

Shaping a sustainable future

Sustainability@SCHOTT



SCHOTT
glass made of ideas



Dear readers,

Our transformation toward sustainability is in full swing. Our customers, business partners, and other stakeholders are taking frequent and in-depth interest in various aspects of sustainability at SCHOTT.

In this white paper, we would like to provide you with a general overview of sustainability topics covering all three ESG criteria – i.e., Environmental, Social, and Governance. We would like to share how SCHOTT is contributing to sustainable development and explain what sustainability means to us.

As a non-listed company, we are not (yet) subject to environmental reporting requirements. Therefore, in the past, we have been measured more by our actions than by our words. With this white paper, we are providing insight into how sustainability has been a longstanding part of SCHOTT's corporate culture and taking a look at our activities through 2021. Against the backdrop of the changing regulatory framework and our own conviction, we intend to report regularly on our sustainability strategy and related activities in the future.

Here, we can proudly say that the principle of sustainability has been anchored in our DNA since our company was founded – long before the concept of sustainability gained

greater significance. Corresponding goals, principles, and guidelines were laid out as early as 1896 in our company constitution, the Carl Zeiss Foundation statute.

Initially, our sustainability agenda was dominated by aspects of responsible corporate governance, unique social rights for our employees, and social commitment outside the company. With the growing social environmental awareness, environmental protection increasingly became a focus. Today, climate protection is one of our most important sustainability goals. As an energy-intensive company in the specialty glass industry, this is obviously a major challenge, however we are committed to rising to the challenge. That is why we have set ourselves the strategic goal of making SCHOTT a climate-neutral company by 2030.

We are convinced that only companies that operate in a truly sustainable manner and reconcile economic, ecological, and social responsibility will be successful in the market in the future. In line with our company values of "Pioneering, Responsibly, Together," we want to make our contribution to shaping a sustainable future.

We hope you enjoy reading about these efforts.

Mainz (Germany), September 2022

Dr. Frank Heinrich
Chairman of the
Board of Management

Dr. Jens Schulte
Member of the
Board of Management

Dr. Heinz Kaiser
Member of the
Board of Management

Hermann Ditz
Member of the
Board of Management



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Highlights



Environmental

As part of the Zero Carbon program, SCHOTT has already reduced its CO₂ emissions* by over

60

percent from 2019 to 2021.

(*CO₂ equivalents market-based in Scope 1 and Scope 2)



Social

SCHOTT paid out around

100

million Euro in dividends over the last five years to promote the sciences.



Governance

As a foundation company, SCHOTT has had corporate governance addressing sustainability since

1896

SCHOTT at a glance

Pioneering – Responsibly – Together.

These attributes characterize SCHOTT as a manufacturer of high-tech materials for all aspects of specialty glass. Our company founder Otto Schott, regarded as its inventor, became the pioneer of an entire industry. Our pioneering spirit and passion, which have continually opened up new markets and applications, have been driving the #glasslovers at SCHOTT for more than 130 years.

With our expertise in the fields of specialty glass, glass-ceramics, and related materials, we are a reliable partner for high-tech industries such as healthcare, home appliances and living, consumer electronics, semiconductors and datacom, optics, industry and energy, automotive, and astronomy and aerospace.

The Carl Zeiss Foundation, one of the oldest foundations in Germany, is the sole owner of SCHOTT AG. It uses its dividends to promote the sciences. As a foundation company, we have responsibility for employees, society, and the environment anchored in our DNA.



Bestselling and trendsetting: The CERAN® glass-ceramic cooktop panel is SCHOTT's best-known product among end consumers. It has fundamentally changed cooking technology and continues to set the industry standard.



Vials, ampoules, syringes, and cartridges made of borosilicate glass from SCHOTT are considered the gold standard for packaging medications. Our high-purity glass prevents interactions between the medication and the containers, and it is extremely resistant to temperature and chemicals.



