

THE KÜHNE FOUNDATIONS IN THE YEAR 2016



KÜHNE-STIFTUNG



KLAUS-MICHAEL KÜHNE
STIFTUNG

"My Kühne Foundation has an enduring commitment to advancing the causes of education, training, research and science in the area of logistics; this also includes humanitarian logistics. Medical education and research into allergic conditions are particularly important as well. Finally, the foundation is very receptive to the promotion of cultural projects, primarily in music and literature."

Prof. Dr. h.c. Klaus-Michael Kühne

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PREFACE BY THE FOUNDER

DEAR FRIENDS AND PROJECT PARTNERS OF THE KÜHNE FOUNDATIONS, DEAR READERS,

Founded by the Kühne family 40 years ago, the Kühne Foundation has enjoyed further successful growth in this, its anniversary year. The broad range of activities, some of them managed by the subsidiaries CK-CARE AG, HELP Logistics AG and Kühne Logistics University GmbH, experienced continuous growth, and 65 projects in various areas received support in the year under review. Our intention at all times was to create networks and synergies within economic sciences and humanitarian logistics, as well as to further the cause of medical research and its applications. The foundations also contributed significantly to the promotion of culture.

The Kühne Foundation flagship is the Kühne Logistics University (KLU) in Hamburg, where we train international executives in logistics and corporate governance. Three key competence areas were introduced at the KLU in 2016, intended to define the academic profile more clearly than before. The KLU faculty now comprises 20 professors, meaning that the university is also experiencing consistent growth. Two new academic programmes were accredited and will be included in the curriculum from 2017. Moreover, we recently received another visit by the German Scientific Council, and we expect to be accredited to supervise doctoral programmes in the

near future. Besides the phenomenal research output, the graduation ceremony was again a very special event for my wife and I.

The Kühne Foundation has endowed chairs at universities in Switzerland, Germany and China for many years. It was with great interest that I observed the exchange between the incumbents of these chairs and the KLU faculty during the two-day Professorial Circle in Majorca, which was largely devoted to the issue of "Key competency areas at KLU". Attended by 150 participants, the 15th Kühne Foundation Logistics Day on the WHU campus of the Otto Beisheim School of Management in Dusseldorf, was yet another excellent platform to build networks in the world of logistics. The Kühne Foundation organised the China Logistics Day in Shanghai for the third time.

Increasing demand for consultancy and training in the area of humanitarian aid shows me that we are on the right track with our HELP Logistics AG, a subsidiary of the Kühne Foundation. HELP opened an office in Singapore in 2016, and then two other regional centres in Amman, Jordan and Nairobi, Kenya. With this increased presence, we are able to support significantly more projects in these regions.

Prof. Dr. h.c. Klaus-Michael Kühne,
President of the Board of Trustees
of the Kühne Foundations



My wife and I have been committed to the promotion of research and effective treatment in the fight against allergic conditions for many years. For this purpose, we founded the Christine Kühne - Center for Allergy Research and Education (CK-CARE) in 2009. I then purchased the Hochgebirgsklinik Davos (HGK) complex in 2014. CK-CARE is cooperating closely with the HGK and the research institute SIAF at this location to create an allergy campus which focuses on research, treatment and education in the broad field of allergic conditions.

Based in Hamburg, our Klaus-Michael Kühne Foundation has again supported numerous cultural projects, among them the International Music Festival and a South America tour by the Philharmonic Orchestra of the Hamburg State Opera under its general music director Kent Nagano. We have supported the Harbour Front Literature Festival together with the Free and Hanseatic City of Hamburg since it was founded, and are pleased to note that it was now held for the seventh time. Our other projects include the

Festspielhaus Baden-Baden, the Salzburg Festival, the Music Summer on Lake Zurich and the Zurich Opera House. We also supported a concert with the soprano/ conductor Barbara Hannigan during the Lucerne Festival.

We hope that our Annual Report gives you a glimpse into the varied and ambitious activities of the Kühne Foundations. I wish you a pleasant read and thank you warmly for your interest.

Yours sincerely

Klaus-Michael Kühne
President of the Board of Trustees

BOARD OF TRUSTEES

KÜHNE FOUNDATION

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KLAUS-MICHAEL KÜHNE FOUNDATION

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Karl Gernandt
Rolf Hunck



PROF. DR. H.C. KLAUS-MICHAEL KÜHNE

He joined Kühne + Nagel in 1958 after completion of his commercial apprenticeship and was appointed chairman of the board in 1966. From 1975 onward he was chief executive officer and later became president of the administrative board at the company's international head office in Switzerland. He is majority shareholder in Kühne + Nagel International AG. He founded the Kühne Foundation with his parents in 1976, mainly to promote research in logistics and medicine; the Klaus-Michael Kühne Foundation was established in 2008, supporting numerous projects in the areas of music and literature.



DR. THOMAS STAEHELIN

He holds a PhD in law and has been a partner in the legal practice Fromer Advokatur und Notariat in Basel since 1981. Chiefly responsible for international clients, his focuses included corporate law, M & A, tax law, contract and commercial law, as well as banking and securities law. He sits on the administrative board and is president of several Swiss and international companies. Moreover, he is director and president of the tax and finances commission at economiesuisse and president of the Chamber of Commerce of both Basels.



CHRISTINE KÜHNE

She is married to Klaus-Michael Kühne and supports him in all of the projects by the two foundations. The Christine Kühne - Center for Allergy Research and Education was founded in 2009 on Mrs. Kühne's initiative to make a lasting impact on research into allergies. She is patron of the Children's and Young Adult Literature Authors Award in the context of the Harbour Front Literature Festival, where she presents the "Hamburger Tüddelband" prize. The Mecklenburg-Vorpommern Festival organised the first "Christine Kühne Award" in 2016.



MICHAEL BEHRENDT

After reading law, Michael Behrendt joined VTG Vereinigte Tanklager und Transportmittel GmbH in 1985, where he was appointed managing director in 1994. He became chief executive of VTG-Lehnkering AG in 1999. He was chairman of the executive board of Hapag-Lloyd AG from 2002, and in 2014 he took over as chairman of the supervisory board of Hapag-Lloyd AG. He is also president of the Übersee-Club e.V. in Hamburg and board member of the non-profit science organisation Stifterverband für die Deutsche Wissenschaft e.V.



DR. JÖRG DRÄGER

Dr. Jörg Dräger studied physics and business administration in Hamburg and New York. After graduating, he worked for the consultancy firm Roland Berger in Frankfurt/Main. He returned to Hamburg as CEO of Northern Institute of Technology. Dräger (independent) was Senator for Science and Research of the City of Hamburg from 2001 – 2008, member of the Conference of Ministers of Education and the Arts, and deputy member of the Federal Council. He has been a director of the Bertelsmann Foundation since 2008.



KARL GERNANDT

Karl Gernandt started his career with Deutsche Bank after graduating with an MBA from the University of St. Gallen. He moved on to A.T. Kearney, focusing on strategic financial services projects, and then to Alsen AG and Holcim, most recently as CEO of the Region Western Europe. He was president of the administrative board at Kühne + Nagel from 2011 – 2016, and he is vice-president since 2016. He is also president of the administrative board at Kühne Holding AG and member of the supervisory boards at Hapag-Lloyd and VTG.



ROLF HUNCK

Rolf Hunck worked at the Deutsche Bank for the investment business of private customers for over 50 years. In 1993, he was appointed to the management board of Deutsche Bank and has also been vice-chairman for the private wealth management division in Germany since 2002. Moreover, he contributes his experience as a member of various supervisory and advisory boards. He is involved in a number of nonprofit foundations as an expression of his charitable commitment.



DR. WOLFGANG PEINER

He initially completed an apprenticeship at Kühne + Nagel before going on to study in Hamburg and Kansas/USA. Thereafter he worked as a tax adviser and auditor for Arthur Andersen & Co., the Werner Otto Group and as a director/chief executive of the Gothaer Group. He sat for many years on the administrative boards of Treuhandanstalt and Kühne + Nagel International AG, as well as on the supervisory board of Deutsche Lufthansa. He was Senator of Finance in the City of Hamburg from 2001 – 2006 and the first president of KLU.



PROF. DR. KARIN VON WELCK

She read political sciences, ethnology, German and linguistics (Hamburg/Cologne) and then worked for the Rautenstrauch Joest Museum for Ethnography Cologne and as director of the cultural history section of the Reiss Museum Mannheim. From 1998 – 2004, she was secretary general of the German Federal Cultural Foundation, being then appointed senator for culture in Hamburg and later Senator for Culture, Sport and Media from 2008 – 2010. She is an active member of numerous foundation boards and committees on cultural policies.

THE KÜHNE FOUNDATIONS

KÜHNE FOUNDATION

The public-benefit Kühne Foundation was established by the Kühne family in Switzerland in 1976. The Kühne Foundation is an operative organisation which initiates and implements most of its projects itself.

The deed of the foundation specifies the following two main areas of support:

1. Support for training, further education, scholarships, and research in the fields of transport and logistics.
2. In addition, support of other – especially medical – sciences, humanitarian, charitable and church issues, as well as cultural projects.

The Kühne Foundation has established three companies to fulfil these goals: the Christine Kühne – Center for Allergy Research and Education (CK-CARE) was established in Davos in 2009. Domiciled in Hamburg/Germany, the Kühne Logistics University (KLU) was founded in October 2010, and HELP Logistics AG was incorporated in 2014 with headquarters in Schindellegi/Switzerland.

In 2016 the total sum contributed by the Kühne Foundation was 20.9 Mio. Swiss Francs.

KLAUS-MICHAEL KÜHNE FOUNDATION

The second foundation of the Kühne family, the Klaus-Michael Kühne Foundation, was established in Hamburg, the hometown of the founder, in 2008.

This foundation mainly supports the following areas:

1. Culture, in particular music and literature in Hamburg.
2. According to its statutes it also supports the preservation of historical monuments, science and research as well as vocational education establishments for training and further education.

Over the past year the Klaus-Michael Kühne Foundation has focused on the support of cultural events in Germany and Hamburg in particular, organising selected projects to ensure the continued development of the Hanseatic city as a major city of culture. The further development of the Hanseatic city as a cultural metropolis is supported with selected projects.

In 2016 the total sum contributed by the Klaus-Michael Kühne Foundation was around 1.5 Mio. Euros.



