the young researchers presented their work, and jurors were able to ask questions and rate the projects. This year, the public also had the opportunity to get an idea of participants’ inventiveness in a virtual project exhibition. Participants and winning projects were celebrated in a live streamed ceremony on Sunday, February 28, 2021, starting at 5 pm. The children and adolescents were able to interactively participate in the ceremony. This ceremony successfully concluded the exceptional 2021 Donau-Hegau regional competition and offered an exciting supporting program with guest speakers Dr. Roland Mack, Managing Director of Europa Park located in Rust, Germany, and Dr. Ingmar Hoerr, founder of CureVac. The latter’s speech described his journey from an early career in research to the establishment of CureVac. It reminded the young researchers of the importance of always staying curious and motivated to pursue their ideas.

The first-place winners of the regional competition qualified for the “Schüler experimentieren” state competition (4th grade to age 14) in Balingen or the “Jugend forscht” state competition (age 14 to 21 years) in Heilbronn.

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

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

**Dr. Knut Siercks**  
**Executive Vice President, Global Innovation Management**

*“It’s fascinating how the young researchers have pursued their projects despite the COVID-19 pandemic. This demonstrates that our participants’ inventiveness is untiring and overcomes any obstacles, true to the motto “Let there be a future.” (February 2021)*

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

*“I’m very grateful to Dr. Sybill Storz, who collaborated with the City of Tuttlingen on bringing “Jugend forscht” to Tuttlingen – because it’s important that entrepreneurs like Dr. Storz think about the future and create opportunities for young people.” (February 2021)*



**You can see the award ceremony of 2021 here...**

Film teaser [only available in German] at:  
<https://go.karlstorz.com/gc-2021-de-1>

Available via QR code (please scan).

## KARL STORZ Group – Subsidiaries’ Initiatives USA: Educational Support

### Business and Manufacturing Technology Certificates

KARL STORZ is proud to support continuing education, offering programs to help employees expand their horizons and advance their careers. This year, employees at KARL STORZ Endovision (Charlton) attended onsite classes to earn a Business Certificate or a Manufacturing Technology Certificate from local colleges. Studying subjects ranging from Marketing to Materials Science, they acquired valuable career skills and earned credits toward a college degree. The program makes it easier for employees to further their education and exemplifies the corporate commitment to personal growth and development.



*Workers at the KARL STORZ Endovision production facility (Charlton) earned certificates from local colleges.*

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

### La Patera Elementary School – Science, Technology, Engineering and Mathematics (STEM)

KARL STORZ Product Development participates in the La Patera Public Elementary School STEM education program. The program provides the students aged five to eleven access to various technical fields through interactive programs and presentations. Representatives of KARL STORZ met with children providing them with hands on experience with medical devices in an interactive demonstration environment and encourages them to get excited about and interested in science, engineering and medicine. In 2021 employees worked with the program directors to encourage a robust continuation of the program using virtual technology while in person gatherings are restricted.

### Oxnard Union High School District (OUHSD) – Pathways and Academies at OUHSD

OUHSD Academies and Pathways, provides students exposure to the opportunities and requirements for a career in the STEM fields, and valuable workplace skills. Through combining industry and academia, students understand the importance of learning and how it applies to their future careers and studies.

In 2021 KARL STORZ Product Development continued a relationship as an industry leader with the OUHSD. Representatives of KARL STORZ participate in a roundtable discussion to establish the skill sets and tools to be included in the program. As the program becomes more clearly defined and is developed for the 2021/2022 academic year, KARL STORZ employees intend to play a hands-on role in a variety of programs involved directly with the students, bringing real life experience to their classroom education when it is safe to do so.

### Local University Engineering Programs

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

KARL STORZ Imaging representatives attend technology fairs at the local universities to provide insight into the expanding opportunities available in the Medical Device Industry. In 2021 the KARL STORZ Product Development group also provided these students with twelve paid internships in multiple engineering and computer science disciplines providing training and experience and promoting further education in product design and development, cyber security and medical industry regulatory compliance.

### Dos Pueblos High School Engineering Academy

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

In 2021 KARL STORZ has continued its financial contribution to the support and advancement of this public-school program as an Innovator Sponsor. The Product Development department has also provided the academy with a paid summer internship to promote interest and experience in the field of medical device design and development for these future engineers.

### Girls, Inc. of Greater Santa Barbara County

Girls Inc.'s mission is to inspire girls aged five to 18 to be strong, smart and bold. Their vision is a future with empowered girls in an equitable society. A combination of long-lasting mentoring relationships, a pro-girl environment, and evidence-based programming form "The Girls Inc. Experience" which equips girls and teens to navigate gender, economic, and social barriers, and grow up healthy, educated, and independent.

In 2021 KARL STORZ Product Development participated in the Girls Inc. Externship Program. Through workplace mentoring this program engages and empowers 8<sup>th</sup>-12<sup>th</sup> grade girls, many who are first generation college bound, to see themselves as an important part of the workforce of the future, exploring the innovative world of STEM through hands-on experiences. Four KARL STORZ engineers participated as mentors educating and encouraging a girl through the program. KARL STORZ also contributed to the Girls Inc. Scholarship Fund to provide college educations for underprivileged girls. KARL STORZ is committed to continuing our participation in this program.



*Engineer Zoe Hinck (on the left) successfully mentored an extern from Girls Inc. in Santa Barbara.*



### Subsidiaries in the US perform educational support

KARL STORZ Endoscopy-America in El Segundo is proud to support continuing education, offering programs to help employees expand their horizons and advance their careers. This year, the Accelerated Leadership Program, which seeks to develop high-potential employees from around the world, welcomed its tenth cohort. The company also delivered seminars and courses to develop communication skills, enhance intercultural understanding, and promote career development. Moving these initiatives online helped to expand their reach and further conserve resources. KARL STORZ Endoscopy-America also offers employees access to higher education through a Tuition Reimbursement Program. Each year, the company provides meaningful financial support for relevant university courses in an approved degree or license program.

KARL STORZ Imaging (Goleta) participated in the Engineering Capstone Program—a year-long, project-based course offered to fourth-year engineering students at the University of California–Santa Barbara. The program pairs students with experts from industry to create an engineering solution for real-world problems. KARL STORZ engineers worked with students on a project entitled, “Automatic Cleaning and Disinfection System for Accelerated Reprocessing of Medical Devices.” This is the first time KARL STORZ Imaging has collaborated with the university to give students a better understanding of manufacturing technology using KARL STORZ products.

### Students have different internship opportunities at KARL STORZ Imaging

KARL STORZ Imaging continues to support education and provide career opportunities through an internship program, which gives college students first-hand experience working in a real-world environment. The program helps build valuable relationships through mentorship and training. KARL STORZ Imaging also supports the American Association of University Women Tech Trek program, which encourages girls to pursue studies in Science, Technology, Engineering, and Math (STEM). In addition, KARL STORZ Imaging is working with the Scholarship Foundation of Santa Barbara to establish a new scholarship for minority students enrolled in STEM.



*College Students from UCSB can intern at KARL STORZ Imaging.*



*Engineers from KARL STORZ worked with engineering students of UCSB in the so-called Capstone Program.*





# Global Compact Principles 3-6: Labor



# Implementation of the Ten Principles at KARL STORZ

## Global Compact Principles 3-6: Labor

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

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

- Flexible work time models, **17.7%** (12/2020: 16.4%) of the workforce has a part-time contract
- Flexible job reintegration for working mothers
- Financial participation in the company's success
- Voluntary extended benefits
- Support of continued education and professional development

According to a recent statistic of the Federal Employment Agency (Bundesagentur für Arbeit) published in August 2019, women still only hold about 15% of German technical jobs (MINT = mathematics, informatics, natural sciences, and technology). At KARL STORZ, women represent **39.8%** (12/2020: 41.3%) of workers in manufacturing and **31.1%** (12/2020: 31.3%) of those in Research & Development. The company is happy about this result, which is far above the state average. This is considered the result of consistent human resources policies that focus on abilities rather than gender roles.