With a thicknesses of less than 0.1 millimeters, our ultra-thin glass is even thinner than a human hair, extremely flexible, and extremely stable. It thus plays a key role in foldable smartphones and even enables foldable displays.

Facts and figures for fiscal year 2020/21



Production sites and
sales offices in

33
countries



17,300
employees worldwide




2.52
billion Euro in global sales

Guiding principal sustainability – since 1896

As a foundation company, SCHOTT has had a company constitution addressing sustainability since 1896, the Carl Zeiss Foundation statute. The foundation was established in Jena in 1889 by Ernst Abbe, who was a partner in both ZEISS and SCHOTT. After the death of Carl Zeiss, he wanted to use the foundation to permanently secure the existence of the ZEISS and SCHOTT plants independently of personal ownership interests and to create a legal framework for responsible company management, in addition to giving employees special social rights and promoting scientific and social institutions outside of the companies. That is how Abbe, with the support of SCHOTT's founder Otto Schott, created a unique sustainable company model that was ahead of its time.





Environmental

Responsibility for the environment and climate

Environmental protection has been a SCHOTT corporate goal for decades. In 2020, we set ourselves a new strategic goal to help address climate change: Climate neutrality by 2030.

SCHOTT continues to set new standards for environmental protection in the glass industry by using of state-of-the-art technologies and continually improving its processes. As a result, we have been able to significantly lower specific energy consumption and substantially reduce emissions of air pollutants.

As part of our integrated EHS management system for environmental protection (Environment), health (Health), and occupational safety (Safety), we ensure high environmental protection standards at all of our sites worldwide.

Through the Zero Carbon program, we strive to increase our efforts to fulfill our responsibility for the environment and climate. Our clear goal is to transform SCHOTT into a climate neutral company by 2030.

Company goal environmental protection

Awareness for environmental protection has gradually grown at SCHOTT since the 1970s. Environmental protection was declared an official company goal in 1987. Since then, we have paid close attention to using raw materials responsibly and continually worked on process improvements to lower our energy and water consumption and reduce emissions and pollutants.

“Protecting our environment and natural resources are high-priority company goals to which we are clearly committed.”

Hermann Ditz, Member of the Board of Management

Through the use of state-of-the-art technology and continuous process improvements, we have set standards for the glass industry when it comes to environmental protection.



Specific energy consumption reduced by over

30%

thanks to oxy-fuel technology

Reduction of specific energy consumption

By converting our melting tank heating system from traditional air-fuel technology to oxy-fuel technology since the mid-1990s, we have succeeded in reducing specific energy consumption per ton of glass by more than 30%, thus significantly reducing our carbon emissions.

Using waste heat as heating energy

We also rely on systems that utilize waste heat from production to help us save energy. This concept has been pursued at our headquarters in Mainz since 1980. Today, we cover a large part of the energy demand for heating and water heating using waste heat from production. The thermal energy generated in this process is equivalent to the average demand of 700 single-family homes.

Reduction of dust and nitrogen oxide emissions

Besides CO₂ from fossil fuel combustion, the glass melting process also generates dust and nitrogen oxide emissions. In 1977, we launched an investment program at our Mainz headquarters to reduce dust emissions from glass melting. By installing large-scale filter systems, we were able to reduce specific dust emissions per



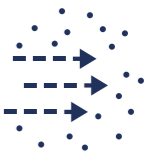
We have reduced the emission of air pollutants using dedusting and denitrification technologies.

ton of glass by over 99% over ten years. Since then, we have maintained this high level of dust removal.

SCHOTT also played a pioneering role in the glass industry when it came to reducing nitrogen oxides. In 1989, we installed the first catalytic flue gas denitrification system in Europe for a glass melting tank at our Mainz plant. This, combined with the introduction of industrial-scale oxy-fuel firing starting in the mid-1990s, helped us reduce specific nitrogen oxide emissions in Mainz by well over 80% to date.