KÜHNE-STIFTUNG



KLAUS-MICHAEL KÜHNE
STIFTUNG

40 years of the Kühne Foundation

65 projects worldwide

50 countries around the world in which the foundation operates

130 people working for the Kühne Foundations and their subsidiaries

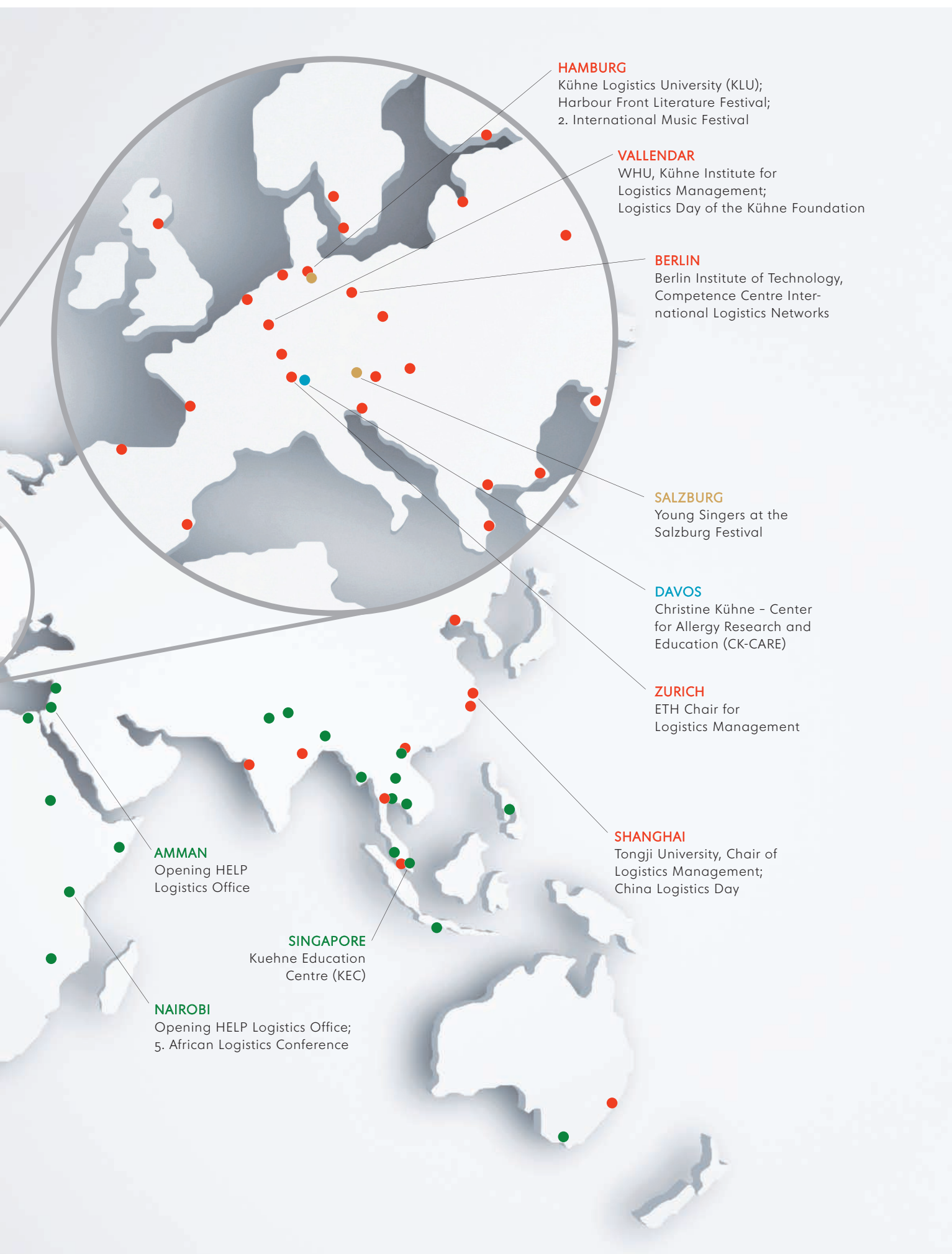
275 students enrolled at the Kühne Logistics University (KLU)

22,5 Mio CHF in contributions by the Kühne Foundations in 2016



GLOBAL ACTIVITIES OF THE KÜHNE FOUNDATIONS





HAMBURG

Kühne Logistics University (KLU);
Harbour Front Literature Festival;
2. International Music Festival

VALLENDAR

WHU, Kühne Institute for
Logistics Management;
Logistics Day of the Kühne Foundation

BERLIN

Berlin Institute of Technology,
Competence Centre Inter-
national Logistics Networks

SALZBURG

Young Singers at the
Salzburg Festival

DAVOS

Christine Kühne - Center
for Allergy Research and
Education (CK-CARE)

ZURICH

ETH Chair for
Logistics Management

SHANGHAI

Tongji University, Chair of
Logistics Management;
China Logistics Day

AMMAN

Opening HELP
Logistics Office

SINGAPORE

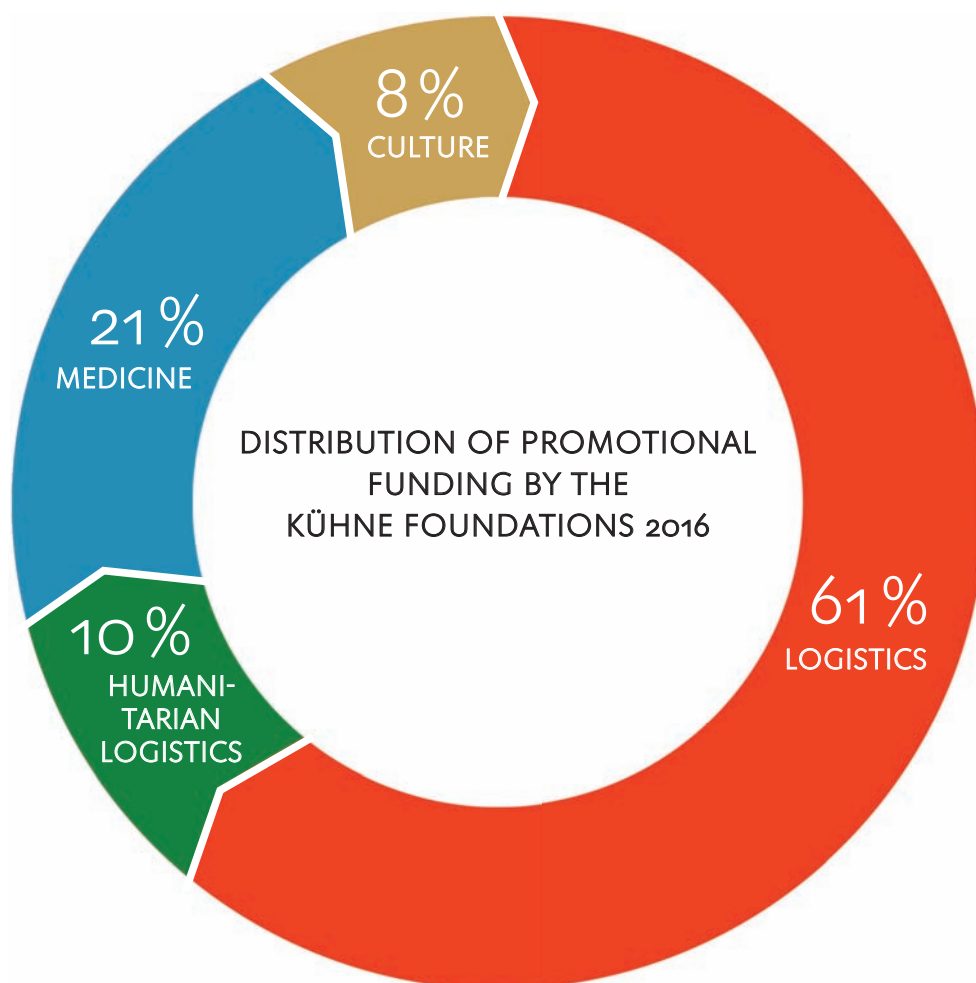
Kuehne Education
Centre (KEC)

NAIROBI

Opening HELP Logistics Office;
5. African Logistics Conference

FUNDING AREAS

The Kühne Foundations support projects with a focus on education and training, research and science in the area of transportation studies and logistics, as well as in other - especially medical - areas of science. They also provide funding for humanitarian, charitable and church issues, as well as for cultural projects.



FUNDING IN THE AREA OF LOGISTICS

The Kühne Foundation has endowed professorships at a number of universities around the world for many years. Particularly noteworthy is the commitment of Kühne Logistics University – the Scientific University of Logistics and Management (KLU), which was established in 2010. It is the flagship of the foundation. Seminars have been offered in cooperation with leading universities and training organisations for years. Further education in areas of logistics was transferred to a separate department in 2015 in order to emphasise its particular importance.

FUNDING IN THE AREA OF HUMANITARIAN LOGISTICS

HELP Logistics AG was founded in response to the growing challenges in humanitarian supply chain management and logistics. HELP passes on supply chain expertise in the form of operative training, university courses and supply chain optimisation measures that help increase the capacities of aid organisations. The work brings greater impact and efficiency to the logistic processes in disaster relief programmes.

FUNDING IN THE AREA OF MEDICINE

The medical interests of the Kühne Foundation focus on allergic conditions. For instance, it founded the CK-CARE (Christine Kühne – Center for Allergy Research and Education) 2009 in Davos. The stated objective is to minimise the medical impact of widespread allergy conditions through research and education. Cooperating closely with Hochgebirgsklinik Davos and the research institute SIAF in Davos, CK-CARE is currently building the Davos Allergy Campus, a unique facility that will fully exploit the synergies between treatment, research and education in a manner unparalleled anywhere else in the world.

FUNDING IN THE AREA OF CULTURE

In the area of culture, the Kühne Foundation mainly provides support in the areas of music and literature. It has again funded numerous concerts, operas and festivals in Switzerland, Germany, Austria and Italy. The preservation of churches and chapels is another of the foundation's concerns. In the literary world, the Kühne Foundation supports the annual Harbour Front Festival in Hamburg.



LOGISTICS



LOGISTICS SUPPORT PROJECTS

KÜHNE LOGISTICS UNIVERSITY (KLU)

KLU

KLU is a subsidiary of the Kühne Foundation. It is synonymous with ground-breaking research and hands-on teaching in the areas of transport, global logistics and supply chain management. The defined goal since its inception in 2010 has been to educate executives in these fields. All courses are held in English to prepare the graduates for a career in the international logistics sector.

The academic programmes at KLU target undergraduates and postgrads, as well as specialists and executives in the areas of logistics and supply chain management. To ensure that its students acquire high technical specialisation in an excellent academic environment, KLU offers bachelor and master courses, a PhD programme and a parttime MBA programme. Small classes and comprehensive faculty support enable concentrated learning.

KLU organises summer schools, seminars, workshops and training programmes for specialists and executives. Here, the participants benefit from the application of scientific insight within a practical setting. The issues addressed include "Logistics and Supply Chain Management" and "Leadership and Supply Chain 4.0".

HIGHLIGHTS 2016

KLU introduced three key competence areas in 2016 that will define the future of its teaching and research. Two new degree programmes were also accredited. Moreover, professors at KLU contributed significantly to the organisation of two important conferences.



Kühne Logistics University



KÜHNE LOGISTICS UNIVERSITY (KLU)

KLU is a private, state-certified and independent institute of higher learning. It offers English-language degree programmes with the following qualifications:

- BSc in Management
- MSc in Management
- MSc in Global Logistics and Supply Chain Management
- MBA in Leadership and Supply Chain Management (in-service)

KLU's interdisciplinary and international focus in teaching and research reflects the vision of its benefactor, Prof. Dr. h.c. Klaus-Michael

Kühne. The modern campus in HafenCity Hamburg epitomises the close ties between scientific and practical approaches to logistics in Hamburg as a hub of commerce and education.

The outstanding research at KLU focuses on the key competence areas of digital transformation, creating value and sustainability to the benefit of transport, global logistics and supply chain management.

20 professors and around 275 students from currently 35 nations teach and study at KLU.



Participants KLU International Summer School

Defining a sharper profile with key competence areas

KLU has continued to sharpen its academic profile by introducing the three new key competence areas of "Digital Transformation", "Creating Value" and "Sustainability" in transport global logistics and supply chain management. Both research and teaching at KLU will focus on these key competence areas. Interdisciplinarity is an essential underlying principle in this regard. Hence, research projects by faculty members from various fields will be just as important as collaborative research with private-sector enterprises.

The key competence area of "Digital Transformation" addresses issues such as big data, automation and decentralisation, as well as the challenges they present for logistics and supply chain management. The next key competence area of "Creating Value" investigates how companies can exploit hidden potential in otherwise saturated markets by using creative solutions to develop new opportunities within the value chain. The key competence area of "Sustainability" explores environmental aspects like global warming

and the depletion of natural resources, as well as social aspects such as health, safety and development and how they impact transport, logistics and supply chain management.

Accreditation for two new international degree programmes

KLU has introduced two new degree programmes to expand its curriculum for students. They were both accredited by the German Science Council and FIBAA in 2016. Students can therefore enroll in these two new programmes from September 2017.

In its TriContinent Master of Science in Global Supply Chain Management, KLU is cooperating with Tongji University in Shanghai, China, and the University of Tennessee in Knoxville, USA. Students spend each of the four semesters at a different university. Not only do they benefit from the expertise of the individual institutions in a certain field of supply chain management – the international student body at all three universities and their encounter with the world's major national economies also familiarise them with international customs and allows them to acquire an understanding of global contexts first-hand.



KLU Open Day

KLU offers the Master of Science in International Maritime Law and Logistics in cooperation with the IMO International Maritime Law Institute (IMLI) in Malta. Students spend most of the first two semesters at IMLI in Malta, where they focus on international maritime law. The following two semesters are held at KLU, where they attend logistics and leadership courses.