# I. KARL STORZ Employee Representative Committee

## Background

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



## Results

In 2021, the Employee Representative Committee addressed the following topics to company management and contributed to solutions to benefit the staff:

- Installation of water dispensers and new vending machines for hot beverages
- Replacement of plastic cups and coffee capsules by more sustainable alternatives
- Sunshades for the outdoor break area at our headquarters
- Preparation for the distribution of water bottles for water dispensers

## II. KARL STORZ Health Management

Any company's most important resource is its staff. Therefore, employee health is essential as well. As KARL STORZ places great value on our employees' health, we have established KARL STORZ Health Management, at our headquarters in Tuttlingen, Germany. The goal is to establish a culture of health and to promote employee health through a variety of measures.

In 2021, we made progress on several aspects: For example, two initiatives from top management underscore the company's commitment to employee health, highlighting the vital importance of employee health both internally and externally. In addition, we published a health statement and signed the Luxembourg Declaration.

While workplace safety and health promotion are largely the responsibility of safety officers and the company physician, Health Management primarily aims to prevent or minimize poor health.

Regarding physical fitness, employees were invited to a voluntary health check with detailed reporting of results. For this purpose, employees were equipped with a sensor chip that recorded various parameters such as pulse and heart rate variability for 48 hours; these data, together with a self-reported questionnaire, were then analyzed using a traffic light system.

In addition, several Production employees were appointed as "health guides." These health guides play two roles: Firstly, they offer an "open ear" and inform others about health-related services. Secondly, health guides undergo training as "exercise coaches" and then offer an active fitness break during working hours several times a week. The fitness break includes effective stretching and strength exercises and takes place regularly subject to COVID-19 regulations.

In addition, employees who have not yet been able to maintain a healthy lifestyle are particularly encouraged to participate in an outdoor workshop with personal trainers, in other words, to become motivated to adopt a healthy lifestyle in an atmosphere of mutual appreciation among like-minded "health novices."

To promote mental vitality, we first conducted an employee survey to identify mental challenges at work and implemented targeted measures for modifying working conditions in collaboration with our health guides.

In the area of psychological support and addiction counseling, alongside the addiction counselors who have been available for some years, employees can now voluntarily see an external psychological advisor. This understanding, experienced professional is available to discuss any challenges and mood disorders and to identify potential solutions.

### Health & Wellness in Charlton

The Early Symptom Intervention (ESI) Program is a total body wellness program, open to all employees in KARL STORZ Endoscopy (Charlton).

The program is individualized to each participant (stretching, exercise, nutrition, etc.). It also provides the ability to be on-the-floor alongside employees looking at their workstation setup and making proactive improvements. The entire program is based on the proactive nature of getting help before a small pain becomes an injury.

A further program in Charlton, the so-called Every One Every Day (EOED), provides recognition and rewards to employees for developing and implementing continuous improvement ideas that provide a process improvement or cost savings to the business.



### III. Support of working parents

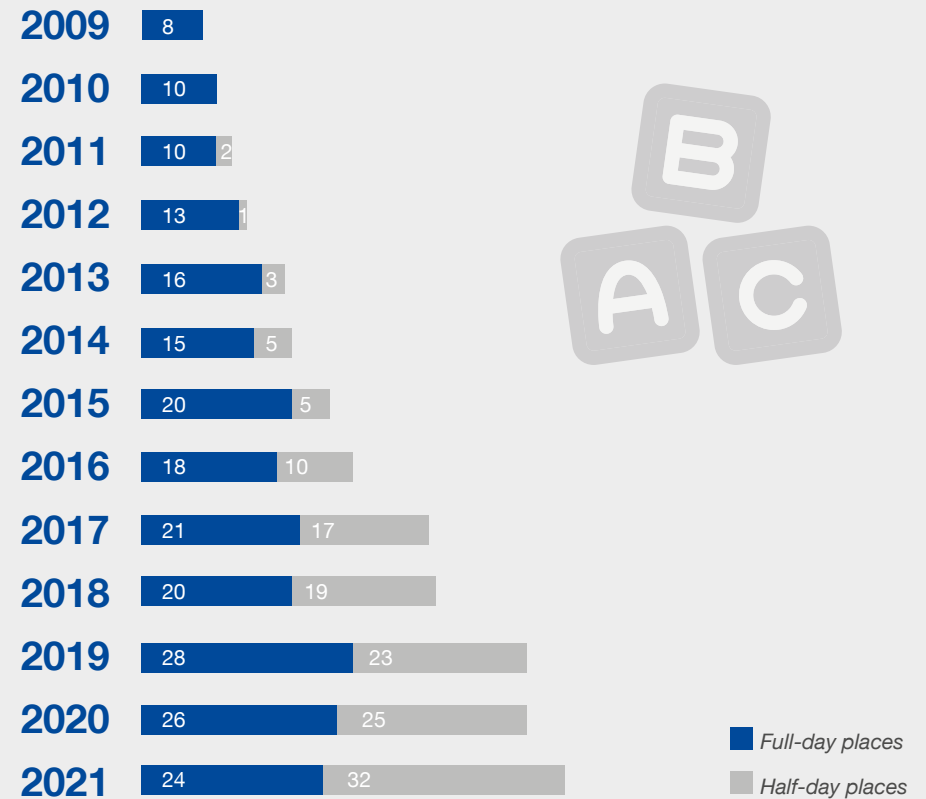
In 2021 KARL STORZ again increased its long-term commitment to supporting working parents. For the **eleventh consecutive year**, KARL STORZ expanded its cooperation with the local childcare facility “Haus der Familie” [House of the Family] and the childcare facility Denk mit! [Thinking together] in Neuhausen ob Eck (Tuttlingen county).

The KARL STORZ family company has now reserved a total of **56 childcare places** for use by employees with young children. The cost of care is sponsored by the company.

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



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



## KARL STORZ Group – Subsidiaries' Initiatives

### Russia: Employee Family Day

#### Children learn more about the world of endoscopy

KARL STORZ has always placed great value on the work-family balance of its employees and shares the company achievements with the employees and their families.

We all remember those happy times when our parents took us to the place they work. In May 2021, 15 children of KARL STORZ employees had the opportunity to visit the KARL STORZ Training Center based in Moscow, Russia during a Family Day. Not only did they see the places where their parents work every day, but they also found out what „endoscopy“ means.

The young guests learned about the history of the company, its culture, and they examined the integrated operating room OR1™, as well as discovering endoscopic devices and could even try them hands-on in a funny surgery quest!

The Family Day was highly appreciated by employees and their children. Each young participant got a small memorable gift, photos and a movie from a professional video maker.



*The children had fun taking on the role of surgeons for a day. (May 2021)*



*Children discovering the world of endoscopy in the KARL STORZ Training Center. (May 2021)*

## KARL STORZ Group – Subsidiaries' Initiatives

### China: Online annual meeting held under the epidemic situation

KARL STORZ China held their first online annual meeting to connect 13 branch offices. Although it was impossible to meet and greet each other at close range, the vibrant atmosphere of the live broadcast room made up for this lack of personal touch. Keynote speeches, staff meetings, marketing department shows, staff awards, and staff parties, made for a brilliant two-day online annual meeting!

The „Walk with You“ micro-film drew materials from the actual work of colleagues, and was edited, directed, and performed by our colleagues themselves in various departments, which faithfully replicates the daily work routines of colleagues. During the marketing department presentations, colleagues from the department provided everyone with innovative live broadcasts, delivered with professional knowledge and passionate explanations, which brought not only joy and laughter, but also a deeper understanding of key products and marketing strategies to the rest of the company. In the employee awards session, KARL STORZ China was pleased to commend employees with long-term service, the outstanding employees of the year, and outstanding teamwork. The online meeting was very helpful in spreading a sense of togetherness amongst all the staff.

The first online annual meeting was a great success, highlighting our company's care for its employees under the regular epidemic prevention and control, allowing more interaction among colleagues, enhancing the cohesion of all staff, and greatly deepening our colleagues' sense of honor and belonging to our company.