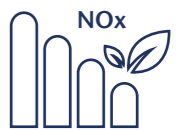
Reduction of water consumption

Water use is of great importance in glass production. It is used as a coolant throughout the production process, but also in grinding and cutting equipment, and in electroplating. With process optimization, closed water circulation systems, and water treatment systems, we have reduced our fresh water consumption and wastewater volumes to a large extent.



Specific dust emissions reduced by over

99%



Specific nitrogen oxide emissions reduced by over

80%

“When it comes to recycling used specialty glass, we are working on solutions to achieve an increasing level step by step in the spirit of the circular economy.”

Dr. Heinz Kaiser, Member of the Board of Management

Management system for environmental protection, health, and occupational safety

Management systems are used to design organizational structures, work processes, and regulations so that it is possible to act systematically and achieve planned results. This is also the case with our integrated EHS management system, which has been introduced step by step since 1995 and ensures that we maintain high standards of environmental protection (Environment) and in the areas of occupational health (Health) and safety (Safety) at all SCHOTT sites worldwide. Through this system, we aim to avoid dangerous environmental effects as well as hazards to our employees' health and safety.

EHS enables international certifications

The EHS management system consists of an EHS guideline, the related EHS standards, and the EHS organization. The EHS Policy outlines all relevant aspects of the management system, in particular the application, structures, and processes areas. The Group-wide EHS standards supplement national laws and regulations where it is important to regulate relevant topics uniformly and establish a minimum global standard. They are designed to enable certification to the international ISO standards 14001 (environmental protection) and 45001 (occupational health and safety). A standard for material compliance has also been added to the EHS system.

The global EHS organization is managed by our central EHS office. In each business unit, at each production site, and in each corporate function, EHS officers coordinate the various activities. All employees are required to comply with and implement the EHS policy and standards. At the same time, they help shape the standards by drawing on their specialized expertise.

As part of the EHS system, over 90% of our manufacturing units worldwide currently have external certification according to ISO 14001 and ISO 45001. The remaining production sites are also planning to become certified. All corporate functions have also been EHS certified since 2021.



The EHS management system ensures high standards of environmental protection, health, and occupational safety.

Data collection for EHS indicators

In order to be able to achieve these ISO certifications, we record seven indicators at all our production sites worldwide. These are based on the specific environmental impacts and potential health and safety hazards in the specialty glass industry.

We currently record the following EHS KPIs:

| | Sustainability dimension | Topics and recorded KPIs |
|---|--------------------------|--|
| 1 | Environmental | Energy: energy consumption (electricity, natural gas, heating oil, etc.). Specific energy consumption per ton of sales product |
| 2 | Environmental | Emissions: dust emissions in the melting tank waste gases |
| 3 | Environmental | Emissions: Nitrogen oxide (NOx) emissions in the melting tank waste gases |
| 4 | Environmental | Emissions: emissions of volatile organic compounds (VOC emissions) |
| 5 | Environmental | Ecological compliance: complaints by the authorities, reportable environmental incidents |
| 6 | Social | Occupational accidents: 1,000-man quota, Lost Time Accident Rate (LTAR), Lost Time Injury Frequency Rate (LTIFR) |
| 7 | General | ISO 14001 and 45001 certifications |

“The indicators we record form the basis for continuous, targeted, and measurable improvement in our EHS performance. We use them to identify potential for improvement and good practices in these fields and to initiate optimization measures. We can also use this system and the certifications to demonstrate to our customers the environmental and occupational safety standards under which we work.”

Dr. Tobias Kälber, EHS Group Officer and Head of the EHS Office

Climate neutral by 2030

Increased climate change is one of the greatest challenges of our time. If we do not succeed in limiting the global rise in temperature, the livelihoods of more and more people will be at risk. People are becoming increasingly aware that climate change poses a threat to their very existence – also at SCHOTT.