Conference on the future of shipping

The Annual Conference of the International Association of Maritime Economists (IAME) is one of the most important meeting places for scientists working in the field of maritime transport. The 2016 IAME Conference was held in Hamburg in August – for the first time ever on German soil.

KLU Prof. Michele Acciaro, one of the two conference chairs, welcomed the roughly 280 participants from over 40 nations. The issues addressed at the conference on the challenges and opportunities in the shipping sector of the future included new strategic approaches for shipping companies and sustainability in international maritime transport. Participants at a round table

chaired by KLU Prof. Maria Besiou joined with representatives of Doctors Without Borders, the United Nations High Commissioner for Refugees (UNHCR) and the International Maritime Law Institutes (IMLI) to discuss the implications of refugee migration for the shipping sector.

Conference on operations research in humanitarian aid

Operations research seeks to develop quantitative models to facilitate decision-making and to optimise processes. It is a relatively new field in humanitarian aid. The inaugural conference of the Humanitarian Operations (HOpe) working group within the Association of European Operational Research Societies was held at KLU in March 2016. Participants at the event were given a discussion platform to explore methods, techniques and tools of operations research and how they can be applied in a humanitarian setting. Over 30 scientists and aid workers from around the world shared their experience in issues ranging from disaster preparation and post-disaster needs assessments to fund-raising itself.



Klaus-Michael Kühne at the graduation ceremony 2016 with KLU professors

Graduation

Graduation Day is probably the most important date in a student's fledgling career. KLU held the graduation ceremony in the "Golden Egg" - the main lecture hall - to honor its students' achievements in September 2016. The Founder Prof. Dr. Klaus-Michael Kühne congratulated the students in his opening address.

KLU President Prof. Thomas Strothotte presented degree certificates to the 96 graduates. The keynote was given by Hans-Georg Frey, Chairman of the Management Board at Jungheinrich AG, who spoke to the graduates and their families from the perspective of an entrepreneur. In this address, the senior manager encouraged the graduates to show dedication and ambition. A champagne reception and gala dinner rounded off the event following the traditional tossing of caps.

The winner of the "Best Teaching Award" was also announced during the graduation ceremony. It is conferred each year based

on points awarded by students for individual courses. Professor Alexander Himme, Assistant Prof. of Management Accounting, was rewarded for his outstanding services to teaching in 2016.

INTERNATIONAL ACADEMIC PROGRAMMES IN HAMBURG

KLU caters to the entire spectrum of university education and training with the English-language programmes it offers to students, specialists and executives.

The "Bachelor of Science in Management" teaches the basics required for an international career in management. Over six semesters, the students attend courses in business management and economics, marketing, accounting, human resource management and international corporate law, among others. They can also specialise in logistics and supply chain management. Courses in communication, negotiations and teamwork help the students to develop their soft skills as well.



Christine Kühne and KLU President Prof. Thomas Strothotte at the graduation ceremony

Students enrolled in the four-semester “Master of Science in Management” expand on the knowledge acquired in the bachelor programme and strengthen their leadership skills. Besides courses in strategy, leadership and applied research methods, they can also elect seminars in areas such as conflict management, business ethics, product development and negotiating skills. The degree programme focuses on interactive learning based on case studies and projects.

The “Master of Science in Global Logistics” prepares the students for a senior position in the international logistics sector. Courses in logistics and supply chain management, business analytics and leadership provide a solid foundation. Possible specialisations include maritime logistics, warehousing, humanitarian logistics and sustainable logistics. Excursions and regular get-togethers with representatives from the business sector ensure significant practical relevance in addition to the case studies and projects.

EXECUTIVE EDUCATION

The MBA in “Leadership and Supply Chain Management” at KLU is designed as a part-time degree programme. Specialists from the areas of logistics and supply chain management acquire global leadership acumen in a course lasting 18 months. The English-language MBA is divided into nine modules on topics such as leadership, management, logistics and supply chain management. Courses are held in monthly, four-day weekend blocks, allowing students to remain in their chosen professions while completing the degree. The international programme includes exchange periods at two of KLU’s partner universities as well: Tongji University in Shanghai, China and Ohio State University in the United States. Accreditation of the part-time master programme was renewed in 2016.

RESEARCH

KLU’s outstanding research raised the bar once again in 2016. The university completed research projects with the World Bank, the German Research Foundation (DFG) and the EU Commission. Moreover, KLU launched new collaborations in its appointment of professors.

Applied research projects

There is a shortage of qualified specialists on all levels of seniority in the global logistics sector. These are the findings of a study on the competencies, skills and training in logistics that KLU prepared on behalf of the World Bank.

Professors Alan McKinnon and Kai Hoberg and the doctoral candidate Christoph Flöthmann completed a broad-based investigation in which they interviewed experts from companies, governments, education institutions and associations around the world. The researchers found that the shortage of logistics specialists is noticeable on two levels: First, logistics companies have difficulty recruiting new staff in sufficient numbers. Second, the current employees are inadequately qualified. The KLU scientists used their study to propose a number of methods to counter the global shortage of specialists in the logistics sector. In a subsequent step, they developed a guide that enables

governments to assess the current state of education and training and to alleviate the shortage of specialists within logistics.

How can green and sustainable measures be further expanded within maritime transport? KLU Prof. Michele Acciaro collaborated with partners at the Free University of Brussels and two companies to investigate this issue in a project funded by the EU Commission. To do this, they compared two different fee models that ports around the world apply to promote eco-friendly shipping practices. The research group used its findings to prepare recommendations and a guide for ports in Europe. For instance, rebates on the demurrage charges for low-emission vessels are among the measures intended to foster sustainability within maritime transport. However, incentives of this kind should be combined with other instruments and implemented universally in the ports of Europe in order to ensure their effectiveness.



International bachelor- and masterstudents at the Kühne Logistics University



Professors Sönke Albers and Christian Barrot teamed up with doctoral candidates in research projects funded by the German Research Foundation (DFG) to investigate exactly how social networks like Facebook, Twitter and YouTube are changing product marketing. The research focuses on the marketing of entertainment media such as books, music, computer games and films. In particular, it addresses the impact interaction between consumers has on marketing.

After all, ratings, endorsements and comments in social media significantly influence any purchase decision. The research group aims to understand how social networks become established, how interaction emerges and what implications this has for the individuals and their buying habits.

Joint professorships

KLU inaugurated a new chair in 2016. In this regard, the university is breaking new ground by cooperating with other scientific institutions. The new Chair of Data Science and Business Intelligence was established in collaboration with the Hasso Plattner Institute in Potsdam. Other professorship contracts have already been signed in cooperation with the Bucerius Law School in Hamburg and the Institute for the World Economy at the University of Kiel. In total, 20 international professors teach and conduct research at KLU.

NETWORK

KLU is an international institute of higher learning with excellent ties to centers of science and business worldwide.

International relationships

The KLU academic network comprises 50 international partner universities. Students at KLU can complete an exchange semester in Europe, Asia, the Americas and Australia. At the same time, young people from all over the world come to KLU each year as exchange students.

Cooperation between science and industry

KLU strengthened its business network in 2016. A variety of research projects emerged from collaboration with companies, most of which had an international presence. This cooperation is mutually beneficial: The KLU professors contribute their scientific expertise, while the companies can draw important conclusions on an operative level. Moreover, the research projects provide a treasure trove of topics for bachelor and master theses. Close cooperation with the corporate world also helps alumni and interns to find suitable positions.

Sharing experience with experts

KLU uses a number of events to promote interaction and networking with a variety of partners. Scientists from several universities attend the regular Research Seminars at KLU to discuss issues with professors and doctoral students. KLU students benefit from talks and discussions with real-world experts during the Meet the Pros events.



Federal Institute of Technology (ETH), Zurich

CHAIR FOR LOGISTICS MANAGEMENT AT THE SWISS FEDERAL INSTITUTE OF TECHNOLOGY ZURICH (ETH ZURICH)

Last year, the team under Prof. Stephan Wagner at the Chair for Logistics Management, which the Kühne Foundation has supported since 2005, focused on four areas of research:

sustainability and ethics in supply chains, innovation and start-ups in supply chains, digitisation and humanitarian logistics & operations.

The team again received several research awards, underscoring the chair's prominent position in the scientific community. The over 1,100 citations in the year under review meant yet another increase in citation frequency, which is a meaningful indicator for the significance of research. This is ample proof that the work conducted at the Chair for Logistics Management under Prof. Stephan Wagner enjoys the respect of its peers and is a source of inspiration for researchers worldwide.

The outstanding collaboration between ETH Zurich and the Kühne Foundations was impressively confirmed by the renewal of the funding agreement, which took place during a meeting between ETH President, Prof. Lino Guzzella, and the President of the Kühne Foundation, Prof. Dr. h.c. Klaus-Michael Kühne, in November 2016.

A risk map for more sustainable supply chains

The pertinent issue in the management of supplier sustainability risks is to investigate the extent to which the buying firm can estimate the ecological (e.g. emissions or water consumption), social (e.g. child or forced labour) and governance (e.g. human rights and corruption) risks to which suppliers are exposed. To address these issues, the research team at the chair cooperated with a global tech corporation from Germany to produce an Excel-based risk map that allows an estimation of sustainability risks facing suppliers in certain countries or dealing with

Prof. Dr. Stephan Wagner,
Chair for Logistics Management
at the ETH Zurich

particular product groups. Here, data produced by ten international organisations, for instance the World Bank or the United Nations, was used to assess the regional risks. Risks relating to product groups were identified in workshops with product group managers in the cooperating tech corporation. The risk map allows companies to produce efficient sustainability assessments of their global suppliers and therefore makes a vital contribution to ensuring sustainable supply chains.

Executive MBA in Supply Chain Management: Facing challenges at first hand

The Executive MBA in Supply Chain Management started again in September 2016 with representatives from high-calibre Swiss and international companies. Incorporating the latest requirements from the business world, the course asks participants to experience the challenges facing companies and managers at first hand. Besides attending regular "VIP Talks" with CEOs and senior corporate managers, the participants also visit countries in various economic regions. One of the study trips again went to Russia, ignoring the political confrontation between East and West and the bleak prospects afflicting many companies in their business in the country. The Russian market is important from a business perspective, and recent knowledge of the situation on the ground helps the participants to assess and exploit its potential.

Among other things, the one-week trip to Moscow included a meeting with Russian and western companies and start-ups, as well as a reception with the Swiss ambassador and his staff.



SWISS FEDERAL INSTITUTE OF TECHNOLOGY ZURICH (ETH ZURICH)

ETH Zurich is among the world's leading universities for engineering and natural sciences. It is known for its outstanding teaching, ground-breaking grassroots research and direct transfer of research findings into practical applications. Founded 1855, it offers researchers an inspiring environment and its students a thorough education. ETH Zurich has produced 330 spin-off companies since 1996.

There are around 19,200 students from over 120 countries, including 4,000 PhD students, enrolled at ETH Zurich. Roughly 500 professors currently teach and research in the areas of engineering sciences, architecture, mathematics, natural sciences, systems-oriented sciences, management sciences and social sciences.

International rankings frequently place ETH Zurich among the best universities worldwide. 21 Nobel Prize winners who have studied, taught or researched at ETH Zurich underscore the university's outstanding reputation.



WHU-Campus, Vallendar

KÜHNE INSTITUTE FOR LOGISTICS MANAGEMENT AT WHU – OTTO BEISHEIM SCHOOL OF MANAGEMENT, VALLENDAR

Run by Professors Spinler and Wallenburg and supported by the Kühne Foundation since 2005, the Kühne Institute for Logistics Management is responsible for the entire logistics-related range of education and training activities at WHU, which extend from bachelor degrees to MBAs and which also include the WHU Kid's University.

Moreover, the Institute is in charge of all logistics research at WHU. The focus of the research activities lies in the areas of sustainability and risk management in supply chains and logistics networks, humanitarian logistics, e-commerce, innovation management in logistics, management of logistics companies, logistics alliances and logistics outsourcing.

