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STORZ KARL STORZ—ENDOSKOPE	**Annual Report on the Fighting Against Forced Labour and Child Labour in Supply Chains Act - 2025**

This single report is made by KARL STORZ ENDOSCOPY CANADA LTD (KSEC), with business number 888110954, which belongs to the healthcare industry. This report covers the activities undertaken from January 1, 2024 to December 31, 2024.

Established in 1995, KSEC does not own or control any other legal entities, it is a wholly owned subsidiary of our parent company KARL STORZ SE and Co. KG (KST) which was established in Tuttlingen, Germany in 1945. KST is committed to promote sustainability and social responsibility in a globalized economy as an active participant of the United Nations Global Compact since 2004.

KSEC it is an Entity that imports into Canada goods produced outside Canada, that does business, has a place and assets in Canada; has at least $20 million in assets for at least one of its two most recent financial years and has generated at least $40 million in revenue for at least one of its two most recent financial years.

Corporate Headquarters, KST, is also subject to the reporting requirements under supply chain legislation in Germany, according with the Germany's Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). The link to the Policy Statement German Supply Chain Act is at the end of this document as part of the *LINKS TO RELEVANT WEBSITES AND PUBLICLY AVAILABLE DOCUMENTS.* The Third Party Due Diligence methodology considers key laws, regulations, and standards, e.g., the U.S. Department of Justice ("DOJ") obligation to a corporate compliance program, the ISO 37001 Anti-Bribery Management System ("ABMS") and the Germany's Act on Corporate Due Diligence Obligations in Supply Chains.

During previous financial years KST has taken the following actions to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods that are imported into Canada by the Entity:

- Every new supplier is subjected to an internal compliance risk assessment conducted by KARL STORZ. The internal risk assessment evaluates the inherent risk exposure of a Third Party, resulting in a risk classification of low, medium, or high risk. With an increasing risk classification, the due diligence requirements increase.

  Suppliers that deem to pose medium or high risk are subject to an external compliance risk assessment in which Third Parties provide additional information, including on mitigation measures.

  A supplier risk classification is being assessed on the basis of the following compliance risk factors: Compensation structure, Compliance Red Flags, Conflicts of Interest, Geographical

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location/Country risk, Government Officials/PEPs, Industry risk, Integrity concerns, Regulatory issues/violations and Sanctions.

- Each new supplier is visited and assessed regarding the aspects of the German Supply Chain Due Diligence Act, among other things.

- In addition to this, the consideration of various country indices is included in the concrete supplier decision for a specific product, which make it possible to assess the risk profile of each potential supplier country. A low ranking in one of these indices may indicate certain risk factors relating to the country's integrity, environmental impact, human rights and general economic stability. This information is crucial when it comes to planning our risk mitigation measures.

- Depending on the country rating, decisions are made based on the make-or-buy assessment grid, with a particular focus on the specific risks associated with that country based on the indices. If necessary, additional measures are taken to ensure that the supply chain meets the required standards. This could include the implementation of additional controls, increased monitoring or alternative supplier options. Exclusion criteria are also defined, specifically targeting a combination of audits conducted or site visits (one of the two must be met).

- The “Code of Conduct for Business Partners” is mandatory for our suppliers and applies to all locations, products and/or services, as well as to all business relationships. This describes all key expectations with regard to human rights and environmental protection.

- Another important component of the preventive measures is the regular performance of on-site audits at suppliers. These audits make it possible to ensure compliance with KARL STORZ specifications and standards and to identify potential risks at an early stage. The results of these audits are included in the ongoing supplier evaluation and can be used to adjust business relationships.

- Overall, this risk-based approach and regular audits are key elements of the strategy for compliance with the German Supply Chain Due Diligence Act. They help to proactively manage the risks in our supply chain and ensure that our procurement methods meet all requirements in terms of integrity, sustainability, human rights and risk mitigation. This approach is clearly integrated into our purchasing processes.

- The KARL STORZ risk analysis follows a risk-based approach for its own business division, which is defined as follows:

    - It is examined which of the risks according to the German Supply Chain Due Diligence Act are fundamentally relevant for the respective KARL STORZ locations. This is done on the basis of the business activities of the respective company. All of the companies in our own division belong to the medical technology sector. The sector risk here is considered low compared to other sectors. For this reason, the sector risk is not taken into account in the risk analysis of the company's own business division.