“Regarding the future of our planet, it is high time to act. Everyone must take responsibility: politicians, companies, and society as a whole. We are ready to play our part and want to make an active contribution to climate protection.”

Dr. Jens Schulte, Member of the Board of Management responsible for the Zero Carbon program



A look into a glass melting tank.

With this in mind, we made achieving climate neutrality by 2030 a key component of our Group strategy in 2020. We are the first specialty glass manufacturer in the world to set such an ambitious target.

For an energy-intensive company in the specialty glass industry, our goal represents a huge challenge. That is why we launched the Zero Carbon program to help us achieve this goal.

Glass production is energy intensive

Our specialty glass production requires a lot of energy. The largest share of that energy requirement comes from the melting process. Specialty glass products and glass-ceramics are melted in large tanks at temperatures of up to 1,700° C. Traditionally, the melting units have mainly been heated using the fossil fuel natural gas and, in some cases, with electricity as well. Hot forming specialty glass by drawing, rolling, or floating is also energy-intensive.

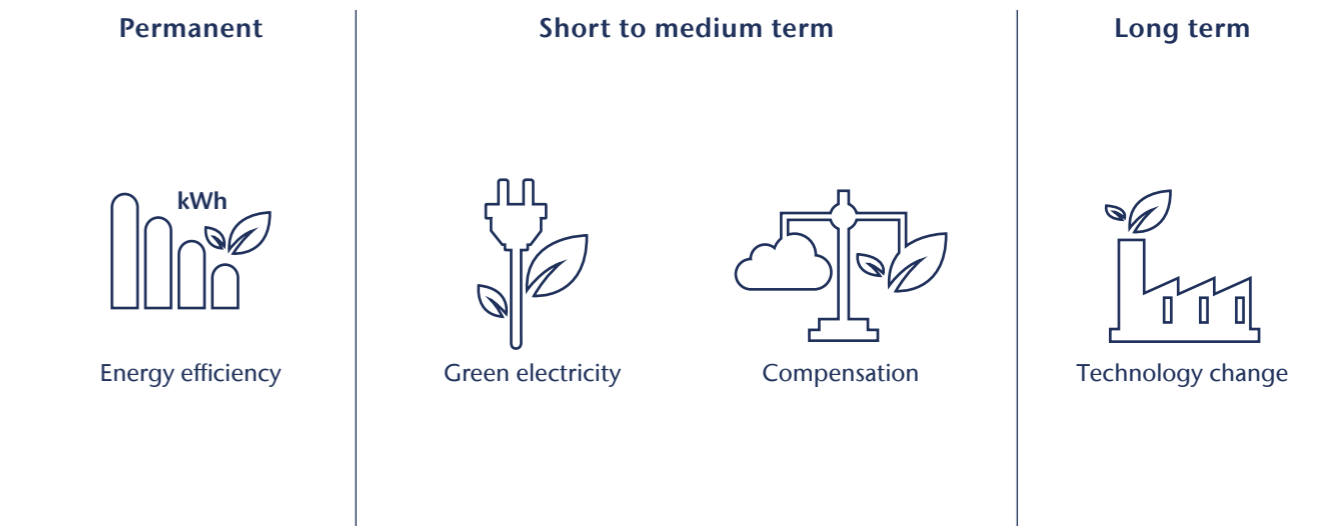
Due to our high energy demand, our climate-relevant footprint at the start of the Zero Carbon program in 2020 was around 1 million metric tons of CO_{2e} per year. This baseline from fiscal year 2019 includes emissions from our own production (Scope 1 of the Greenhouse Gas Protocol) and purchased energy (Scope 2), as well as emissions caused by business travel and employee mobility (belonging to Scope 3).

Action plan with four pillars

On the path toward climate neutrality, we act according to the principle “Avoid – Reduce – Compensate.” We have incorporated these principles in an action plan with four pillars: Technological change, improved energy efficiency, switching to green electricity, and compensating for residual emissions.