Current research at the Kühne Institute is producing ground-breaking proposals on how to structure logistics management. In addition to articles in prestigious publications like the European Journal of Operational Research and Transportation Science, it is worth mentioning two definite projects in 2016:

the project with Prof. John Birge from the University of Chicago (Booth School of Business) investigates the simultaneous optimisation of purchasing and warehousing decisions, pricing and hedging by means

of derivatives – an issue of immediate and substantial relevance to chemicals firms and others. Max Schöne (doctoral candidate at the Kühne Institute), Professors John Birge and Stefan Spinler developed an innovative method that permits this concomitant optimisation, while at the same time indicating the value added compared to current methods. The authors of the study demonstrate the potential to increase profits by as much as 20% compared with warehouse optimisation on its own.

The mathematical model was developed in close cooperation with a leading chemical corporation and others, in order to guarantee a substantial relevance for practical application and equally to discuss the model findings with experienced managers.

Another project, also completed with an industry partner, focused on how an online retailer can influence customer return shipment patterns and hence reduce the occasionally excessive quotas of returned products. Existing measures were evaluated and refined in the course of this. Moreover, the project investigated which type of customer tends to order several products in order to make a selection, and which type is more likely to decide which one to order early on.

Prof. Stefan Spinler (left) and
Prof. Carl Marcus Wallenburg,
Kühne Institute for Logistics Management



In the area of executive education, which teaches the latest knowledge from the logistics and other sectors to senior executives, the school introduced numerous groups from China to the opportunities and challenges associated with Industry 4.0 and the consequent digitisation of processes. Guests from prestigious universities like CEIBS in Shanghai, Sun-Yat Sen Business School or Xiamen University were instructed in the fundamental components of cyber-physical systems and their characteristic, continuous exchange of data between the machines and the manufactured parts themselves; moreover, the excursions to companies allowed participants to assess and discuss the current state-of-the-art, also in light of the Chinese initiative “Made in China 2025”. This Chinese initiative is a response to the Internet of Things, as digitisation and automation are certain to affect the Chinese economy in particular.

Entitled “Supply Chain 4.0 - Where does digitisation lead us?”, the 13th annual WHU Campus for Supply Chain Management took place in March 2016, also supported by the Kühne Foundation. Lectures and workshops were held by company representatives and scientists to discuss how digitisation will change the global supply chains. The two-day conference featured an extremely broad mix of innovative approaches that prompted lively discussions.

WHU - OTTO BEISHEIM SCHOOL OF MANAGEMENT, VALLENDAR

WHU - Otto Beisheim School of Management is a private German business school with an international focus that is afforded the rank of a university. Founded 1984, the institution is counted among Europe’s pre-eminent business schools and enjoys an outstanding international reputation. WHU opened its second campus in October 2012, this time in Dusseldorf. Since then, the school will be able to shape the education of future executives in the German university system at its two locations.

WHU is a paradigm of ground-breaking research and teaching in the field of business management. Just under 1,300 students are currently enrolled in the WHU bachelor, master, MBA and doctoral programmes. The school also organises tailored executive education programmes that are adapted to suit the needs of the companies. Its international network comprises over 200 partner universities on every continent, allowing exchange programmes for lecturers and students, as well as cooperation in the field of research. WHU is certified by the most prestigious German, European and American accreditation agencies.



Berlin Institute of Technology (TU), Berlin

COMPETENCE CENTRE "INTERNATIONAL LOGISTICS NETWORKS" AT THE BERLIN INSTITUTE OF TECHNOLOGY (TU), BERLIN

The Kühne Foundation has supported the Competence Centre "International Logistics Networks" since 2005; it is part of the Logistics Department at the Institute for Technology and Management at TU Berlin. The department is run by Prof. Dr.-Ing. Frank Straube. It employs a staff of approximately 15 to provide teaching and research within the field of integrated logistics. Each year around 80 highly practical theses and dissertations are supervised. The faculty maintains a strong international network. There is a particularly strong cooperation with the Chair for International Logistics Networks and Services, which Kühne Foundation endows at the Sino-German School for Graduate Studies at Tongji University in Shanghai, and the Kühne Logistics University in Hamburg. A double masters and a double doctoral degree programme with a strong logistical slant were organised in cooperation with the Tongji University.

Work in 2016 proceeded on schedule and included the expansion of an Internet-based

navigation tool to optimise international, particularly Sino-German, logistics networks as a systematic planning instrument for scientists and managers in the industrial and logistics services sectors. The consideration of factors causing interruptions or volatility in value added or logistics networks were given special consideration alongside specific areas to improve the planning of network optimisation. A number of topical work groups with senior executives from prestigious companies in Germany and China were set up as part of the research project. They logged current practical difficulties and reviewed possible solutions in a real-world environment. Moreover, the groups conducted case study investigations into best-practice solutions for logistics networks in selected industries.

The online navigation tool is available free of charge for any interested users (accessed at <http://china.logistik.tu-berlin.de>). The overarching aim of the navigation tool is to assist specialists in their strategic and tactical planning of robust logistics networks. To create an

Prof. Dr.-Ing. Frank Straube,
Chair of Logistics at TU Berlin



effective network, the tool allows the inclusion of several users from different locations in the planning. It also enables them to visualise and analyse logistics networks.

What's more, an integrated logistics library is connected to the planning tool; it provides additional assistance in the form of useful information for logistics planners. Interested parties can therefore access content concerning German-Chinese networks that may be relevant to their planning. Besides macroscopic data at a national level, the information also includes logistics parameters and data on costs, infrastructure and Chinese market circumstances that may impact planning. The core findings of the research project on the management of challenges in international logistics network were released in a book published 2016 under the title "Successfully Managing Challenges in German-Chinese Logistics Networks".

The design of the online navigator, as well as the organisation of work groups, was carried out in cooperation with the Kühne Foundation's endowed chair at Tongji University under Prof. Dr. Sidong Zhang.

In 2016, the competence centre submitted several papers that were accepted for publication by industry and academic journals (e.g. International Journal of Business Logistics, Supply Chain Forum: An International Journal).

BERLIN INSTITUTE OF TECHNOLOGY (TU), BERLIN

Based in the German capital, the TU Berlin is a universally acknowledged traditional university. Home to around 32,500 students, 340 full professors and around 2,600 research assistants, TU Berlin is among Germany's largest universities. A university with a strong research tradition, TU Berlin fosters cooperation between the corporate sector and the scientific community in Germany and abroad. It engages in top-level research. TU Berlin created the Berlin Digitisation Work Group. Transforming into a digital capital, companies will endow 50 new IT professorships in Berlin, a major centre of science.

The broad range of courses at TU Berlin allows students to acquire a transdisciplinary scientific education that lives up to the university's societal and global responsibility. With over 3,000 students, business engineering is the largest academic programme at TU Berlin. There is vigorous demand from these and other students for bachelor and master courses in logistics. Each year, 200 students from TU Berlin and international academic programmes receive training in issues of integrated logistics.



Tongji University, Shanghai

CHAIR OF LOGISTICS MANAGEMENT AT TONGJI UNIVERSITY, SHANGHAI

The Kühne Foundation has supported the Chair for "International Logistics Networks and Services" within the framework of the CDHK (Chinese-German Graduate School) at Tongji University in Shanghai under the leadership of Prof. Sidong Zhang for eight years now. Prof. Zhang teaches advanced courses in logistics/supply chain management as part of the CDHK degree programme in business administration and at the School of Economics and Management, both of which are extremely popular among German and Chinese students. Joint research projects, as well as the double masters and double doctoral degree programmes, are organised successfully with TU Berlin.

Here, courses and regular meetings with leading companies in the local business community are welcome additions to the KLU

EMBA Excursion Programme in Shanghai. The main focus of research at the Chair of Logistics is on network and route optimisation. Among others, two doctoral students conduct research into optimisation strategies in uncertain environments in dynamic distribution networks. In addition, the LEGO Lab was developed in 2016. It is home to several productive systems with robotic technology that will enrich both research and teaching. The Chair of Logistics also supervises master theses in the area of integral logistics (including automation strategies in distribution centres and model development to optimise efficiency in procurement and purchasing). The courses were equally popular among German and Chinese students.

There was close collaboration with the logistics department at TU Berlin in 2016. Besides workshops with prestigious companies,

Prof. Dr. Sidong Zhang, Kühne Chair for
"International Logistics Networks and Services"
at Tongji University, Shanghai



the chair also published a study on the challenges facing Sino-German logistics networks with preliminary findings from the "Navigator for German-Chinese Logistics Networks" project. In June, Tongji University was host to the 3rd Kühne Foundation China Logistics Day, which was entitled "Smart, Efficient and Sustainable Future Logistics". Over 200 participants from the administration, industry and the scientific community attended the event. The Chair was equally involved in the preparation of a study to explore the digital transformation within logistics.

The World Bank-initiated research project entitled "Subnational Logistics Performance Index" is another area to which the Chair contributes under the guidance of Prof. Dr. Frank Straube. This project investigates tools to support efficient logistical processes for policy decisions in business and society.

TONGJI UNIVERSITY, SHANGHAI

Founded by German doctors in 1907, Tongji University is among the most prestigious institutes of higher learning in the People's Republic of China. It is governed by the Chinese Ministry of Education as a specialised university. Cross-sectional subjects in engineering and business disciplines including logistics and transportation, are particularly important at Tongji University. The university's School of Economics and Management (SEM) is among the top five business schools in China.

A joint venture between the German Academic Exchange Programme (DAAD) and Tongji University, the Chinese-German Graduate School (CDHK) is one of the most successful projects in the bilateral scientific exchange between the two countries.

Over 50,000 students are enrolled at Tongji University, which currently employs over 4,200 lecturers and researchers. As one of the country's most important centres of research, Tongji University is also home to more than 15 state research institutes with specialised laboratories at a national, provincial and ministerial level, as well as research institutions for engineering. There are also six clinics attached to the university.



BVL Campus, Bremen

GERMAN LOGISTICS ASSOCIATION – BVL CAMPUS, BREMEN

By far the largest support project undertaken by Kühne Foundation in the area of logistics education is the DAV (German Foreign Trade and Transport Academy) in Bremen, an institute on the BVL Campus. Kühne Foundation has promoted DAV since July 2015. DAV is Germany's oldest educational facility for logistics and transport; it was founded by the Bremen Chamber of Industry and Commerce and the logistics industry 55 years ago.

BVL CAMPUS, BREMEN

The BVL Campus organises seminars and courses, awards recognised qualifications at the German Foreign Trade and Transport Academy (DAV) and provides dual bachelor degrees at the University of International Business and Logistics (HIWL) to promote education and training in business, logistics and supply chain management.

The fundamental principles underlying the BVL Campus philosophy include life-long learning and efficient transfer of acquired knowledge. There have also been recent developments, including a review of the DAV business management degree courses and the newly designed course in freight transport management and logistics.

DAV has partner universities in Great Britain, so students enrolled in the two-year programme to acquire a state-certified degree in business administration with a focus on international logistics management can spend an additional year studying abroad to earn a masters. An additional course allows students to acquire a qualification in transportation management. International visiting lecturers were recruited to address the students and budding business administrators in 2016: For instance, Prof. Young-Tae Chang from the Graduate School of Logistics at Inha University in South Korea was invited to give a talk on "Maritime Logistics" on the recommendation of the network of institutes supported by the Kühne Foundation. DAV also organised pedagogical seminars as practical courses for teachers of freight forwarding/logistics and export trade at vocational colleges. These seminars contribute to the practical relevance and quality of teaching in vocational colleges nationwide. Last year, Bremen also hosted two seminars on issues associated with transport insurance, financing of foreign trade, factoring and fulfilment of export orders, each of them spread over two days. DAV lecturers gave talks on the topic of Logistics 4.0 to vocational college teachers throughout Germany. In this way, DAV contributes directly to the quality of employees working in the commercial sector in more ways than just through its graduates. The academic programmes address the specific needs of companies belonging to the freight forwarding and logistics sectors, so almost all students continue their careers in this area of the economy.

DAV receives practical assistance from the Kühne Foundation in its marketing of these educational curricula. The number of students rose by more than 60 percent in 2016 in comparison to 2015. The support provided by Kühne Foundation is designed to maintain and enhance the quality of

teaching, to open up new target groups through intensification of marketing and sales, and to strengthen cooperation with vocational colleges.