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- In addition, individual interviews are conducted with the respective risk specialists. As a result, the existing measures and the residual risk are assessed. This forms the basis for the decision as to whether and, if so, which further preventive measures should be taken. Various tools and workshops were used for the risk analysis.

Additionally, the following steps have been taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada by the Entity:

- Mapping supply chains.
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains.
- Addressing practices in the organization's activities and supply chains that may cause or contribute to the risk of forced labour and/or child labour.
- Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains.
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.
- Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists.
- Auditing suppliers.
- Monitoring suppliers
- Developing and implementing grievance mechanisms to address complaints in the workplace.
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.

SUPPLEMENTARY INFORMATION

(a) Structure, activities and supply chains.

KSEC is a corporation that supplies, services and maintains the highest quality innovative solutions for endoscopic intervention and integrated operating theatres. We provide product and service solutions for surgical disciplines within the Canada´s public healthcare system, private healthcare sectors, surgical training centers, education establishments and veterinary practices in Canada.

For its medical devices marketing, sales, and distribution, KSEC employs 85 employees in Canada. Please find as "Appendix A" KSEC and as "Appendix B" the Regional Partner Organization structures.

KSEC registered address: 44 Chipman Hill, Suite 1000, Saint John, New Brunswick, E2L 2A9
KSEC business address: 7171 Millcreek Dr., Mississauga, ON, L5N 3R3

Our supply chain includes the procurement of medical devices, optics, instruments, consumables, spare parts, and accessories as well as notified regulatory bodies and consultants, recruitment agencies, exhibition and training facilities, logistics suppliers, fleet, travel and accommodation management, property leasing, facility management and maintenance, business supplies, utilities and waste management organizations, cleaning, and catering services.

The equipment that is imported and sold in Canada is manufactured in the following international locations, also referred to collectively as KARL STORZ:

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- Germany – KARL STORZ SE and Co. KG, 78532, Tuttlingen
- Germany – KARL STORZ SE and Co. KG – Logistikzentrum 78579 Neuhausen ob Eck, Germany
- Estonia – KARL STORZ Video Endoscopy, Parnu mnt 556b, Laagri, Jarhu Maakond, 76401
- Switzerland - STORZ Endoskope Productions GmbH, Tuttlingen (D), Schaffhausen
- Switzerland - STORZ Endoskope Productions GmbH, Tuttlingen (D), Widnau
- USA – KARL STORZ Endoscopy America INC, 28 Millbury St, Auburn, MA, 01501
- USA – KARL STORZ Endoscopy America, 13803 N Promenade, Stafford, TX, 77477
- USA – KARL STORZ Endovision, Inc., 91 Carpenter Hill Rd, Charlton, MA, 01507
- USA – KARL STORZ Imaging, Inc., 1 S Los Carneros Rd, Goleta, CA 93117

See “Appendix C” Supply Chain.

(b) Entity policies and due diligence processes in relation to forced labour and child labour

KSEC has policies and due diligence processes in place related to forced labour and/or child labour containing the following elements:

- Embedding responsible business conduct into policies and management systems.
- Identifying and assessing potential and actual adverse impacts in operations, supply chains and business relationships.
- Ceasing, preventing or mitigating potential and actual adverse impacts.
- Tracking implementation and results.
- Communicating how impacts are addressed.
- Providing for or cooperating in remediation when appropriate.

In addition to the above elements, as a responsible corporation, we attach great importance to complying with international human rights norms and labor standards. We do not tolerate any form of forced labor or child labor in our own activities or in our supply chain. In order to avoid such risks in our supply chain, we have developed a Third Party Code of Conduct that clearly defines our expectations of our business partners and employees. It is based on the principles of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. In our own business area and with regard to the direct suppliers of KARL STORZ SE & Co. KG, regular, at least annually, and ad hoc risk analyses are carried out. If we have sufficient evidence of a violation of a human rights or environmental obligation by an indirect supplier, we carry out a risk analysis with regard to this indirect supplier.

(c) Parts of the business and supply chains that carry a risk of forced labour or child labour being used and the steps Entity has taken to assess and manage that risk.

The Corporate Headquarters has started the process of identifying risks, but it is a working process and there are currently gaps in the assessments. However, no forced labour or child labour risks have been identified in its activities, supply chains, sector or industry.

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(d) The Entity has not had the need to implement any measures to remediate any forced labour or child labour as no risks related to forced labour or child labour in our activities and supply chains have been identified.