With regard to our timeline, we want to achieve successes in the short and medium term by switching electricity demand to green electricity and offsetting our emissions. Technological change, on the other hand, is a long-term task and the biggest challenge we face. Since improving energy efficiency has always been an ongoing challenge for SCHOTT, it will take time.

Our action plan in phases



Technology change: our biggest challenge

In the long term, SCHOTT wants to avoid using fossil fuels as much as possible. This change requires a fundamental transformation of our glass production, with some groundbreaking innovations. In developing new technologies, our glass melting experts focus first on the most energy-intensive process step in glass melting. Here, we are pursuing three approaches: electrifying our glass melting tanks using green electricity, using hydrogen technology, and using biogas to fire the melting units.

We have also created technology roadmaps that show the process for our technological transformation – for the overarching Group level, in each Business Unit, and for each production site.

Our technology roadmap towards climate neutrality

| Technology | 2020 | 2025 | 2030 | 2035 | 2040 |
|--|-------------------|------|-------------------|---------------------------------|------|
| High electricity tank (HET, hybrid tank) | Development phase | | First pilot plant | Rollout | |
| Fully electrical tank | Development phase | | First pilot plant | Rollout | |
| Conventional tank heated with natural gas-hydrogen mixture | Development phase | | First pilot plant | Depending on gas grid operators | |
| Conventional tank fully heated with hydrogen | Development phase | | First pilot plant | Depending on gas grid operators | |

We are also looking into the use of biogas

■ Development phase ◆ First pilot plant

“As an innovation leader, we want to provide important new impetus to the specialty glass industry in terms of technological change over the coming years and decades.”

Dr. Jens Schulte, Member of the Board of Management



Artificial intelligence can make the melting process more efficient.

Improving energy efficiency: a continual process

Since SCHOTT is an energy-intensive company, continually improving our energy efficiency and reducing our energy consumption is a crucial task we have been working on for decades. Using energy management systems in accordance with ISO 50001 at all of our German sites as well as several others in Europe, we are continuously working to reduce our energy consumption. To identify and exploit additional efficiency potential, we established the EffiNet@SCHOTT energy efficiency network for our German sites in 2016. Using this internal company network, we are taking a closer look at the core process of glass melting, at further processing, and at the peripheral processes of glass production. We are also sharing the insights gained here and examples of best practices to other Group sites worldwide.

Digitalizing of our melting process and using artificial intelligence methods have also provided us with new impetuses. With new types of sensors and big data technologies, bulk data recorded at our glass melting tanks can be better structured, analyzed automatically, and used for process improvements.

Since 2021, we have covered our electricity requirements entirely from renewable energies.



100% green electricity

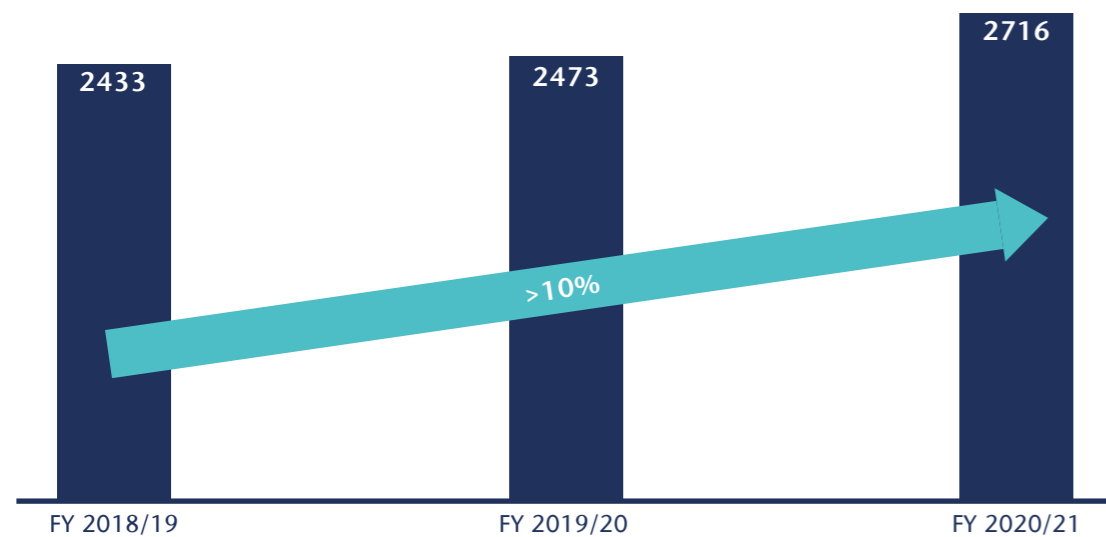
Along with natural gas, electricity is our largest energy source at SCHOTT by volume. When we launched our Zero Carbon program, its goal was to switch our electricity purchases to renewable sources as quickly as possible. We already achieved this goal in fiscal year 2020/21. Since then, we have been covering 100% of our electricity requirements from renewable energy sources at all our sites worldwide.