The close and trusting cooperation between the Kühne Foundation and the BVL Campus lays an important foundation to enable young people equipped with state-of-the-art qualifications and practical experience to accept responsible tasks within the logistics sector.



Wroclaw University of Economics

FURTHER EDUCATION IN LOGISTICS

Over 2016, the Kühne Foundation was active with the education programme LEARN in the three core regions of East Africa, Southeast Asia and Europe. The international focus of education activities and cooperation with recognised partner organisations operating at a global level were strengthened.

Poland

Initiated and supported by the Kühne Foundation, the graduation ceremony of the first postgraduate course in logistics took place at the Business University of Wroclaw in June 2016. The lecturers in 2016 included staff from the Copenhagen Business School, TU Darmstadt, and lawyers from a German practice specialised in logistics. The 25 participants from the industrial, trade and services sectors received their certificates in June after completing the course and a final examination.

The third course with 27 students began in September 2016 and will again feature international professors and speakers. This education concept has proven effective in Poland and is well received.

ENLoP – European Network Management for Logistics Processes

Designed and organised by the Kühne Foundation, 2016 saw the launch of a second

education programme in logistics, held at a European level in cooperation with and at 7 partner universities. This training programme addressed the needs of advanced, English-speaking logistics managers from the sectors of industry, trade and services. The 16 participants from six countries completed 100 course units spread over 12 days, receiving instruction in the latest developments within logistics from a variety of perspectives; they were also able to catch a glimpse of how students are taught at the various partner universities. The participating universities are: Kühne Logistics University (KLU), Hamburg/Deutschland; Heriot Watt University, Edinburgh/Great Britain; Copenhagen Business School/Denmark; University of Economics, Wroclaw/Poland; KEDGE Business School, Bordeaux/France, ETH (Swiss Federal Institute of Technology); Zurich/Switzerland, and the University of Naples/Italy. The closing event was held in Schindellegi.

NetLoP seminar – Network Management for Logistics Processes

The NetLop series of seminars is the longest-running of its kind by the Kühne Foundation and was held for the 16th time in 2016. The seminar now has carved a niche for itself within the area of German-language executive education in the area of logistics, and



Presentation of Prof. Markus Rudolf at the 15th Logistics Day

demand for this 17-day course at six locations is still very high. 500 participants have attended the further education programme since the seminar series launched. The integral concept includes cross-industry processes, which rely on the development of stable networks for their optimisation. The seminar is currently devised and conducted by a number of skilled logistics experts. From its inception, the Kühne Foundation has been responsible for organisation and is supported in this capacity by the following organisations and educational institutes: ETH Zurich (Swiss Federal Institute of Technology), Zurich/Switzerland; Vienna University of Economics and Business, Vienna/Austria; Kühne Logistics University (KLU), Hamburg/Germany; TU Berlin, Berlin/Germany; Kühne Institute for Logistics Management at WHU Otto Beisheim School of Management, Vallendar; and DAV (German Foreign Trade and Transport Academy), Bremen/Germany on the BVL Campus of the Federal Association of Logistics.

Logistics Days at the Kühne Foundation 2016

The 15th Kühne Foundation Logistics Day was held under the motto "Connecting Supply and Demand - Innovative Approaches to Supply Chain Management". Attended by 150 participants, it took place in September 2016 at the WHU - Otto Beisheim School of Management in Dusseldorf, one of the leading private universities in Germany, under

the auspices of Professors Stefan Spinler and Carl Marcus Wallenburg. Frank Sportolari, President of UPS Germany, gave the after-dinner speech at the gala dinner held on the eve of the event.

Prof. Markus Rudolf, Dean of WHU, opened the agenda with a talk entitled "The Euro and Europe - quo vadis?", before high-calibre speakers from international companies enlarged on selected topical issues from the logistics world before an audience of logistics managers from the areas of industry, trade and services. The talks underscored the need for fresh ideas in supply chain management and that the issue of time is becoming an increasingly crucial competitive factor. It became very clear once again that professional supply chain management needs excellently qualified employees and that life-long learning and qualification are imperative in order to satisfy the increasingly rigorous requirements.

The Kühne Foundation China Day was held in Shanghai for the third time. The topic "Future of Logistics - Smart-Efficient-Sustainable" attracted more than 180 attendees. The event was organised by Prof. Sidong Zhang, who has held the chair endowed by the Kühne Foundation at Tongji University for eight years. Professors from other chairs of logistics, Prof. Jiazhen Huo from Tongji University (SEM) and Prof. Frank Straube from



Klaus-Michael Kühne
at the 15th Logistics Day



Christine and Klaus-Michael Kühne
with Prof. Markus Rudolf, Dean of WHU

TU Berlin, Prof. Hans-Christian Pfohl from TU Darmstadt and Prof. Thomas Wimmer from the University of Bremen and President of BVL (German Association of Logistics) joined with speakers from the World Bank and other organisations to outline future developments and what they will mean for China, especially with regard to environmentally compatible transportation and logistics concepts.

OTHER SUPPORT IN THE AREA OF LOGISTICS

ELA Doctorate Workshop

The Kühne Foundation has supported the annual European Logistics Association (ELA) Doctorate Workshop for years. This time, 20 doctoral candidates from 14 countries met with five professors from the Vienna University of Economics and Business to present the findings of their research projects, to discuss their insight with other participants and to put their proposals to the test in workshops. The event is used to foster international networking between scientists as well as the generation of new ideas in logistics.

Best dissertation in logistics

For several years now, Kühne Foundation has rewarded the most practical and innovative dissertations at the BVL (German Logistics Association) German Logistics Congress in

Berlin. The principal criterion is: Excellence in research. The finalists present their work and answer questions put by the jury and members of the audience.

Southeast Asia

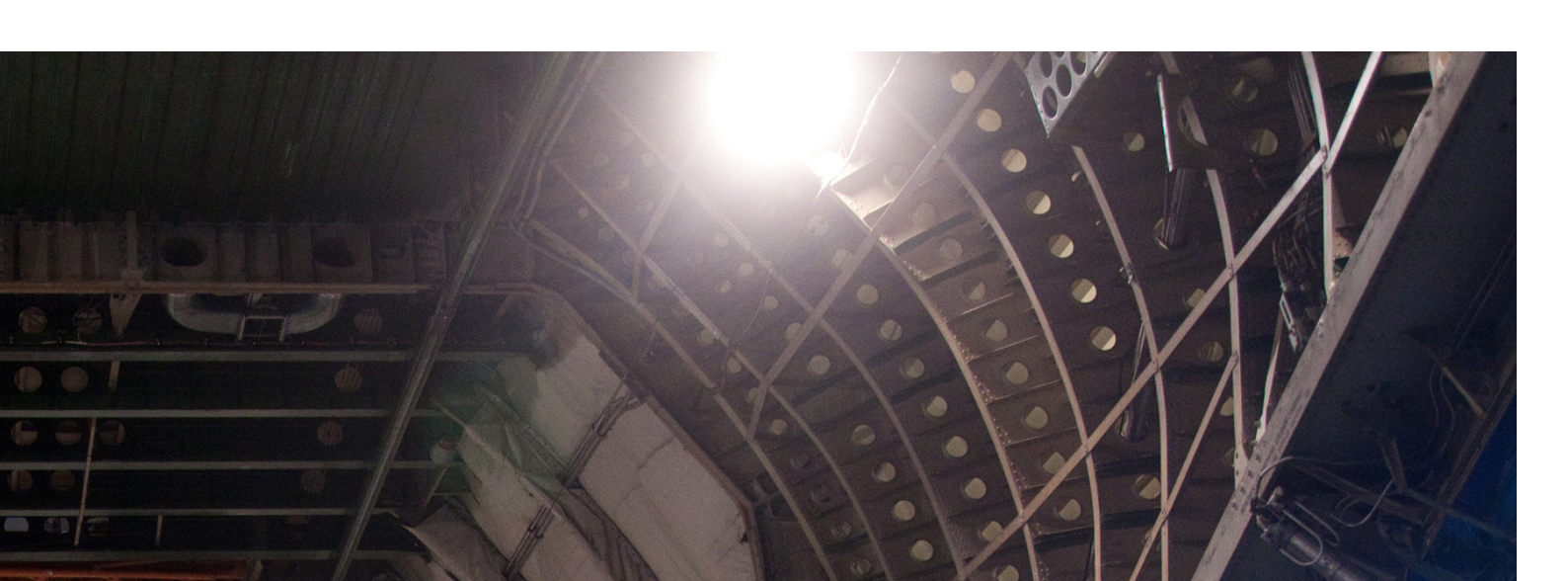
The second set of training seminars was held in Southeast Asia in September and October 2016. The Kühne Foundation also went to Singapore, where it cooperated with the National University of Singapore (NUS) on two seminars in operative logistics aimed primarily at young professionals. The first seminar on "Cost Optimisation in the Supply Chain" was conducted in Jakarta, training 37 participants in cooperation with the German-Indonesian Chamber of Commerce (EKONID).

In Central Asia as well, several educational seminars were held in Bishkek, Kyrgyzstan, over 2016. In total, over 100 participants attended the seminars by Kühne Foundation.

East Africa

There were plans for the first bachelor programme in logistics and supply chain management in Ethiopia, East Africa, and the course started with over 30 students in September 2016. This educational project at the Mekelle University was organised in cooperation with the Bill & Melinda Gates Foundation, which shares Kühne Foundations goal for long-term expansion of educational competencies and capacities in East Africa.





HUMANITARIAN LOGISTICS



HUMANITARIAN LOGISTICS SUPPORT PROJECTS

HELP – HUMANITARIAN LOGISTICS

HUMANITARIAN SITUATION

In 2016, about 194 major natural disasters affected millions of people worldwide. Armed conflicts claimed tens of thousands of lives. The year saw a record 65.3 million people forcibly displaced.

Today, the scale of human suffering is greater than at any time since the Second World War. In 2016, a total of more than 130 million people around the world were in need of humanitarian assistance in order to survive.

In this context it has never been more important for relief operations to be cost efficient and effective. The Humanitarian Supply Chain is the backbone of relief operations and it is critical to reaching beneficiary populations.

ORGANISATION

Having established an Asia office in Singapore in 2015, two additional regional offices to support Middle East and East Africa were opened in Amman, Jordan and Nairobi, Kenya respectively in 2016. These offices, and the new international and national staff, are essential for signalling to business and project partners that HELP has a long-term commitment to humanitarian logistics in these regions. This presence has come with a significant rise in projects that were implemented in 2016.

HELP supported humanitarian partners including UN agencies, Red Cross/Red Crescent societies, international and local Non-Governmental Organisations (NGO's) and local Governments. It collaborated on training and applied research programmes with academic institutes, such as the Kühne Logistics University, WHU – Otto Beisheim School of Management, ETH Zurich, German-Jordanian University, National University of Singapore, University of the Philippines, Thammasat University and Stellenbosch University.



Global HELP Team



HELP LOGISTICS AG (HELP)

HELP Logistics AG was registered in 2014 as a non-profit organisation in Schindellegi, Switzerland.

By enhancing the capacity of humanitarian actors HELP intends to make emergency responses more efficient (to save costs) and effective (to save time). From its offices in Switzerland, Jordan, Kenya and Singapore, HELP initiates, manages and actively contributes to projects in the following three focus areas:

- Analyse and optimise supply chain processes to enhance procurement, transportation, storage and distribution of relief commodities
- Deliver high quality learning programmes to practitioners in the humanitarian sector
- Foster collaboration among organisations and institutions across academic, commercial and humanitarian sector

HELP Logistics builds close, long-term partnerships based on clearly defined logistical problems. This allows HELP and its partners to achieve sustainable impact and affect positive changes in humanitarian operations.

PRODUCTS AND SERVICES

New Products to Optimise Supply Chain Processes

In the context of Supply Chain Optimisation, HELP Logistics applies proven commercial and academic tools to evaluate the performance of humanitarian supply chains, identify critical bottlenecks and develop organisation specific solutions. HELP also designs and develops custom tools demanded by humanitarian organisations. In 2016, HELP completed and implemented the “Advanced Spend Analysis” and “Medical Logistics Assessment” toolkits.