(e) No measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

Entity has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

(f) Currently the Entity does not provide trainings to its employees on forced labour and child labour.

(g) How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

We assess the effectiveness to be high because our suppliers are asked about forced labour and child labour via a questionnaire and audits take place on site. In addition, suppliers are regularly checked against Politically Exposed Persons, sanctions and watch lists in order to assess potential risks in connection with criminal activities.

APPENDICES

Appendix A: KARL STORZ Endoscopy Canada Ltd Structure
Appendix B: Regional Partner Organization Structure
Appendix C: Supply Chain

LINKS TO RELEVANT WEBSITES AND PUBLICLY AVAILABLE DOCUMENTS:

- KARL STORZ Code of Conduct (PDF | 2.5 MB)

https://www.karlstorz.com/cps/rde/xbcr/karlstorz_assets/ASSETS/3717449.pdf

- KARL STORZ Third Party Code of Conduct (PDF | 0.4 MB)

https://www.karlstorz.com/cps/rde/xbcr/karlstorz_assets/ASSETS/3717457.pdf

- Policy Statement German Supply Chain Act (LkSG) (PDF | 0.2 MB)

https://www.karlstorz.com/cps/rde/xbcr/karlstorz_assets/ASSETS/4269121.pdf

- **KARL STORZ Third Party Due Diligence Policy**

Compliance EMEA & APAC - Third Party Due Diligence Policy_EN.pdf - All Documents

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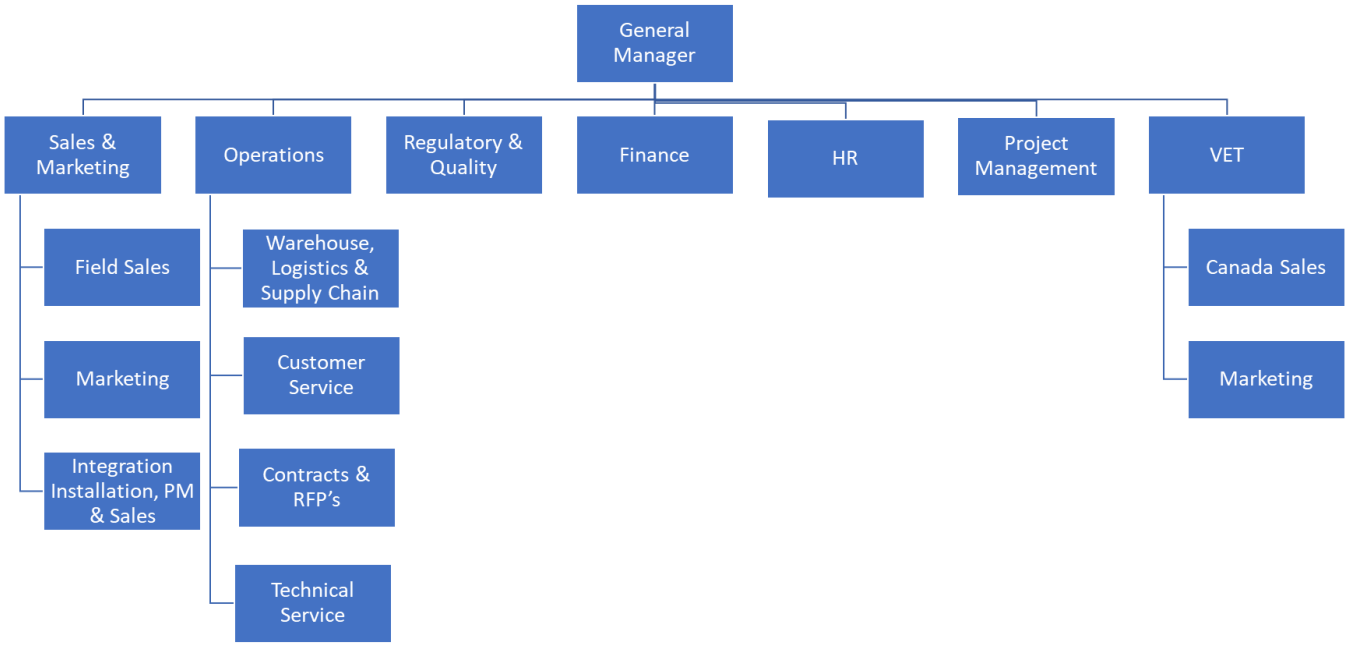
Appendix A: KARL STORZ Endoscopy Canada Ltd Structure