Initially, we switched to green electricity by purchasing certificates called Energy Attribute Certificates (EACs). Since 2022,

we have also been using Power Purchase Agreements (PPAs), which are long-term contracts with operators of renewable energy plants such as onshore wind farms or with marketers of electricity from such plants.

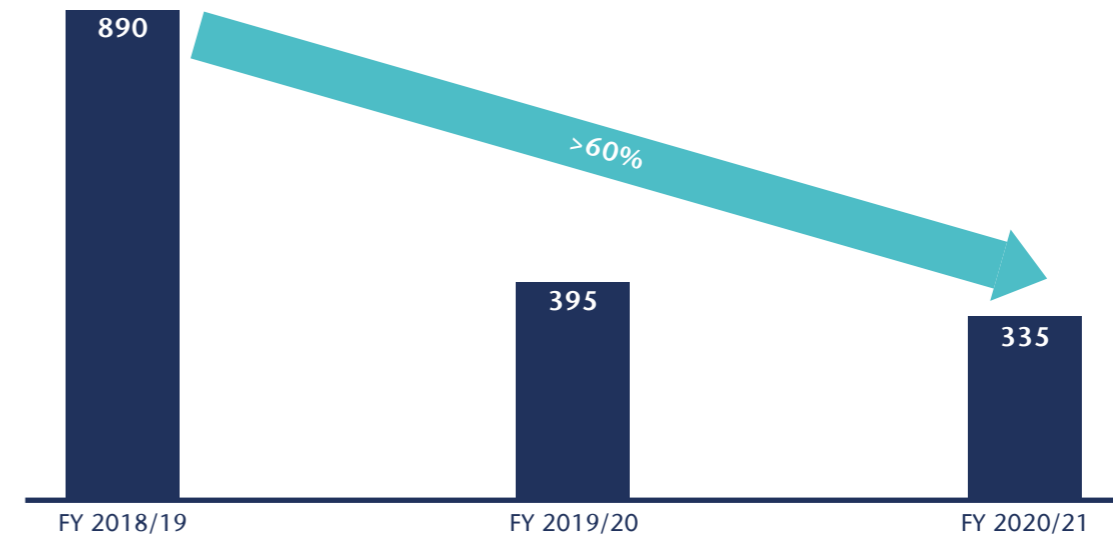
By switching to 100% green electricity, we have already reduced our climate-damaging emissions by over 60% since 2019 – and this despite an increase in energy consumption due to the high-capacity utilization of our current production facilities and the commissioning of new ones.

Energy consumption in Scope 1 and Scope 2 in gigawatt hours (GWh)



We require a lot of energy for glass production, primarily electricity and natural gas. Commissioning new production facilities increased our energy consumption by over 10% between 2019 and 2021.