The “Advanced Spend Analysis” supports humanitarian organisations to get a detailed oversight of their expenditure, establish a strategic sourcing approach and enhance their procurement capabilities. The tool provides a detailed breakdown of the organisation’s spending, visualises the relevant procurement processes and captures and compares market prices. As a result the tool highlights potential cost savings and helps the organisation to get real value for money.

Medical supply chains are complex systems due to existing regulations and the number of different agencies, ministries and suppliers involved. Substandard infrastructures and inadequate organisational structures often hinder overall efficiency in responding to beneficiaries. In this environment medical relief items tend to be delivered late, damaged and at tremendous costs. With the newly developed “Medical Logistics Assessment” tool, HELP Logistics provides its partners with a clear diagnosis of their medical supply chain capacity and performance, helping them to deliver better services to the end recipient of medical items.



Expansion and Strengthening of the HELP Education Portfolio

As part of its extensive supply chain analysis, HELP often identifies gaps in knowledge among the key challenges for humanitarian organisations. To address those gaps and to fulfil the general demand for trainings in the humanitarian sector HELP developed a number of new trainings during 2016. An extensive 5-day Medical Logistics Training programme was designed to teach humanitarian aid workers the specifics of logistics in public health systems.

Fraud and corruption is a major issue in those parts of the world where humanitarian organisations become active. Very often it has an enormous impact on all aspects of the supply chain such as procurement, transportation and distribution of relief items. HELP has developed an innovative training session that discusses fraud in humanitarian supply chains and presents recommendations how to avoid or handle these issues professionally.

EUROPE

Focus on Global Projects and Initiatives

The demand for cross-regional projects which address global and complex humanitarian supply chain challenges has grown significantly during the last year. HELP is managing and coordinating those projects from its international headquarters in Schindellegi, Switzerland.

In collaboration with the KLU, an extensive consulting project was undertaken with Action Contre la Faim (ACF) to measure and analyse logistics costs during their major emergency relief responses in the last 15 years. The project found that 60–80% of ACF's total cost for emergency relief went into supply chain relevant functions. This result not only strengthens the standing of ACF's logistics department internally but also shows the potential for enormous cost savings throughout the humanitarian sector. The project gained a lot of attention among the humanitarian community and various NGOs, such as International Federation of Red Cross, Plan International, Handicap and Tearfund have requested HELP and KLU to run similar logistic cost analysis.

Towards the end of 2016, HELP and its strategic project partner Swiss Tropical and Public Health Institute (Swiss TPH) were selected by The Global Fund (TGF) to potentially assess the supply chain and logistics capacity of 20 countries in the next 2 years in Africa and Asia. HELP Logistics is providing personnel

and logistics expertise and will lead the field assessment teams.

From September to December, HELP designed and delivered a global training programme to over 100 CARE International staff at four locations; namely Ivory Coast, Thailand, Kenya and Jordan. CARE now has a high quality training package and is also equipped with a pool of well-trained logisticians in highly disaster-prone regions.

During the global meeting of the Global Logistics Cluster in Brussels (9–11 November 2016), hosted by the European Commission, the KLU and HELP Logistics were invited to present the latest project findings to 50 senior representatives from the humanitarian sector including the largest UN agencies, NGOs and Governments from the EU and the US. This was a successful collaboration with KLU on a global stage. It generated interest in operational research programmes for KLU and practical supply chain solutions offered by HELP Logistics. A number of follow up projects resulted from the meeting.





Creating Disaster Management SOP for Lebanese Red Cross in Beirut

MIDDLE EAST

The Middle East region continues to pose overwhelming challenges, with multiple and complex emergency situations on an unprecedented scale. The humanitarian situation in Syria remains volatile. After more than five years of conflict, there are over four million Syrian refugees in the region. Elsewhere, violence and instability in countries such as Iraq and Yemen is triggering new waves of displacement.

Long-term Partnerships deliver sustainable Impact

2016 witnessed the finalisation of a 2 year project with the Egyptian Red Cross. The project successfully increased capacity of the logistics function and supply chain staff. Training sessions were delivered in Cairo and in Luxor, attended by staff from major Red Cross Branches throughout the country. The training focused on procurement, transportation and warehousing competencies.

As part of the contingency planning project in collaboration with Swiss Red Cross, HELP provided consultancy services to develop, optimise, and document a Disaster Management

Intervention Standard Operating Procedure (SOP) for the Lebanese Red Cross (LRC). The new SOPs have been defined based on the findings of numerous analyses and studies carried out by the HELP team. Future relief operations, in particular the distribution of lifesaving commodities, are expected to be accomplished much faster.

Local Knowledge and Language increasing the demand for HELP Trainings

Due to the new office in Amman which is managed by Jordanian supply chain experts, training courses can now be offered in Arabic to many more regional and national organisations.

HELP has a long-standing relationship with the German-Jordanian University (GJU). In addition, in 2016 HELP established a partnership with the American University of Beirut (AUB) in Lebanon. HELP, AUB and the GJU are working together to create a platform to reach out to new local partners (NGOs and Governments) to create a series of much needed operational training courses to meet the huge humanitarian challenges in the region.



Humanitarian Supply Chain simulation training in Jordan

Also in 2016 HELP provided, in collaboration with the German-Jordanian University (GJU), the Humanitarian Logistics Diploma Program (HLDP). The aim is to enrich the field of humanitarian logistics in Jordan by creating a unique, needs-based certificate programme for professionals and students. The intensive 3-day Humanitarian Supply Chain Simulator (HSCS) is a key module of the programme. Participants included staff from WFP, Save the Children, Swiss Development Fund, UNRWA and local NGOs.

EAST AFRICA

Humanitarian crises in the Central African Republic, South Sudan and Burundi have been associated with displacement of thousands of people causing major health and malnutrition consequences. Floods and drought related to El Nino affected millions of people in Eastern and Southern Africa, including Kenya, Somalia, Ethiopia, Zimbabwe, Malawi, Lesotho, South Africa and Zambia. In Somalia the number of food insecure has reached a total of 5 million – approximately 40 % of the country's population.

Rapid Rise in Supply Chain Optimisation Projects

Through the Programme for Human Security and Stabilisation (PHSS) the International Organisation for Migration (IOM) is supporting the Government of Kenya in its efforts to reintegrate Kenyan citizens returning from armed groups into normal civilian life. The project anticipates major procurement activities such as re-integration kits that will be distributed to the returnees and their respective host communities. Procured items are expected to reach an estimated value of up to USD 2,000,000. In order to ensure efficient and effective handling and storage of these items, an assessment of the IOM Mombasa Warehouse operations was conducted by HELP to identify areas that can be improved upon. HELP made a number of recommendations to improve the warehouse layout to optimise space and speed up the off-loading and dispatch process. It was furthermore recommended to implement a proper inventory management that provides full visibility on items stored and avoids losses and theft of goods.

In 2016 HELP began a strategic partnership with UNICEF Somalia to support the Somali Ministry of Health. Due to extremely poor infrastructure in Somalia, most of the health centres and clinics in the country are severely lacking in equipment and medical supplies. In this context HELP Logistics was asked by UNICEF to examine the effectiveness of the public health supply chain from the perspective of the end-user (i.e. patient). The findings will be handed over to the Somalia Ministry of Health and will contribute to an extensive programme that comes with international investments to improve the infrastructure in the country and enhance the health care situation for thousands of Somalis.

Customised and Innovative HELP Training Programmes

With many humanitarian crises across the continent, humanitarian organisations were forced to enhance their workforce without compromising on the daily operations. HELP as a recognised expert in logistics and supply chain management becomes more and more a popular address for those organisations looking for specific short 1 to 4 day training courses of highest quality.

HELP provided numerous trainings and workshops to new partner organisations in the region (e.g. FAO Somalia, Doctors Without Borders Kenya, UNICEF Somalia, Diakonie Katastrophenhilfe Regional Office, CARE International Regional Office). With the newly gained knowledge, the training participants

were able to go back to their daily job and immediately help their organisation to tackle the existing logistics challenges.

HELP as Valued Partner in the Humanitarian Sector

The 5th African logistics conference (ALC) was organised by the regional HELP team from 27 – 28 October 2016. For the first time, the ALC took place in Nairobi (Kenya) and was attended by more than 150 representatives from different sectors. Major global trends and their impact on the Eastern Africa region were discussed. This included the strengthening of local supply chains and actors, improved coordination among organisations and sectors, and the implementation of cash and voucher based programmes instead of traditional international delivery of relief items.



Supply Chain Simulation to improve delivery performance and ordering levels with FAO in Nairobi



5th African Logistics Conference (ALC) on 27th and 28th October 2016 in Nairobi

ASIA

Asia Pacific remains one of the regions with the highest vulnerability to natural disasters of all kinds. In Vietnam, the worst drought the country has seen in 90 years has been attributed to the El Niño weather event. Myanmar and Indonesia regularly experience cyclones, storm surges, floods, landslides, earthquakes, drought and forest fires. There is also a growing refugee situation with many thousands of people affected by ethical and religious conflicts, such as those in the Rakhine State of Myanmar.

Supply Chain Optimisation offers potential for enormous Cost Savings

World Vision International and Save the Children are among the largest NGOs globally. Both organisations have been key partners of HELP in Asia for a number of years.

In 2016, World Vision Cambodia asked HELP for support on a market analysis of available relief goods and on the optimisation of the internal purchasing processes. HELP deployed for three weeks in the country

to collect and analyse the relevant data. For the first time HELP applied the newly developed "Advanced Spend Analysis" tool. With the help of the tool, complex and big data sets were visualised and presented to the Senior Management Team in a comprehensive way. The analysis revealed cost saving potential through the detailed comparison of market prices, the strengthening of selected procurement hubs in the country and contract re-negotiations with suppliers. World Vision's regional management recognised the significant achievement of the project and requested HELP to extend the project to operations in Myanmar and Vietnam.

A "Medical Supply Chain" project with Save the Children in Myanmar was successfully completed from May to July. Inadequate handling of sensitive medical supplies (e.g. temperature control required) and poor infrastructure create enormous risks of damage to cargo. A field team, including HELP and a pharmaceutical expert from Save the Children, analysed the distribution networks in Myanmar with the help of the Medical Logistics Assessment toolkit.



Catastrophe Logistics Training with World Vision in Cebu/Philippines

The final report presented detailed recommendations on how the sensitive medical supplies should be handled during the transportation, storing and distribution processes.

The World Health Organisation (WHO) is managing the global logistics and procurement activities from their office in Kuala Lumpur, Malaysia. HELP Logistics has been working with WHO since mid-2015 to examine and streamline their supply chain functions. In 2016, HELP and the WHO project team have been focussing on the analysis and re-design of a number of critical business processes. For WHO, the findings resulted, among others, in significant lead time savings when procuring supplies for their life-saving missions around the globe. In May, HELP was invited to present the project findings to an audience of high level WHO staff at their headquarters in Geneva.

Early in 2016, HELP was requested by the World Food Programme and the Royal

Government of Bhutan to carry out an optimisation analysis of the current school feeding supply chain in the country (from procurement in India and Bhutan through transport to storage and distribution of food at schools). HELP supervised the project in the country for four weeks examining the supply chain from the border crossings to India and up to very remote schools in the Himalayas. The cost effective and uninterrupted delivery of food to the schools encourages more Bhutanese parents to send their children to school and helps the country to significantly increase the education level of the population.

HELP was able to count on the support of Prof. Spinler and his team from the WHU - Otto Beisheim School of Management. WHU has already intensively conducted research in the field of school feeding programmes in recent years and was able to provide excellent data evaluation and optimisation.

Strengthening National Emergency Response

In parallel to supply chain consultancy projects, HELP is continuously running trainings and workshops for humanitarian partners in the region. In 2016 trainings were held in Singapore, Malaysia, Indonesia, Philippines, Vietnam, Laos, Cambodia, India, Thailand, Myanmar and Australia. It is interesting to note that more and more of those trainings are attended by local NGOs and governments. This reflects very much the general trend in Asia where local actors with strong capacities are taking a strong lead in disaster response operations. HELP is ahead of this trend and has already established partnerships with local NGO's and governments, such as, Mercy Malaysia and Nahdlatul Ulama (NU) in Indonesia. HELP saw the benefits of this approach on 7th December when a 6.4 earthquake hit Northern Sumatra. Personnel from NU that were trained by HELP were sent to the disaster zone to manage the distribution of urgently needed relief items by applying their newly acquired knowledge.