## IV. Support of education and apprenticeship

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

### Training and university studies at KARL STORZ

Employees are a company's most important resource. Therefore, KARL STORZ places great value on young people receiving a solid education today, as they are tomorrow's qualified employees. In 2021, we hired 36 trainees and 17 university students who are enrolled in a practice-oriented program at the Baden-Württemberg Cooperative State University (DHBW). In addition, 49 trainees and students successfully completed their training or university degree and we offered more than 90% of them an unlimited employment. Currently, there are a total of 177 young people who are in training or enrolled in university studies. Furthermore, 20 students completed an internship at KARL STORZ in 2021.

We also started to train five interns to be ambassadors allowing us to digitally present our various professions at schools. Up to now we have had twelve appearances at different schools, five of them on-site. One of the ambassadors is active on the Instagram channel "gutausgebildet".



*Students were supported at KARL STORZ also in 2021.*

### Girls Day took place virtually

On April 22, 2021 the first digital Girls Day took place. The Girls Day is an annual day of action intended to motivate girls and women from the fifth grade onwards to take up technical and scientific professions. By enabling them to get to know jobs in technology, natural sciences, crafts and information technology. The goal is to help increase the proportion of female employees in so-called „male-dominated professions“.

KARL STORZ sent small packages to the registered schoolgirls in advance. These were equipped with an endoscope flashlight kit made by the apprentice workshop and a small, packed lunch. Online, we helped the girls to assemble the flashlights in a functional way.

### KARL STORZ recertified as offering outstanding apprenticeship quality

As the result of a multi-step evaluation process, KARL STORZ was once again awarded the VORAUS (“AHEAD”) certificate of the Konstanz Chamber of Trade. Since 2017, KARL STORZ has continuously held the certificate, which is awarded exclusively to companies exhibiting particular commitment to and exemplary performance in apprenticeships in industrial occupations.

The evaluation particularly takes into account the programs offered, from career guidance to targeted exam preparation. But most importantly, current apprentices are surveyed anonymously in an effort to gain the best possible insights into the training offered at the company. The certificate is awarded for a total of three years and offers reliable orientation to adolescents looking for apprenticeships.

“We are very proud to have been recertified and grateful for the positive feedback from our apprentices. It's great to have our commitment to industrial apprenticeships recognized through the VORAUS recertification. We continue to strive to ensure individualized support and active involvement of apprentices and hope that as a VORAUS company, we can interest even more adolescents in starting an apprenticeship in craft trades”, Rainer Ulmschneider, Training Manager for Industrial Vocations at KARL STORZ.

## KARL STORZ trains champions:

### Erik Hirse selected as national apprenticeship champion in surgical instruments

KARL STORZ is a true talent incubator. Erik Hirse (first place), Markus Honer (second place), and Marvin Halder (third place) are the new chamber winners in surgical instrument making. And that is not all: Hirse, who completed his apprenticeship earlier in the year, also won the state and national championships. These results once again underscore the fact that KARL STORZ apprenticeships produce some of the best craftspeople in all of Germany, for instance in surgical instrument making.

Erik Hirse, who according to his trainer Rainer Ulmschneider possesses exceptional motor skills, produced an outstanding examination piece, a double blade punch. The 25-year-old did not start his apprenticeship at KARL STORZ directly after high school graduation. But the apprenticeship department quickly recognized and promoted his talent, and today, he has found an ideal place to showcase his talents in final endoscope assembly. “We focus on people and the development of their abilities. Erik is simply a cool guy with a lot of talent”, states Rainer Ulmschneider, Training Manager for Industrial Vocations at KARL STORZ. Like all surgical instrument makers, Erik Hirse completed the Metals introductory course at the trainee workshop and learned various skills such as laser welding, brazing, and off-hand grinding in the first year of his apprenticeship. From his second year onward, he rotated through various departments in Manufacturing and completed additional courses, such as a CNC class at the trainee workshop. In the state-of-the-art KARL STORZ trainee workshop, Erik Hirse intensively prepared for the practical final examination. The examination particularly tests manual skills in conventional cutting, off-hand grinding, joining techniques (laser welding/soldering/riveting), surface treatment, and assembly. Due to his excellent written and practical examination results, the Tuttlingen resident is the 12th state and 11th national winner trained by KARL STORZ in recent years. Training Manager Ulmschneider is very proud of his protégé’s performance: “We congratulate Erik, Markus, and Marvin and all KARL STORZ apprentices to the successful completion of their training and are happy to see how enthusiastically they practice their respective occupations.”

Every year, KARL STORZ trains more than 40 apprentices and participants of dual courses of study, including up to 15 surgical instrument makers.



*Erik Hirse (center), Markus Hohner (left), and Marvin Halder (right) successfully completed their apprenticeships and won awards from the Chamber of Trade. Hirse even succeeded at the national level, taking first place.*

## KARL STORZ Group – Subsidiaries' Initiatives

### Russia: School excursion to the KARL STORZ Moscow Training Center

The KARL STORZ Moscow Training Center is open not only for established doctors and nurses, but also for the next generation of healthcare professionals!

In mid-October students from a biomedical class from one of the Moscow high schools had an outstanding experience testing themselves in their future profession. Some of them dream of becoming a surgeon, some plan to create new medical equipment, others are interested in bio technologies. The group of students was led by school representatives and doctor Sergei Aleksandrovich Erin, Ph.D.

KARL STORZ employees from the marketing department explained to the children what endoscopic surgery is and what role it plays in the development of modern medicine, and demonstrated the OR1™ integrated operating room with its 3D visualization capabilities.

After the theoretical part, the students were able to test their manual skills in endoscopic sewing and revision of the abdominal cavity using simulators. Dr. Erin paid attention to each student, helping them master the surgical instruments and demonstrated the basic techniques of tying surgical knots.

“We plan to conduct such excursions on a regular basis and believe that the KS Training Center can become a place where the winding path of early career guidance turns into a direct road to a medical university”, said the KS team in Moscow.



*A group of students visited the Training Center of KARL STORZ in Moscow where they learnt a lot about endoscopic surgery.*



## DonauDoc KARL STORZ Abitur award 2021: Grant for upper secondary school graduates

With KARL STORZ support, the “DonauDoc – Tuttlingen for Physicians” initiative once again awarded a grant for Abitur graduates with outstanding achievements in biology and extraordinary volunteer work. The award winners, who recently completed their secondary school education, are Sophia Spang from Immanuel Kant upper secondary school (IKG) and Anne Starke from Otto Hahn upper secondary school (OHG).

At the award ceremony held at the KARL STORZ Visitor Centre, Deputy Mayor Emil Buschle, who joined regional physicians in 2013 in establishing the DonauDoc Initiative, emphasized that “DonauDoc events and funding programs are made possible by the support from KARL STORZ and other local sponsors.” According to Buschle, the goal is “to retain young physicians in the Tuttlingen area through a concerted effort.” He said that the City of Tuttlingen was very proud of the initiative, which was the only one of its kind nationwide.

Cardiologist Sabine Jumpertz, who has been involved in the DonauDoc initiative since its inception, added that the KARL STORZ DonauDoc Abitur award also serves to raise graduates’ awareness of the DonauDoc initiative and the important network between local stakeholders, consisting of physicians, public administration, and commercial enterprises. As a cooperating partner since 2015, KARL STORZ has been funding two €250 DonauDoc Abitur awards as well as two KARL STORZ prize sculptures in cooperation with the City of Tuttlingen’s DonauDoc office. The award goes to two selected graduates of Tuttlingen upper secondary schools who achieved top scores in the subject of biology and additionally exhibit strong social skills.

In the spring of 2013, the DonauDoc initiative was launched by five young physicians from Tuttlingen county and the City of Tuttlingen. Their motivation: to counteract the physician shortage in private practice and to interest young people in careers in medicine. The award winners are selected by the respective schools’ biology teachers.