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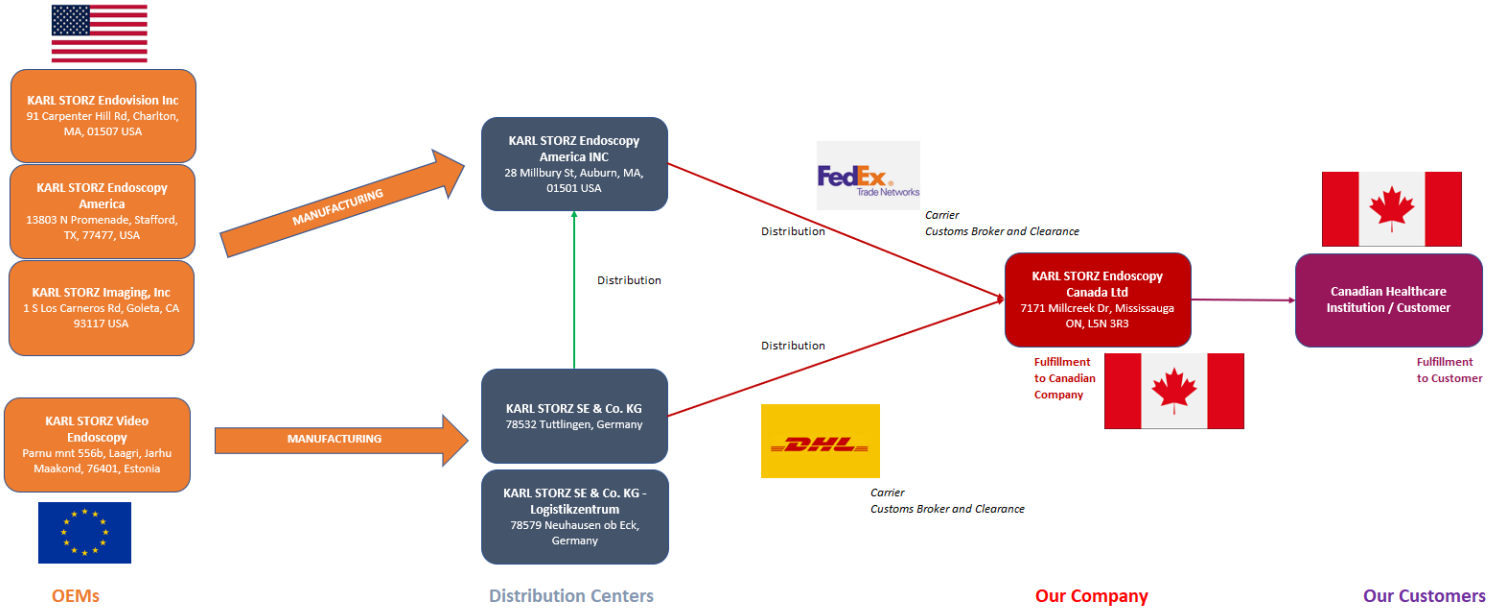
Appendix B: Regional Partner Organization Structure

Appendix C: Supply Chain



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STORZ KARL STORZ—ENDOSKOPE	**Attestation of the Annual Report on the Fighting Against Forced Labour and Child Labour in Supply Chains Act - 2025**

This report is for a single Entity, KARL STORZ ENDOSCOPY CANADA LTD (KSEC) and has been approved by KSEC's governing body.

This attestation was prepared by KSEC for the report in relation to the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Act). This report covers the activities undertaken from January 1, 2024 to December 31, 2024. KSEC is a Corporation part of the healthcare industry that imports into Canada goods produced outside Canada.

	Name, Job Title	Date, signature
Prepared by	Tamara Olmos Regional Director Compliance	DocuSigned by: Tamara Olmos 8E4FE5D55369453... 22-May-2025
Revised by	Brad Simone KSEC Director of Operations	DocuSigned by: Brad Simone DC3355BEAD834E5... 23-May-2025

In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of General Manager, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

Approved by:

I have the authority to bind KARL STORZ ENDOSCOPY CANADA LTD,

DocuSigned by:
Bilal Zankar
0AC0338A6A88469...
Bilal Zankar
KARL STORZ Endoscopy Canada LTD General Manager
22-May-2025