In January, HELP trained 40 employees of the WHO Kuala Lumpur office. The training combined theoretical content, in the form of a supply chain simulation developed in collaboration with ETH Zurich, with practical elements (e.g. forklift trucks, mobile office building and the use of electro generators).

In April, HELP presented at the "Regional Partner Workshop" of the United Nations Humanitarian Response Depot (UNHRD) in Kuala Lumpur. High-ranking members of the United Nations, as well as government representatives from Japan, Australia, Malaysia and the United Emirates took part in the event. In Singapore, HELP was also invited to hold a speech at the Humanitarian Airlift and Disaster Response conference in May and at a regional Red Cross conference in October.



Training World Vision staff in building temporary mobile warehouses in Cebu, Philippines





MEDICINE

MEDICINE SUPPORT PROJECTS

AROUND 20 % OF INFANTS IN INDUSTRIALISED COUNTRIES SUFFER FROM NEURODERMATITIS

ALLERGIES – AN EPIDEMIC

Approximately a billion people worldwide are affected by allergic diseases. Allergies are among the most common non-communicable chronic diseases. They impair the state of health and quality of life of sufferers – in some cases seriously – and constitute a major socio-economic burden in many highly developed countries. Despite decades of research effort, there are still gaps in what is known about the complex clinical conditions and therefore, due to incomplete scientific knowledge, the preventive and therapeutic options available are still limited.

ALLERGIES FOLLOW A TYPICAL COURSE THROUGH VARIOUS PHASES OF LIFE

In most cases, allergic diseases start as early as infancy and childhood and follow a characteristic pattern: in newborn babies

and infants with allergies, what is known as neurodermatitis (or atopic dermatitis) is predominant in most cases. Neurodermatitis takes the form of severe skin reactions, often associated with consumption of certain types of food. Up to the age of five years, 20% of all small children are affected by this. Over the course of months and years, many cases recover spontaneously or the itching eczema disappears completely. However, around half of the children affected go on to develop allergic asthma, not uncommonly with symptoms being experienced as early as two years of age. In many cases, pollen allergies are added once they reach school age. The sequence of these allergic diseases is also described as the “allergic march”. This defines the situation where children with an allergic disposition “grow-out-of” one allergic disease as they get older, but then may start to suffer from a subsequent form of allergy.



CK-CARE offices in the Hochgebirgsklinik Davos

EARLY DETECTION AND PREVENTION SHOULD PREVENT PEOPLE EMBARKING ON AN ALLERGIC MARCH

The tendency to suffer from allergies as early as infancy and early childhood is directly related to the genetic predisposition and the incidence of these diseases among parents and siblings. If one parent is affected by an allergy, the risk of a child developing an allergy is around 30%. If both mother and father have allergic diseases, the risk increases to 50-70%. Enquiring about the family history of allergies is currently the only way to identify at-risk children at an early stage and to initiate preventive measures in a targeted way. Unfortunately, in many children the disposition to allergy is not recognised until the allergic march has already started with the onset of their first episodes of eczema; early detection is made difficult by the fact that two-thirds of all children have no family predisposition, but 15% of them nevertheless suffer from allergies during early childhood.



CHRISTINE KÜHNE - CENTER FOR ALLERGY RESEARCH AND EDUCATION

In July 2009, the Kühne Foundation has launched the Christine Kühne - Center for Allergy Research and Education (CK-CARE), with locations in Davos, Munich and Zurich. The main pillars of this initiative are highly qualified and well-connected research work in the field of allergies and education of medical professionals based on recent findings.

With the establishment of CK-CARE, one of Europe's largest private initiatives in the field of allergology was launched. After a successful external evaluation by international experts of the services provided and an internationally validated development of the project, the initiative was expanded to the locations of Bonn, Augsburg and St. Gallen.



CK-CARE training participants discuss allergy therapies

CK-CARE - CHRISTINE KÜHNE - CENTER FOR ALLERGY RESEARCH AND EDUCATION

After five years of successful activity and following a review and validation by external experts, CK-CARE restructured its work in 2014 within the framework of an innovative concept. As well as continuing its successful activities in the area of education, CK-CARE further intensified its existing research collaboration at a number of separate locations (Davos, Zurich, St. Gallen, Bonn and Augsburg). Research groups spread over different locations work in a coordinated way on selected core issues. This makes it possible to combine expertise in close collaboration, to use technological facilities efficiently and to create excellent synergy overall.

CK-CARE RESEARCHES THE NATURAL COURSE OF ALLERGIES

During the current period of patronage, the CK-CARE Consortium is concentrating research work particularly on the natural course of the disease as described above. The underlying hypothesis is that a long-term strategy for combating allergic diseases can be developed if the natural course, hence the "allergic march", is better understood.

To be precise, the aim is to identify the biological factors that control the allergic march. The identification and routine determination

of these factors would make it possible to predict the direction of the disease course before an allergic clinical condition appears. This means that the outbreak of disease could be averted by suitable preventive measures.

The key questions of this innovative research approach are being addressed within the framework of five different work packages, involving all five research groups in a matrix organisation. In line with the objectives of CK-CARE, highest priority is given to the clinical relevance of the research results i.e. direct practical application of research results allows the patient-oriented development of new methods of prevention and treatment.

In order to identify the biological factors, a large number of patients with different allergic clinical conditions as well as their blood and tissues have to be studied and tested over a lengthy period of time. For this purpose, CK-CARE has set up a biobank over recent months, which will store biological material (blood samples, smears and tissue) from potentially thousands of patients with neurodermatitis and allergies that will be available for specific research questions of CK-CARE in future. To accompany the biobank, a central database was set up which stores the corresponding, relevant

data and information. These materials and collections of information will be invaluable to future work. In particular, they will allow the above-mentioned natural course of allergies and neurodermatitis to be recorded, the biological factors linked to the diseases to be identified retrospectively from blood and tissue samples, and conclusions to be drawn for the prevention and treatment of these clinical conditions.



top: Prof. Dr. Peter Schmid-Grendelmeier
in a conversation with doctors
in the context of a CK-CARE training

middle: A patient is being tested
for an apple allergy

bottom: After a controlled contact with
potential allergy triggers the size of the wheal
at the puncture is being examined

RESULTS OF CK-CARE RESEARCH AND EDUCATION IN 2016

For 2016 CK-CARE can again point to significant results in both research and education, which will also have a direct effect on allergy sufferers. A few selected aspects of the work done are described below – without the list in any way being exhaustive.

- CK-CARE gained new insights into the barrier function of lung tissue and skin. Innovative therapies that strengthen the barrier function are currently being developed for neurodermatitis and asthma.
- After successful preliminary studies, an innovative method is presently being developed, which can determine the barrier function of the epithelium of the skin in vivo. This technology will make efficient diagnostics possible so that defects in the barrier function of skin and mucosa can be detected at an early stage.
- CK-CARE has more precisely researched and characterised various forms of neurodermatitis (stratification). We are now able to diagnose neurodermatitis better, treat it more specifically and distinguish it from other diseases.
- New substances which influence the allergic inflammatory reaction have been identified in pollen. This means treatment (a course of injections) can be optimised (more effective, lower costs) for pollen allergy sufferers.
- A newly developed combination of traditional and automatic measurement of pollen levels makes it possible to provide even more up-to-date predictions of pollen seasons. Based on this information, allergy sufferers are able to control their medication more precisely and ultimately reduce how much medication they take. In addition, the recorded sets of data can be correlated with levels of environmental pollutants measured in high-resolution. This has clearly proved that environmental factors due to climate change are increasing the allergenicity of pollen.
- Substances that protect against allergies have been identified in foods. Hence dietary recommendations that minimise the risk of allergy have been drawn up for babies and infants. The identified substances are now to be tested for therapeutic purposes.



Dr. Matthias Möhrenschrager from HGK examines the skin of a young patient



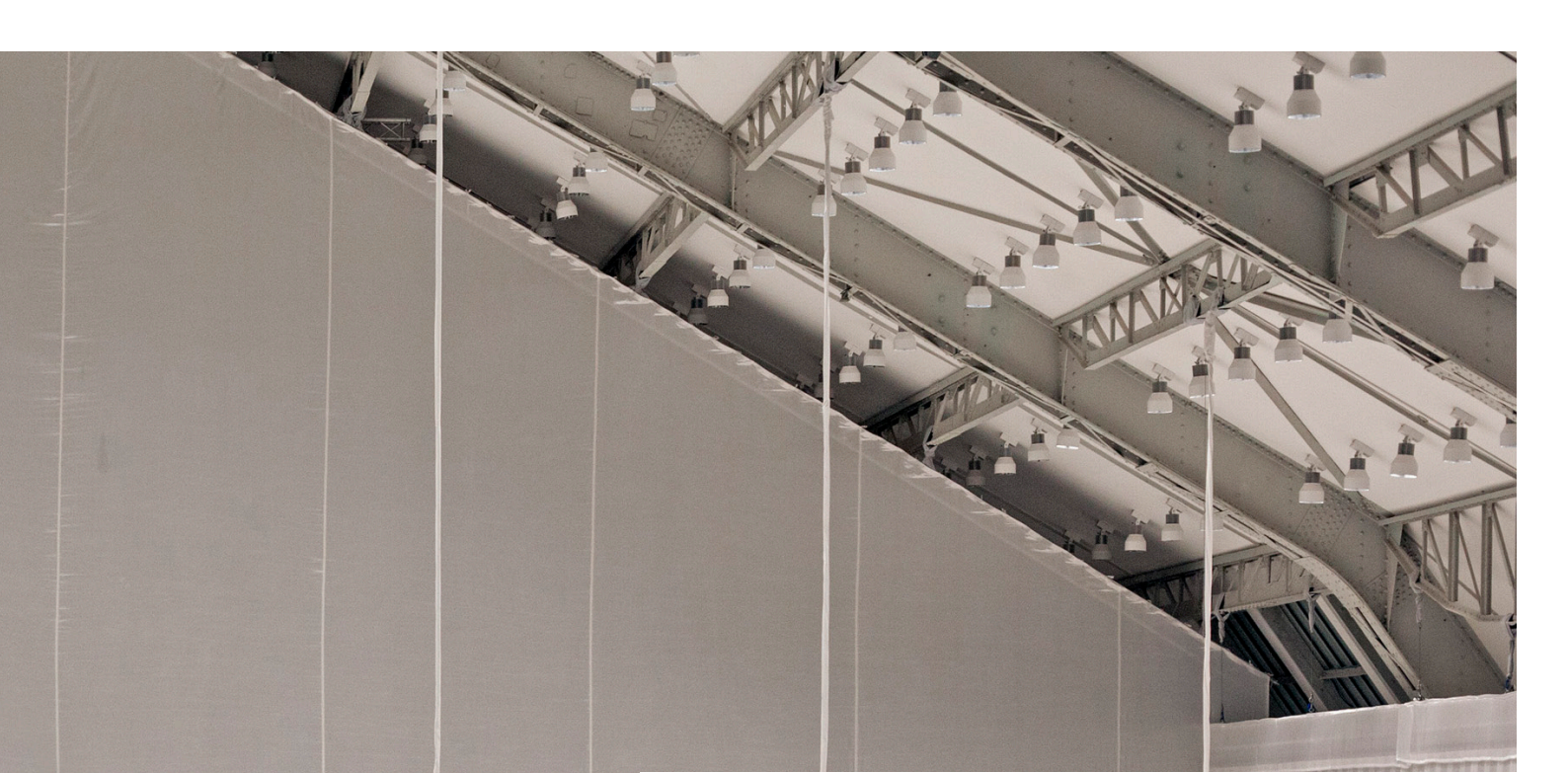
CK-CARE team meeting 2016

- A clinical study yielded significant new findings about the mechanisms of the therapeutic effect of sunlight in atopic dermatitis.
- As a result of successful efforts to create an elective course in the area of "Allergology - from lab to sickbed", student training in the allergy field has lately been reinforced as well as quantitatively and qualitatively improved.
- Die CK-CARE-Allergy Education Week was again held at the Davos Congress Centre from 19 - 25 September. The trainer courses, attended by more than 70 participants, launched the event. The new train-the-trainer module "Neurodermatitis adult trainer" was made available for the first time.