*Together with KARL STORZ, the DonauDoc initiative awarded the Abitur award. A happy group: Deputy Mayor Emil Buschle, physician Sabine Jumpertz, graduate Sophia Spang, Maria-Tiziana Ferrante of the City of Tuttlingen, graduate Anne Starke and KARL STORZ Head of Human Resources, Stefan Ahlhaus (from the left).*

## Children discover the world of endoscopy at the KARL STORZ Visitor Centre

Due to the pandemic, last year's summer vacation camp at KARL STORZ had to be canceled. This year, we were all the more excited to once again host the City of Tuttlingen's popular and child-friendly interactive tour of the KARL STORZ Visitor Centre for students aged 8 to 13 years, under the motto "Peek into hidden spaces – discover the secret world of endoscopy."

Before the exciting program started, all children took a rapid COVID-19 antigen test. At the various specialty portals, they then received demonstrations on the procedures carried out with the aid of KARL STORZ endoscopes. Afterward, the students were encouraged to independently peek into hidden spaces using various anatomical and training models, some of which contained Playmobil figures, awakening their interest in endoscopic technology.

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



*At the KARL STORZ Visitor Centre, children and adolescents in the summer camp had a taste of the world of endoscopy.*

### **KARL STORZ Imaging Goleta supports the education of the local youth**

KARL STORZ Imaging Goleta continuously supports the education and development of local youth. Each year KARL STORZ invites a variety of schools and academies to increase their educational outreach and encourage and develop young minds in the directions of Science, Technology, Engineering and Mathematics (STEM).

### **UC LEADS: Program for future leaders**

The University of California Leadership Excellence through Advanced Degrees (UCLEADS) program engages and educates California's future leaders by preparing promising students for advanced education in science, technology, engineering and mathematics (STEM). UC LEADS identifies exceptional UC undergraduate students with great potential to succeed in these disciplines, but who have experienced situations or conditions that have adversely impacted their advancement in their field of study. By providing valuable educational experiences for a diverse pool of graduate applicants, the UC system empowers a new generation of leaders. In 2021 KARL STORZ Product Development met with UC representatives to discuss ways to encourage diversity among our future leaders and became financial supporters of this program. The program is reaching out to assist promising students who have experienced otherwise insurmountable barriers to success and helping them achieve their potential.

### **The Riviera Robotics project teaches students about sciences**

Riviera Robotics is a nonprofit robotics program open to high school students in Santa Barbara County. Their mission is to engage students with science, technology, engineering, mathematics, and business through successful participation in robotics competitions in conjunction with community outreach. Riviera Robotics is committed to promoting STEM education throughout the community. The team is comprised of around 20 students and 6 mentors from the fields of engineering, computer programming, electrical design, business, outreach, and finance. Students attend all three local public high schools.

In 2021 KARL STORZ Product Development became a corporate sponsor, supporting the outreach of Riviera Robotics to the youth in our community.



*KARL STORZ Imaging in Goleta supports the Riviera Robotics project, through which the students learn more about science and technology.*



## V. 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 the joint commitment of industry, Tuttlingen city and county, the Furtwangen University of Applied Sciences, and the state of Baden-Württemberg. Tuttlingen now offers a cutting-edge international university based on the public-private partnership model. With its innovative approach, the Tuttlingen University Campus aims to recruit additional engineering students.

Offering the four bachelor programs of Engineering Psychology, Mechatronics and Digital Production, Medical Engineering – Technologies and Development Processes, and Materials Technology and Manufacturing, the Tuttlingen University Campus perfectly responds to the needs of the economy of the region and beyond. During their studies, students can already familiarize themselves with the companies involved, use their laboratories, and develop social networks. The public-private partnership between the regional industry, the city of Tuttlingen, Tuttlingen county, and Furtwangen University of Applied Sciences makes the Tuttlingen campus unique in the German university landscape. The Förderverein Hochschulcampus Tuttlingen e.V. [University Campus Tuttlingen Association], whose membership includes more than 100 regional companies, has a voice and decision-making rights regarding the university's teaching: This model concretely implements the companies' demand for practice-oriented university education.

Because we strongly believe in this idea, KARL STORZ has been a founding member of the sponsoring association since its foundation in 2009. KARL STORZ

and 100 other partners from the association have agreed to support this unique university concept with €2.5 million annually for 10 years. In February 2016 the cooperation partners of this Private Public Partnership – the state of Baden-Württemberg, Furtwangen University and the University Campus Tuttlingen Association – renewed their agreement for the next ten years. Therefore, the financing of this outstanding university project will be assured up until 2029.

KARL STORZ additionally supports the Tuttlingen University Campus as follows:

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

In 2021, Tobias Murello was awarded the Premium Semester, which took place in the development and production site of KARL STORZ in Tallinn, Estonia, due to COVID-19. Tobias Murello completed his training as a surgical mechanic with KARL STORZ and graduated as the national winner in 2017. He continued his training to become an industrial foreman in metal and then began studying Industrial MedTec.

After his return in August 2021, he summarized his experience as follows:



Tobias Murello

*"Despite the exceptional pandemic situation that has now lasted for almost two years, I was able to complete my internship semester abroad as part of the KARL STORZ Premium Semester. During my internship semester in the Production Engineering/ Development department, my activities varied every day, and I was given a deep insight into the development process at KARL STORZ in Tallinn."*

*In 2021, KARL STORZ additionally supported the Tuttlingen University Campus as follows:*

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

## Collaboration with the Tuttlingen University Campus – KARL STORZ equips MedTec-LabOR at Tuttlingen University Campus

The Innovation and Research Center (IFC) of the University of Furtwangen has been active in Tuttlingen since 2018, supporting students, companies, scientists, and start-ups by offering a place for innovation, creativity, and development. In an effort to continue offering new research opportunities at the IFC, the so-called MedTec-LabOR is being planned to promote innovations and sustainable development. As a strong partner of Tuttlingen University Campus, KARL STORZ decided in 2021 to support the MedTec-LabOR idea of offering networked infrastructure in a realistic OR environment through the donation of KARL STORZ products.

With KARL STORZ, an expert in endoscopy and integrated operating room concepts, the university and the IFC have found the right partner for furnishing the MedTec-LabOR with endoscopic instruments, devices, and additional equipment. “We are excited to support regional research institutions and projects with our products and know-how. Products and surgical processes can be optimized and advanced only through critical questioning, scientific analyses, and validation activities. These processes are essential for the future of medical technology. Therefore, it was very important to me to equip the MedTec-LabOR with our KARL STORZ endoscopes, devices, and instruments from several specialties and to thereby provide an impetus for research and development,” declared Karl-Christian Storz.

Regina Storz-Irion, Innovation Manager of Tuttlingen University Campus, is pleased with the KARL STORZ donation for the MedTec-LabOR located at the IFC: “For the University of Furtwangen and IFC as a central facility, the endoscopes, devices, and instruments from multiple specialties made available by KARL STORZ are extremely important. We are delighted that this donation enables our university to examine and analyze products and surgical processes in the experimental environment of the MedTec-LabOR project and to subsequently initiate optimization and validation activities. The future of medical technology requires close cooperation and coordination between different partners to provide impulses for research and the further advancement of medicine.”

In collaboration with partners from business, science, and medicine, the MedTec-LabOR allows users to capture, analyze, and exchange data on digitalization, clinical effectiveness, medical device safety, and the optimal handling of medical devices. A particular focus is the application of surgical instruments and devices, in view of the entire product lifecycle, including medical device reprocessing, maintenance, and management. Through planned cooperation formats, such as workshops, expert round tables, or transfer projects, the MedTec-LabOR is intended to provide future impulses for initiating and implementing development from both a technical and an organizational perspective. By furnishing the laboratory, KARL STORZ is making an important contribution to these future activities.



*Regina Storz-Irion, Innovation Manager of the Tuttlingen University Campus, is pleased with the substantial KARL STORZ product donation for the newly established MedTec-LabOR.*

## The Award of the Germany Scholarship: KARL STORZ supports talented students

Through the Germany Scholarship initiative, the federal government and private sponsors support tomorrow's leaders. Together, sponsors want to ensure that top university students reach their full potential and thereby invest in Germany's future.