CO₂ emissions in Scope 1 and Scope 2 in kilotons (kt) of CO₂ equivalents (CO₂e)*



We reduced our corporate carbon footprint from our own production and purchased energy by over 60% between 2019 to 2021.

* Calculations according to the market-based method of the Greenhouse Gas (GHG) Protocol. Our location-based carbon footprint was 641 kt CO₂e in FY 2019, 620 kt CO₂e in FY 2020, and 671 kt CO₂e in FY 2021. The carbon footprint was verified in FY 2019 and FY 2020 by independent consultants for compliance with the GHG Protocol. The FY 2021 carbon footprint was verified with sufficient assurance by the certification company GUTcert. The verification was performed in accordance with the requirements of ISO 14064-3 and certifies compliance with the requirements of the GHG Protocol.

Compensating residual emissions

We intend to compensate for residual emissions that we were unable to avoid through technological change, energy efficiency improvements, and the exclusive use of green electricity. Our goal is to gradually increase offsetting until we fully compensate for any remaining emissions by 2030.

To this end, we have been gradually building up an offset portfolio since 2020, which includes 9 projects for afforestation, reforestation, or the protection of existing ecosystems. These are located in Colombia, China, India, Brazil, Indonesia, and the US, which are countries in which we have production sites. In this way, we were able to offset around 40,000 metric tons of carbon emissions in fiscal year 2021.

When selecting our carbon offset projects, we place great importance on quality and certification according to strict standards. This is how we want to ensure that our climate protection projects not only contribute to climate neutrality, but also support the United Nations Sustainable Development Goals (SDGs).

Sustainability Board coordination and steering

The Sustainability Board is responsible for bundling and prioritizing all relevant topics in the Zero Carbon program. This central steering body also coordinates our action plan. In addition to a representative from the Board of Management, this body includes the heads of certain Corporate Functions and business units as well as specialist experts. This means that the business units with the highest carbon emissions and the specialist disciplines R&D, Purchasing, Human Resources, Legal, Finance, and Communications are represented on the Sustainability Board.

We have also written a white paper to provide a deeper insight into our motivations and objectives and the challenges and solutions on our path towards achieving climate neutrality. [schott.com](https://www.schott.com)



Social

Responsibility for employees and society

Its commitment to a special responsibility for employees and society as a whole is one of the fundamental principles of our owner, the Carl Zeiss Foundation. As a company, this responsibility is one of our convictions.



With regard to our employees, their health and safety as well as social security are our top priorities. We live out our special responsibility for our employees by providing them high working and social standards. This also includes promoting a culture of diversity.

Our responsibility does not end at our plant gates: We also have an obligation to our society as a whole. That is why we expect our suppliers to comply with fundamental labor and social standards too. We are also committed to giving back to the community around our sites.

Respect for and observance of human rights are a matter of course for us.

Our commitment to **human rights** and fundamental labor and social standards



Foto: iStock

At SCHOTT, we are expressly committed to respecting and observing human rights. We also take a clear position against any type of discrimination. This commitment is set forth in our company's constitution, the Carl Zeiss Foundation statute, and in the SCHOTT Code of Conduct. There, we explicitly refer to the United Nations Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms. We expect all our employees to act in accordance with these rules.

Beyond the human rights declarations, we are also expressly committed to observing the International Labor Organization's (ILO) Declaration of Principles concerning Multinational Enterprises and Social Policy and the ILO Declaration on Fundamental Principles and Rights at Work. This means that we strictly reject child labor and forced labor. And we grant our employees the right to freedom of association, i.e., to establish employee representatives, and the right to collective bargaining.

Standards for our suppliers

Cooperation in a spirit of partnership between purchasing companies and suppliers forms an important basis for good working conditions in the supply chain. That is why we place great importance on concrete requirements for our suppliers.