FURTHER EXPANSION OF THE CAMPUS FOR ALLERGY RESEARCH, EDUCATION AND TREATMENT

In the reporting year the campus for allergy research, education and treatment was further expanded. As a result of the close cooperation between the three partners CK-CARE (education), Hochgebirgsklinik (treatment) and SIAF, unique conditions are being created for collective, patient-oriented research and education. In this translational collaboration - and through physical and organisational proximity - the results of research directly benefit the patients in the clinical setting. The CK-CARE Study Center at the Hochgebirgsklinik Davos has established an interface that guarantees close integration of research and treatment.





CULTURE



CULTURE SUPPORT PROJECTS

SUPPORT FOR MUSIC AND FESTIVALS

2. HAMBURG INTERNATIONAL MUSIC FESTIVAL

Hamburg's second International Music Festival took place from the 21st April – 22nd May 2016. The extensive programme by the NDR Elbphilharmonie Orchestra under Thomas Hengelbrock included 38 performances attended by around 35,000 concertgoers. The premiere in 2014 was followed by the Music Festival, this time under the motto "Freedom" as a major cultural event organised by a raft of stakeholders in the city, and then finally the opening of the Elbphilharmonie in January 2017 – a very particular kind of artistic marathon. The Music Festival was again made possible thanks to very significant support from the Klaus-Michael Kühne Foundation.

All of Hamburg's maestros from the *métier* of classical music pooled their proficiencies in a thematically focused but extraordinarily variegated programme. The spectacular opening was staged in the Deichtorhallen on the 21st of April. Produced specifically for the

Hall for Contemporary Art, freshly renovated just a year ago, the artistic director Romeo Castellucci produced "La Passione", his particular take of St Mathew's Passion by Johann Sebastian Bach, on behalf of the Hamburg State Opera. The final event of the Hamburg International Music Festival turned into a real celebration, performing Beethoven's Ninth in honour of Nikolaus Harnoncourt, who had originally been scheduled to conduct the concert. But he died on 5th March, and the whole world mourned the passing of a unique artist.

LUCERNE FESTIVAL

Entitled "PrimaDonna", the Lucerne Festival Summer from 12th August – 11th September 2016 explored the role of women in music, perfectly reflecting the artistic and socio-political zeitgeist with performances by 15 conductors: The Swiss press, the New York Times, The Times and the FAZ all ran reports. Many of the concerts were sold out,



2. Hamburg International Music Festival



Lucerne Festival Summer: Mahler Chamber Orchestra under its singing conductor Barbara Hannigan

among them the symphony performance by the Mahler Chamber Orchestra under its singing conductor Barbara Hannigan, which performed a varied programme from Haydn and Debussy to Alban Berg and Gershwin in a concert supported by the Kühne Foundation.

90 percent of all tickets were sold, attracting 85,400 visitors to the festivals in summer, at Easter, and to the series of piano recitals.

SALZBURG FESTIVAL

In 2008, the Salzburg Festival created Young Singers, a high-class platform to promote emerging artists. Thirteen emerging singers from 12 different nations – Germany, Hungary, Italy, Great Britain, Poland, Slovenia, Iceland, Kosovo, South Africa, Russia, China and the United States – were invited to perform in Salzburg. The young participants have many of the important qualities needed for a major career: an extraordinary voice, instinctive stage presence, solid technique and passion. The purpose of the Young Singers is to enable talented artists to develop these qualities in the impressive setting of the Salzburg Festival and to

provide them with an ideal preparation for their subsequent careers as singers.

The Young Singers staged “The Fairy Queen for Children”, inspired by themes by Purcell’s opera as part of the festival programme. What’s more, some of the participants performed next to Anna Netrebko and Plácido Domingo in the recitals of Manon Lescaut and Thaïs. The Young Singers again contributed to the three concerts in the Young Conductors Award, successfully continuing the collaboration between these two outstanding projects for emerging talent. The exquisite closing concert given on 25th August by the Mozarteum Orchestra Salzburg under the musical director Adrian Kelly in the International Mozarteum Foundation was a resounding success.

The Young Singers were reunited in a performance in Majorca as well. Six of the 13 participants came to perform works from the canon of opera and operetta in front of the magnificent backdrop of the “Castell Son Claret” hotel, giving the audience a truly unforgettable summer evening.



Young Singers in Majorca at "Castell Son Claret"

MUSIC SUMMER ON LAKE ZURICH

Founded by the conductor Giovanni Bria, the festival on the banks of Lake Zurich already draws a rapturous crowd. The inventive concert programmes are chosen to suit the venue of each performance. High-calibre concerts from a variety of genres are staged at idyllic locations like the island of Ufenau, in richly historical buildings or in beautiful churches. The Kühne Foundation joined with the Mecklenburg-Vorpommern Festival in 2016 to support a festival concert held in the Catholic church of Feusisberg in the Canton of Schwyz on 29th August. The recitals were given by singers from the opera studio at the Bavarian State Opera. The fabulous opera gala included arias by Wolfgang Amadeus Mozart, Gioacchino Rossini, Giuseppe Verdi, Charles Gounod, Pyotr Ilyich Tchaikovsky, Gaetano Donizetti and Giacomo Puccini.



Christa Ludwig at the rehearsal phase with Young Singers of Salzburg Festival

MECKLENBURG-VORPOMMERN FESTIVAL

The Kühne Foundations have supported the Mecklenburg-Vorpommern Festival since 2006. What's more, the festival itself has cooperated since 2013 with another project funded by the Kühne Foundation, the Music Summer on Lake Zurich, by staging joint concerts with the festival artists.

The Klaus-Michael Kühne Foundation enabled the Mecklenburg-Vorpommern Festival to stage the first "Sängerfest der Jungen Elite", a singing festival with the six emerging opera stars from six nations. The participants in the three-day singing festival – which featured a song recital and opera performances in Wismar and Ulrichshusen Palace with the orchestra of the Komische Oper Berlin – competed for the "Christine Kühne Award". Here, Olena Tokar proved herself a most versatile singer with her interpretations of "Mondarie" from Dvorák's opera "Rusalka" and of arias by Mozart and Puccini. She rose above the competition with her flawless intonation, mature interpretation of the material and charismatic stage presence, singing her way into the hearts of the audience with her lyrical and warm timbre.

Besides Olena Tokar, the festival featured the Romanian soprano Alexandra Tarniceru, the Croatian mezzosoprano Diana Haller, the Canadian tenor Andrew Haji, the German baritone Simon Schnorr and the Russian bass Stanislav Sergeev. The young artists were selected in cooperation with partners, including the opera studios in Hamburg and Zurich.

OPERA FUNDING

HAMBURG STATE OPERA

The South America tour undertaken by the Hamburg Philharmonic State Orchestra with the support of the Klaus-Michael Kühne Foundation under its incumbent music director Kent Nagano, who has held the position since the 2015/2016 season, was a resounding

success. The South American audience and the local media were thrilled by the performances.

The orchestra staged hugely successful concerts in Argentina, Brazil, Chile, Columbia and Uruguay from 21st September - 8th October 2016.

The tour began at Hamburg Airport, where the 108 members of the party and their 64 instrument cases took off from the city for Munich, travelling on from there to Montevideo (Uruguay). The orchestra performed in Montevideo with the cellist Gautier Capuçon and the viola soloist Naomi Seiler in the beautiful and historical Teatro Solis. The next stop on the tour was 1,600 km away in Santiago de Chile. From there they travelled back along the Atlantic coast to Brazil's



The founders at the "Sängerfest der Jungen Elite" in Wismar



Hamburg State Opera, brass players in the Teatro Colón in Buenos Aires, Argentina



Christine and Klaus-Michael Kühne at the Easter Festival in Baden-Baden

unofficial capital, São Paulo. Besides two concerts in the Sala São Paulo, the programme in the city also included two masterclasses with musicians from a local music school. The orchestra tour continued from Brazil to Argentina for two concerts with performances of both programmes; for which the audience rewarded the orchestra, soloists and the conductor with frenetic applause. The Philharmonic State Orchestra returned to the legendary Teatro Colón for a guest performance after an absence of more than 30 years. The last time it performed at the famous concert hall in Buenos Aires was 1983.

The orchestra then travelled around 5,000 km to Bogotá in Columbia for the grand finale of the tour.

Arriving there, they met up with their colleagues from the Hamburg State Opera to stage a guest performance "Tristan and Isolde" in the Teatro Mayor Julio Mario Santo Domingo, reenacting the legendary production created for Hamburg by Ruth Berghaus.

FESTSPIELHAUS BADEN-BADEN

In 2016, the Klaus-Michael Kühne Foundation sponsored the new production of the opera "Tristan and Isolde", performed as part of the Easter Festival in Festspielhaus Baden-Baden. After many years of absence, the Berlin Philharmonic Orchestra returned to the opera house under its musical director Sir Simon Rattle. Celebrated by the audience and the media alike, the soloists included Eva-Maria Westbroek as Isolde and Stewart Skelton as Tristan. The performance was designed in the style of a film noir by the Polish director Mariusz Tréliniski.

The production celebrated a second triumph just a few months after its premiere in Baden-Baden, when it opened the 2016/2017 season at the New York Metropolitan Opera to a rapturous reception. This version of Tristan will also be performed in Beijing and Warsaw. It is therefore fair to say that the project as whole will have a "global impact".



Aspiring opera singers of the International Opera Studio (IOS) at the Zurich Opera House

ZURICH OPERA HOUSE

The International Opera Studio (IOS) has been running since 1961. It was founded under the patronage of the Friends of Zurich Opera House and has since grown into one of the major four educational institutions for aspiring opera singers. Every year, young singers from across the world get the chance to earn their first professional, artistic spurs under competent guidance.

The Kühne Foundation again supported the International Opera Studio during the 2015/2016 season and therefore made an important contribution to making the IOS at Zurich Opera House one of the world's most prestigious training centres for young singers.

MILAN SCALA

The Teatro alla Scala di Milano is one of the world's best-known and most prestigious opera houses. It was opened on 3rd August 1778 to replace the Teatro Regio Ducale which burned down in 1776.

Alexander Pereira replaced Stéphane Lissner as musical director on 1st October 2014. Soloists at the Accademia Teatro alla Scala came together on 9th July at the "Castell Son Claret" in Majorca to present excerpts from their 2016 programme in a performance entitled "A summer's night of dreams".

LITERATURE FUNDING

HARBOUR FRONT LITERATURE FESTIVAL

The port of Hamburg became the gathering point for national and international authors from all over the world for the 8th time from 14th – 24th October 2016. The audience witnessed 70 events from all conceivable genres – including as always the autumn's most important new releases. The festival placed a particular focus on literature from the Netherlands and Flanders in 2016. Bestseller author Cees Nooteboom opened the festival.

Dmitrij Kapitelman received this year's Klaus-Michael Kühne Award for his novel "Das Lächeln meines unsichtbaren Vaters" (My Invisible Father's Smile). Inspired by his own life story, the narrative arc moves from the Soviet Union to east Germany and on to

Israel. The jury's verdict: "He takes the classic father-son story into an area that addresses the issues of loyalty and the value of tolerance".

Dmitrij Kapitelman is on his way to becoming "an independent voice within contemporary German literature". The Klaus-Michael Kühne Award recognises the best first-time novel of 2016. Eight authors accepted the honour and presented their works to the Hamburg audience at readings in the "Debutant's Salon".

Kirsten Boie received the prize for the best children's and youth book author, accepting the "Hamburger Tüddelband" from the award's patron, Christine Kühne, in her home city.



Harbour Front Literature Festival: Kirsten Boie accepts the "Hamburger Tüddelband" from the award's patron, Christine Kühne



Harbour Front Literature Festival: Klaus-Michael Kühne Award for Dmitrij Kapitelman

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