The project aims to support up to 1.5% of students at each German university. Germany's wealth, positive economic development, and innovative strength are primarily the result of the many excellently trained professionals working here. Their extensive knowledge, ideas, and motivation ensure our country's global competitiveness. But we must not rest on our laurels. In view of the demographic changes in Germany and growing global competition, it is increasingly important to specifically support top talents.

(Source: <http://www.deutschland-stipendium.de/de/1748.php>)

KARL STORZ has been supporting this initiative since 2011. In the year 2021, the company granted a total of 7 scholarships to students at the following universities:

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

## "Endoscopy" lecture series – elective at Furtwangen University

In the winter semester 2021/2022, KARL STORZ offered for the seventh time an elective at Furtwangen University that was open to Medical Engineering students in the 3<sup>rd</sup> semester or above. In 11 online teaching units (1.5 hours each), KARL STORZ Product and Marketing Managers teach the essentials of endoscopy. The lecture series particularly covers the fundamentals of anatomy, indications, methods, and technical instruments. Further teaching units deal with devices, cameras, molecular imaging, integrated operating rooms/OR management, and hygiene. At the end of the lecture series, presenters and students discuss professional opportunities in medical technology.





## VI. Continued education at KARL STORZ

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



### Product-related training held virtually

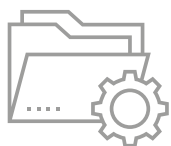
Our vision is to unify employees and partners, as well as customer qualification journeys across the complete learning lifecycle and to deliver the diamond standard in sustainable knowledge and growth with innovative learning experiences.

Talking about employee and partner qualification, 93 training events organized by KARL STORZ Tuttlingen and attended by 2,529 participants were held in 2021 (status end of October 2021).

Due to the COVID-19 pandemic, we had to rearrange our curriculum so that 87 events took place online and only six events face-to-face.

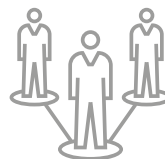
Our customer training has also changed dramatically. Many Training Centers continued with online webinars and partially went back to face-to-face interaction dependent on local restrictions. At KARL STORZ we took the opportunity to introduce our first Online-Hybrid Suturing Course. This format has been very successful so far and will continue to be very important for us in the future.

To reach our vision and to be ready for the future in regard to technology, we have built a broadcasting and event studio, where we design and conduct e-learning and our future curriculum relies on blended learning. In addition, VR/AR for training applications such as anatomic and physiology training is of course also a very important topic.



### Project and change management training

Since 2014, KARL STORZ has been developing programs on project management to enhance employee expertise in this area. In 2021, 27 training events on this topic were held with over 200 participants in Tuttlingen and in the US. Among these, seven training events were conducted face-to-face, and 22 were held as webinars.



### Implementation of annual Strengths Dialogues

Open, direct and personal exchange among colleagues, teams, and across locations is an important success factor for us.

Openness to change and the participation of everyone are at the heart of a culture of change that is characteristic for KARL STORZ. Through continuous dialogues, we aim to encourage meaningful and inspiring exchanges based on mutual trust and openness to learn from mistakes.

We are implementing a new employee-manager dialogue process called the KARL STORZ Strengths Dialogue. The Strengths Dialogue is an annual strengths-based employee-manager conversation that will contribute to the continuous improvement of our feedback and communication culture.

By introducing the Strengths Dialogue, we want to anchor our corporate values in our everyday work and thereby increasingly become a learning organization through development and self-reflection. Therefore, our goal is to enable and encourage all employees to continuously develop our corporate culture and to apply your strengths in the best possible way to continue implementing our corporate strategy successfully.

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

### Communications program & intercultural seminars are offered

After the pilot phase was completed in 2016 and 2017, communication and intercultural seminars are now offered to all employees of the Tuttlingen headquarters, with the Swiss and Austrian locations included since 2018. The aim of the communication programs and intercultural seminars is to increase the soft skills of all employees and executives in order to improve their communication skills and cultural behavior.

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

In 2021, 32 training sessions were held with almost 300 participants. Due to the situation with COVID-19, the seminars took place virtually. Since July 2020, employees can use the Learning Management System (LMS) to register for in-house seminars. Beyond that there are e-learning offers available for various soft skill issues in LMS.

In 2021 the pilot Joint Intercultural Training & Networking took place. This international training program with participants from Germany and the US fosters the collaboration beyond cross-cultural differences. The learning teams that have been introduced are designed to anchor the learned topics in the company in a sustainable manner and to continue the networking between the two cultures. 20 participants took part in two training sessions and further training sessions are planned for 2022.



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



### Internal IT training & language courses

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



## Global Compact Principles 7-9: Environment



# Implementation of the Ten Principles at KARL STORZ

## Global Compact Principles 7-9: Environment

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

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



# I. Environmental protection through innovative medical devices and energy saving processing

## Virtual Reality (VR) implemented in medical training and continued education

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

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

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

Training on VR simulators therefore has the following advantages:

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

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

LAPTRAINER includes KARL STORZ flagship products such as the ENDOCAMELEON®, a multifunctional endoscope with a versatile viewing angle, the CLICKLINE and ROBI® instrument series and near infrared fluorescence imaging applications for the clear differentiation of key anatomical structures from surrounding organs using an ICG (indocyanine green) fluorescence agent. Through the continuous further development of virtual reality simulators, KARL STORZ not only contributes to surgeon training and further medical education but also protects the environment with this fascinating new technology.

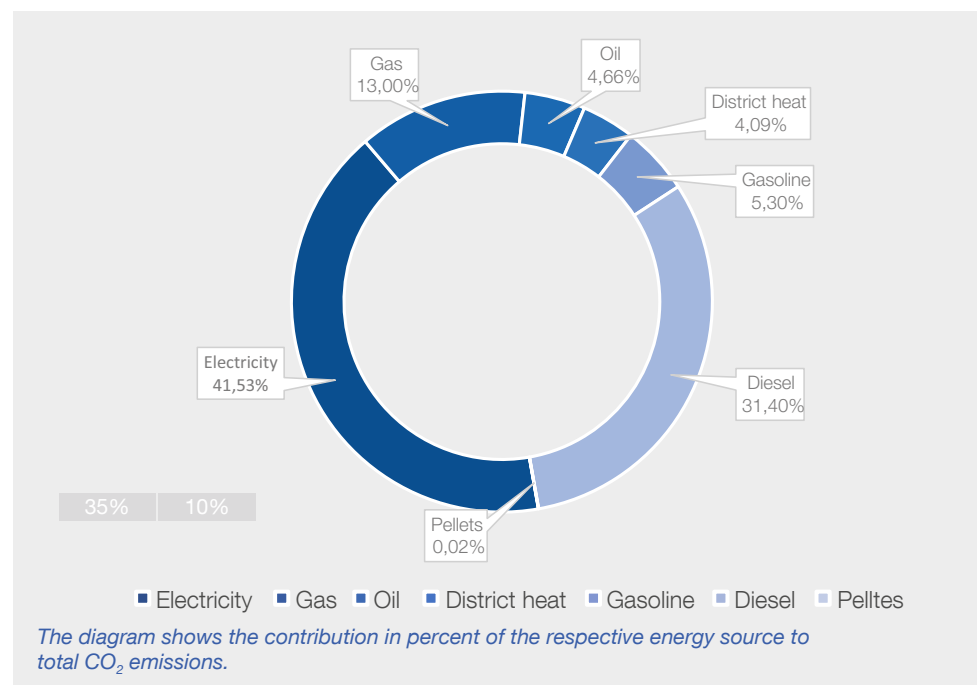
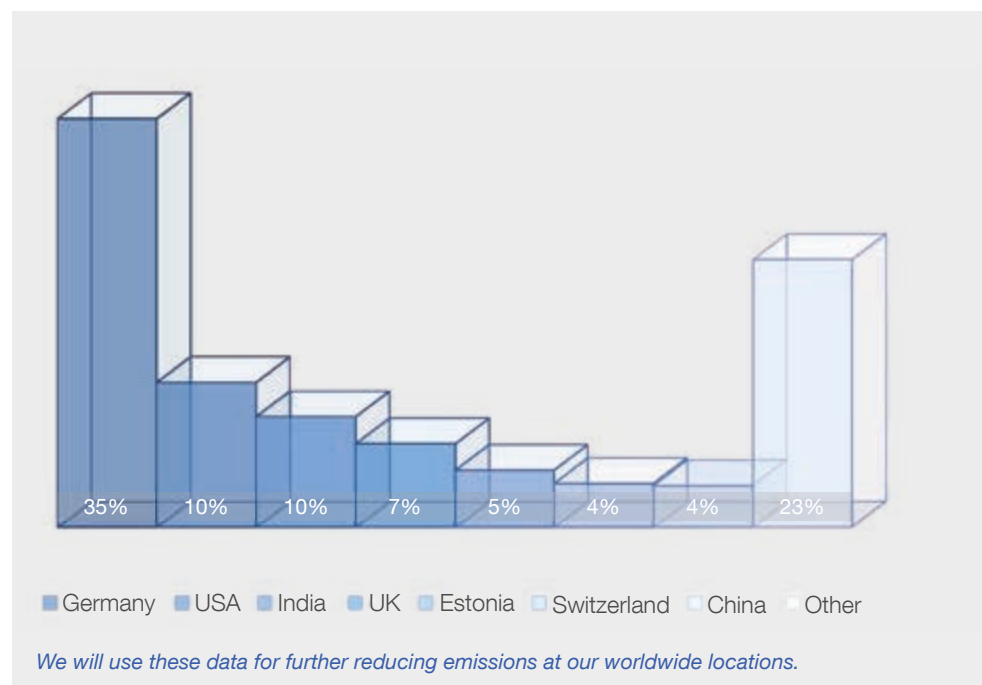


*The LAPTRAINER is the high-end platform for safe training of diagnostic and surgical skills in laparoscopy.*

## Growing importance of the KARL STORZ environmental initiative “CO<sub>2</sub> Footprint”

As part of the launch of a company-wide CO<sub>2</sub> strategy, we determined the worldwide carbon footprint of the KARL STORZ group as a basis for additional emission reduction measures. The survey included directly and indirectly produced emissions at each location. We looked at the energy sources of electricity, natural gas, heating oil, district heating, gasoline, diesel, and pellets. Our results clearly showed that electricity and fuels such as diesel and gasoline are responsible for the majority of produced emissions. The diagram below shows the major sources of CO<sub>2</sub> emissions in the KARL STORZ Group.

Seventy percent of the company's total CO<sub>2</sub> emissions come from the KARL STORZ Group production sites. The remaining 30 percent is produced by our marketing and sales companies.





## New technology further reduces CO<sub>2</sub> emissions

To further reduce our CO<sub>2</sub> emissions, a photovoltaic plant was installed at our Stutensee location in October 2021. The plant annually generates about 66,000 kWh of renewable electricity and thereby saves about 35 tons of CO<sub>2</sub> emissions. This is equivalent to the electricity consumed by about 15 four-person households.

At our US locations El Segundo and Goleta, photovoltaic plants for renewable electricity generation have been and continue to be installed as well. For the future, the KARL STORZ Group's internal climate strategy includes additional regenerative energy supply concepts to further reduce our worldwide CO<sub>2</sub> footprint.



*A new photovoltaic plant was installed at the Stutensee location.  
(Top and bottom)*

## Climate-neutral green electricity at German locations

In this day and age, sustainability, environmental protection, and climate protection are omnipresent topics. The contributions each and every individual, but also every company, can make to sustainably protect our environment are being discussed in private life as well as in industry. In the context of reducing the emissions of greenhouse gases such as CO<sub>2</sub>, the industrial sector is particularly called on to look for environmentally friendly solutions. Active environmental protection is very important to KARL STORZ as a globally active family company, and this issue forms an integral part of our company values.

To enable us to continue meeting our responsibility toward society and the environment in the future, our Tuttlingen, Neuhausen, Stutensee, and Berlin locations have switched to climate-neutral green electricity in January 2021. This switch reduces the company's CO<sub>2</sub> footprint by about 4,180 tons of CO<sub>2</sub> annually, which corresponds to the annual CO<sub>2</sub> emissions of about 132 four-person households.

In an effort to further reduce the company's future emissions, KARL STORZ energy and environmental management will be continuously advanced using additional instruments. These measures include increasing energy efficiency, implementing a well-thought-out recycling concept in waste management, and generating renewable electricity, for instance through photovoltaic plants on the roofs of KARL STORZ buildings.

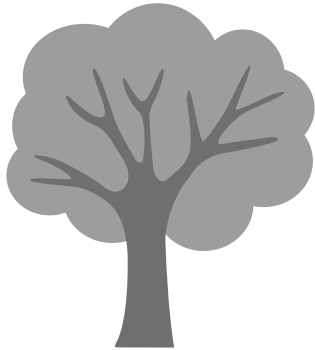


*In order to continue to meet our responsibility to society and the environment in the future, the company sites in Tuttlingen, Neuhausen, Stutensee and Berlin have been using climate-neutral green electricity since January 2021.*

## Facts & figures

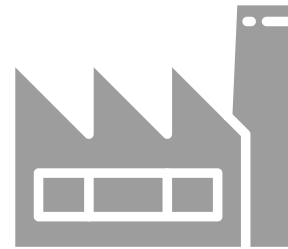
Our diagram shows the resources and energy we saved at our Tuttlingen and Neuhausen locations in 2021. At KARL STORZ we are aware of our ecological responsibility and take appropriate action.

Wood:



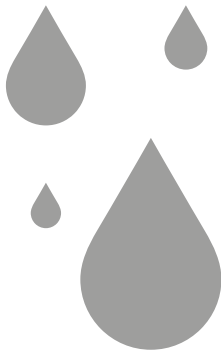
29.1 tons

Energy:



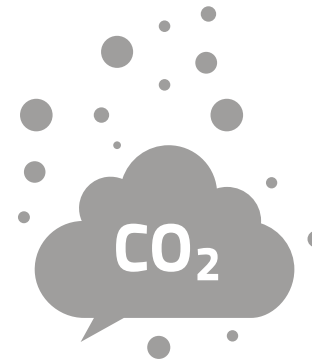
101,386.4 kWh

Water:



492.3 m<sup>3</sup>

Emission:



2.7 tons



## II. Expansion leads to more sustainability

Recently, the KARL STORZ board visited our Neuhausen ob Eck location in the Take Off (TO) industrial park. Board members wanted to examine the progress of construction – after all, this project represents the largest investment in our company's history.

The success of KARL STORZ has always been based on a combination of tradition, innovation, and diligence. As a global market leader, we continue to aim for growth rather than resting on our laurels. This nine-figure investment represents a clear commitment to the Tuttlingen region. As a leading, reliable global partner in medical technology, our company feels responsible for continuously shaping the market with innovations in an effort to supply physicians worldwide with high-quality equipment. This requires a cutting-edge work environment, particularly in Production.

Currently, we are already adding another story to the TO 83 logistics center. The construction phase is planned to start in the summer of 2022. In addition, we are currently initiating a western expansion. In the future, this section will include a passage to the new production buildings. This passage will allow us to transfer products directly from Production to Logistics without cumbersome intermediate transportation steps. Furthermore, the TO 83 building will be expanded southward, in part to increase storage capacity.

However, the largest surface area, 33,000 square meters, will be added to the new production buildings TO 85 and TO 87. Afterward, small annexes will be built for operational infrastructure.

A new cafeteria that can also be used for internal events will be built in TO 85/TO 87. Newly landscaped outside areas with seating are planned for the roof, near the cafeteria, in the courtyard, and in the entrance area. These areas will offer employees break time seating in a comfortable, relaxing atmosphere. Of course, the buildings will feature state-of-the-art equipment, particularly in terms of energy efficiency.

The final investment in this major project is in a new parking garage with about 1,000 spaces. Alongside outside parking, this will result in ample car parking facilities. Furthermore, we are currently in discussions with the City of Tuttlingen and TUT-Ticket about expanding the availability of public transport. Based on current planning, construction will be completed in late 2024. At that point, the Neuhausen location will have grown by 77,000 square meters.

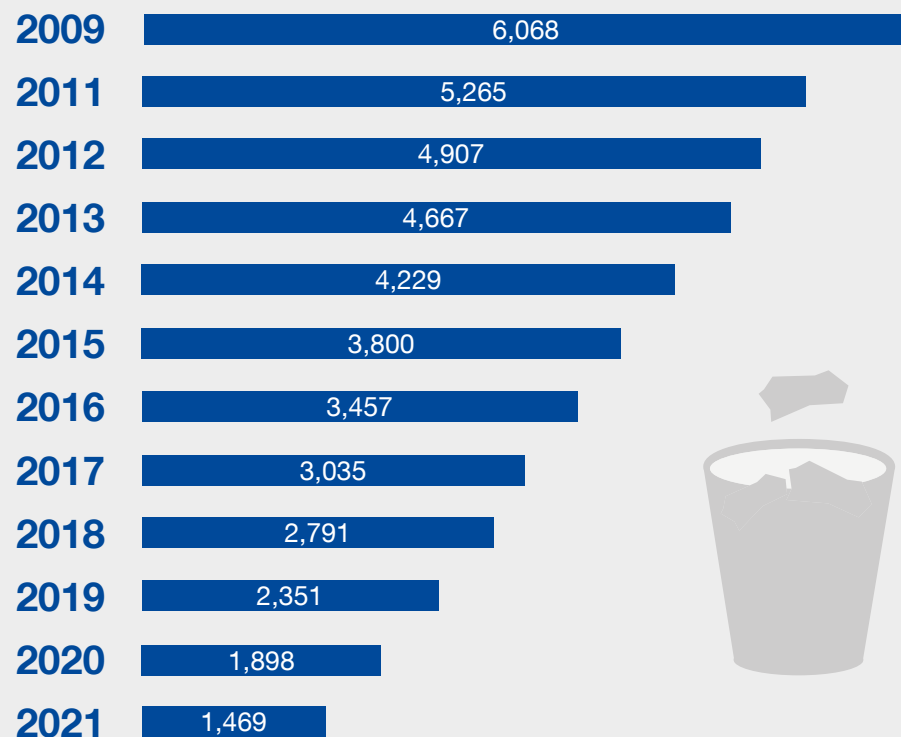


*In only a few years, the Neuhausen site will grow into a campus.*

### 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 6,068 sheets per employee to 1,469 sheets (-75,8%) in 2021. Compared to last year (1,898 sheets), this corresponds to a reduction of **22.6%** per employee.

#### Paper use per employee



Reduction of paper use

**19.3%**

#### Paper consumption further reduced

##### Introduction of recycled paper

Due to progressive digitalization and employees taking advantage of mobile working, our paper consumption further dropped in 2021.

A project on the verge of being launched and implemented is the substitution of virgin paper by recycled paper. We plan to use recycling paper bearing the “Blue Angel”, the most important ecolabel in Germany. This ecolabel ensures outstanding environmental friendliness and resource conservation.

##### Digital communication with employees abroad

Some time ago, we stopped sending physical letters regarding bonuses and salary increases to employees abroad. Most of our communications with employees abroad are completely paperless, via email. This additionally saves envelope and postage costs as well as the related personnel cost.

## IV. Company Fleet: Fuel consumption and CO<sub>2</sub> emissions

Since 2013, the average fuel consumption per car has dropped continuously, with the exception of individual cases. The driven kilometers per car increased by 20 percent compared to 2020 because the travel activities by the employees increased again in 2021. The produced CO<sub>2</sub> emissions per car also increased (+35 percent) compared to 2020. Although compared to 2019 which was a normal business year, the CO<sub>2</sub> emissions of the whole company fleet were reduced by approximately five percent. As a measure for this, 22 cars with a high fuel consumption were taken out of the fleet. However, over a long period of time this key performance indicator also decreased continuously.

Moreover, the fleet management is planning an E-Mobility strategy. The main target is defined to have a carbon neutral fleet management in the future. The first subgoal is to reduce 50 percent of the current CO<sub>2</sub> emissions of the fleet by 2030. This will be implemented by replacing conventional cars with new electrical vehicles.

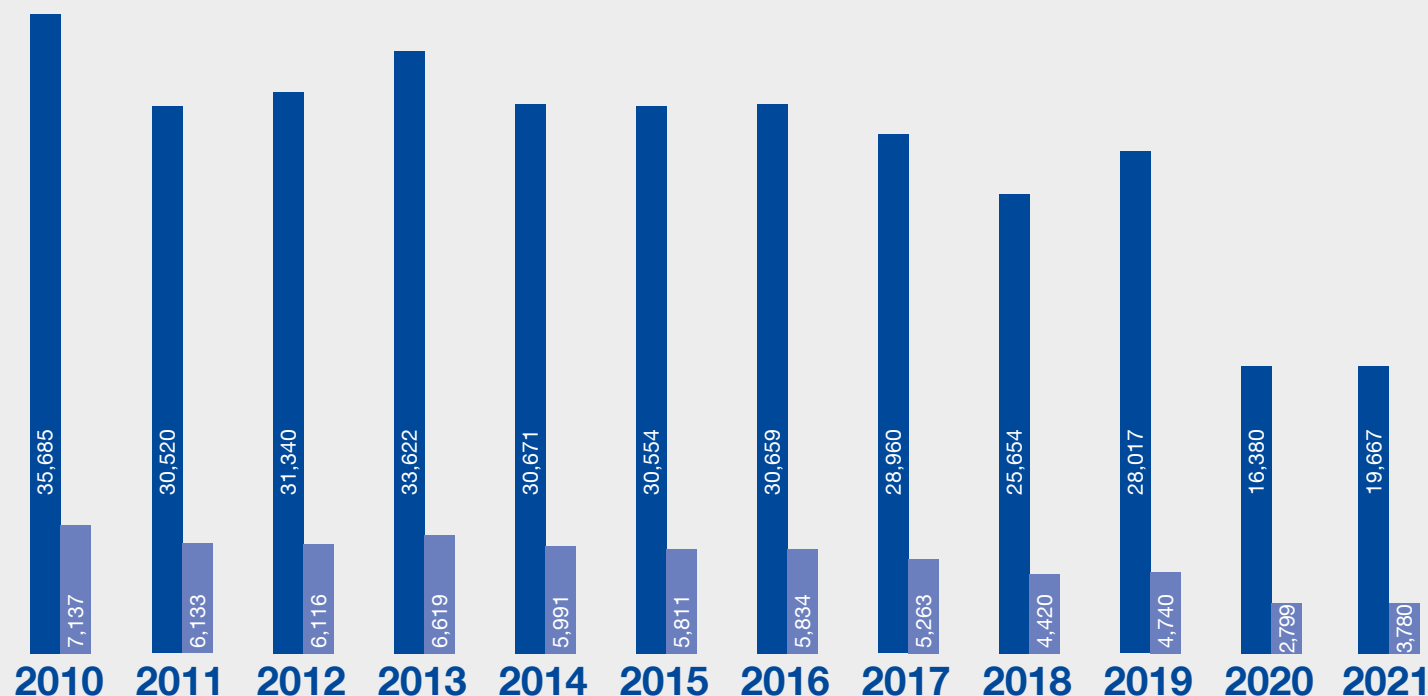
The first step of this strategy concluded with the purchase of five fully electrical cars. Also, a corporate charging infrastructure at different KARL STORZ sites is planned for this project.

Further environmental initiatives of the fleet management to reach the corporate environmental targets are as follows:

- Replacement of old lights with LED lights
- Installation of an AdBlue station



Fuel consumption and CO<sub>2</sub> emissions per vehicle



**CO<sub>2</sub>**

*Driven Kilometers compared to 2020*  
**+20%**

*CO<sub>2</sub> emissions 2.62 kg/l compared to 2020*  
**+35%**

*Although compared to 2019 which was a normal business year, the CO<sub>2</sub> emissions of the whole company fleet were reduced by approximately five percent.*



## V. KARL STORZ bicycle leasing programs



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

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

Since the introduction of the program, 846 individual leasing contracts have been entered into. In 2021 alone, a total of 185 bicycles were leased.

### KARL STORZ employees for climate-friendly mobility

For the fourth year in a row, the City of Tuttlingen has participated in the nationwide City Biking (STADTRADELN) campaign by Climate Alliance.

From June 28<sup>th</sup> to July 18<sup>th</sup>, 2021, KARL STORZ participated in the Tuttlingen event as well and cycled 32,041 kilometers in all, a distance equal to cycling from Norway to South Africa and back.

In the Tuttlingen competition, the team's 180 motivated cyclists took second place in the "Best company" category. With 46 active cyclists, "Global Marketing" is the largest subteam within KARL STORZ.

Due to the COVID-19 pandemic, the small-scale award ceremony in October was held with only the first-place winners in attendance. This year, the City of Tuttlingen was once again able to defend its first-place title in the state- and countrywide competitions, in the category of cities with populations of 49,999 or less.

*Nader Hassanzadeh,  
president of the  
KARL STORZ Aktiv  
company sports  
group, congratulates  
the KARL STORZ  
Aktiv team's most  
avid cyclists*



## VI. Environmental effort in the US

### Renewable Energy

KARL STORZ Endoscopy-America (El Segundo) is installing solar panels, taking advantage of Southern California's abundant sun to generate clean renewable energy. Environmentally sensitive and socially responsible, solar energy is an important component in the fight against global climate change. In terms of CO<sub>2</sub>, the clean energy generated by the system equates to more than 100,000 barrels of oil and provides as much ecological benefit as removing more than 9,300 cars from the road each year.

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

*Solar panels on the parking lot will both generate clean energy and provide shade for cars.*



*Rooftop solar panels turn unused space into a powerful tool in the fight against climate change.*



## EV Charging

KARL STORZ Endoscopy-America (El Segundo) upgraded its electric vehicle charging stations. The building has four chargers with two ports each, and charging duration is limited to maximize the number of drivers who can use them. Drawing energy from newly installed new solar panels, the EV charging stations represent a significant advance in sustainable clean energy.

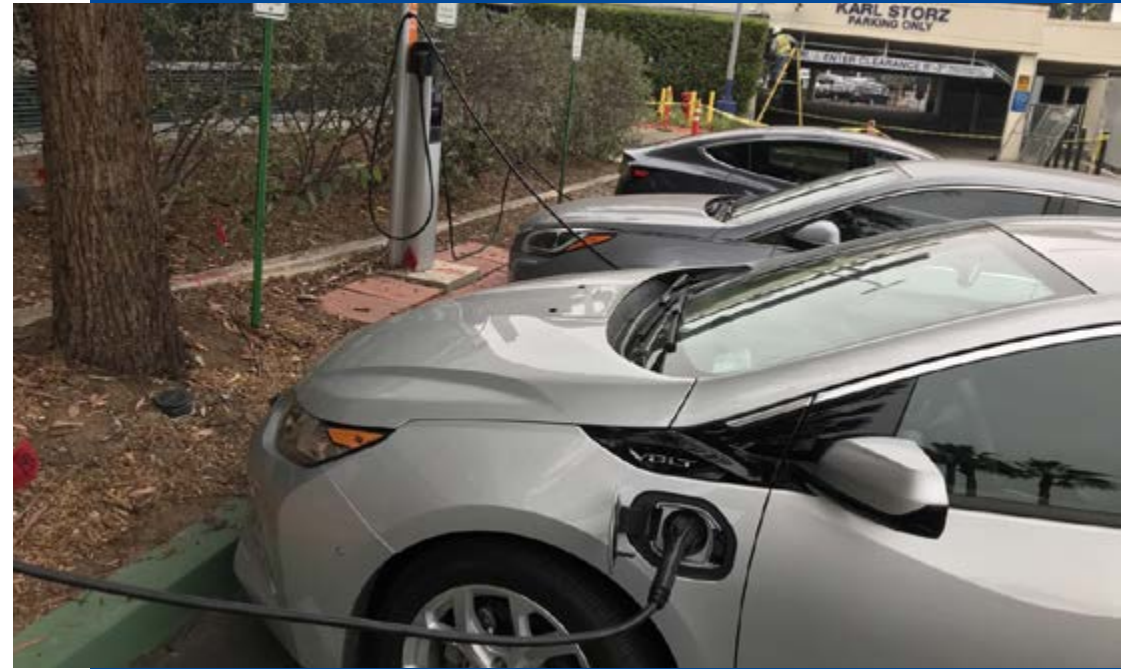
## Waste Reduction

KARL STORZ has always been committed to environmentally responsible products—so in meeting the demand for single-use scopes and blades, product designers looked for ways to minimize the environmental impact. To that end, KARL STORZ Endoscopy-America has partnered with a third-party specialist to offer the TakeAway Recycle System, an economical and environmentally friendly program designed to recycle single-use medical devices that would otherwise end up in a landfill or treated as medical waste. Compliant with OSHA and DOT regulations, the program makes it easy to recycle KARL STORZ products in a way that's convenient for customers and healthy for the environment.

As part of an ongoing paper-reduction effort, KARL STORZ Endoscopy-America has been consolidating thousands of pages of documents dating back to the mid '90s and converting them to a digital format. This will cut down on paper usage and streamline operations.

## Traffic Reduction

KARL STORZ locations in the United States implemented a Voluntary Remote Work Policy that allows many employees to work from home up to three days a week. This flexible policy has decreased the amount of mileage and time spent in cars commuting to work. Initial data shows that the effort will save well over 2,091,726 miles and 75,857 hours in cars. This eliminates roughly 1,895,323 pounds (nearly 950 tons) of CO<sub>2</sub> emissions per year. The time savings equates to more than 36 full-time employees working 40 hours a week throughout the year.



*Employees can charge their cars at several e-charging stations at our subsidiary in El Segundo, California.*





## Global Compact Principle 10: Anti-corruption

# Implementation of the Ten Principles at KARL STORZ

## Global Compact Principle 10: Anti-corruption

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

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

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

By working together, we can maintain a healthy and productive environment.



# I. Continued dedication with information and training

## Our framework for ethical conduct

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

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

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

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

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

Therefore, it is the responsibility of each individual employee and business partner to

- preserve the excellent reputation of KARL STORZ and further strengthen it through positive actions
- to continuously maintain the trust our customers have placed in us, and
- to prevent the company from being exposed to any illegal or unethical activities.

The KARL STORZ Compliance Management System is the overarching framework through which policies, strategies and programs are designed and enforced to ensure that our employees and business partners are acting ethically and responsibly. The Compliance Management System is built on three pillars: Prevent, Detect, Respond. Each pillar handles a detailed and thorough system of activities by which it is intended to ensure that KARL STORZ acts completely in accordance with applicable laws and regulations as well as its own policies.

In 2021, KARL STORZ began a global review of its compliance program to identify opportunities for enhancement aligned with current industry best practices.



### Prevent

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

On the KARL STORZ website under the category “Compliance”, business partners can find out about the basic principles we practice at any time, with references to the Global Compact, the KARL STORZ anti-corruption guideline as well as environmental and resource conservation.

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

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

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

Besides binding policies and regular training, KARL STORZ seeks to prevent compliance breaches by adapting processes where necessary. As an example, a SAP-based system was established in Germany in which processes relating to equipment loans and transfer of



ownerships to third parties can be requested and mapped.

It is important that KARL STORZ continues to monitor compliance risks in a changing work environment. The KARL STORZ Compliance Risk Management is a program that allows KARL STORZ to take preventive actions in any area where compliance risks might occur. This global approach raises awareness among all employees and provides guidance in the strategic decision process.

### Detect



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

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

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

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



### Respond

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

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

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

### KARL STORZ Group – Subsidiaries' Initiatives USA: Compliance Training

KARL STORZ is responsible for educating employees about key compliance and legal issues that affect the corporation's daily activities. KARL STORZ employees throughout the United States are required to complete "Code of Conduct" training to reinforce our culture of compliance.

More than  
**75**  
*Years*

*Shaping the Future  
of Endoscopy with you*

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