With this in mind, we introduced the Code of Conduct for SCHOTT Suppliers in 2014. With this, we also require that our suppliers comply with the law as well as with fundamental ILO labor and social standards. Specifically, these are:

- No child labor
- No forced labor
- Payment of the minimum wage established by law
- Compliance with the maximum working hours stipulated by law
- The right to representation by trade unions or recognized employee organizations for employees within the framework of applicable laws

The Code of Conduct for SCHOTT Suppliers includes the requirement that our suppliers appropriately promote compliance with SCHOTT regulations in their supply chains and the agreement that SCHOTT can verify compliance with suppliers' obligations. We will further specify these standards in connection with the German Lieferkettensorgfaltspflichtengesetz (Supply Chain Sourcing Obligations Act), which will come into force in 2023. The same applies to the risk-oriented revision of our supplier management processes.



Carl Zeiss
Foundation Statute
carl-zeiss-stiftung.de/en



SCHOTT Code
of Conduct
schott.com



SCHOTT Code of
Conduct for Suppliers
schott.com

Prohibition against discrimination – since 1896

The original Carl Zeiss Foundation statute from 1896 included a ban on discrimination. This was one of the first such bans ever in a commercial enterprise.



Health and safety of our employees



Responsibility for our employees is an important pillar of SCHOTT's corporate culture.

Our employees are the key to our company's success. As a socially responsible employer, SCHOTT shows its employees respect, trust, and appreciation.

SCHOTT places particular importance on the health and safety of our employees. In signing the "Luxembourg Declaration for Workplace Health Promotion in the European Union" (Luxembourg Declaration) back in 2008, the SCHOTT Board of Management reaffirmed that employee health is our priority. The declaration represents the company's voluntary commitment to work together with its employees to "improve health and well-being in the workplace." This includes workplace organization and working conditions activities, active employee participation, integrated occupational health and safety, and health targets anchored in all areas of the company.

"The health and safety of our employees is our highest priority."

Dr. Frank Heinrich, CEO and Chairman of the Board of Management

Our health management system is part of the integrated management system Environment, Health and Safety (EHS). The Health and Safety subsystem is based on the international ISO 45001 standard (occupational safety and health) and ensures that the high standards are met at all our sites.

In order to reduce occupational accidents, we launched a worldwide zero-accident program immediately after we signed the Luxembourg Declaration. Since implementing this program, we have gradually reduced the 1000-man quota for occupational accidents and cut it in half globally between 2008 and 2020.

"Let's stay healthy together"

Health and safety at SCHOTT mean more than just occupational safety and health protection within the company. That is why our health management system is designed holistically. In addition to occupational medical care and emergency care, it also offers employees opportunities for personal healthcare, physical fitness, and nutrition, and other health-related topics. In addition, all managers are informed and integrated into the health management system through our "Leadership and Health" training series. Its slogan: "Let's stay healthy together!" To raise awareness among our employees, we also host a "SCHOTT Health Day" at many of our sites every year.

Our holistic health management system provides comprehensive occupational health and emergency care.



Diversity as a success factor

With a broad product portfolio, a very diverse customer base, sites in 33 countries, and employees with over 90 different nationalities, SCHOTT is a very diverse company. In order to promote a culture of diversity and inclusion in which employees feel encouraged and supported, we have developed the “Best Teams” program as an important part of the Group’s strategy.

SCHOTT’s goal is to promote a global culture of diversity with heterogeneous teams, in which traditional management and decision-making structures are modernized and our employees feel integrated. We want to achieve this through different impulses and measures. For example, each business unit and corporate function has developed a unit-specific roadmap to bring more diversity into their

“It’s just like team sports: It’s not the best individual skills that bring success, but the best team. It’s the right mix that counts. In the future, we want to make even greater use of the different cultural backgrounds, ways of thinking and perspectives, a gender mix, and our employees, diverse professional talents, qualifications, and experience. **That’s how diversity will become an enabler and a key factor in our company in the future.**”

Dr. Frank Heinrich, CEO and Chairman of the Board of Management



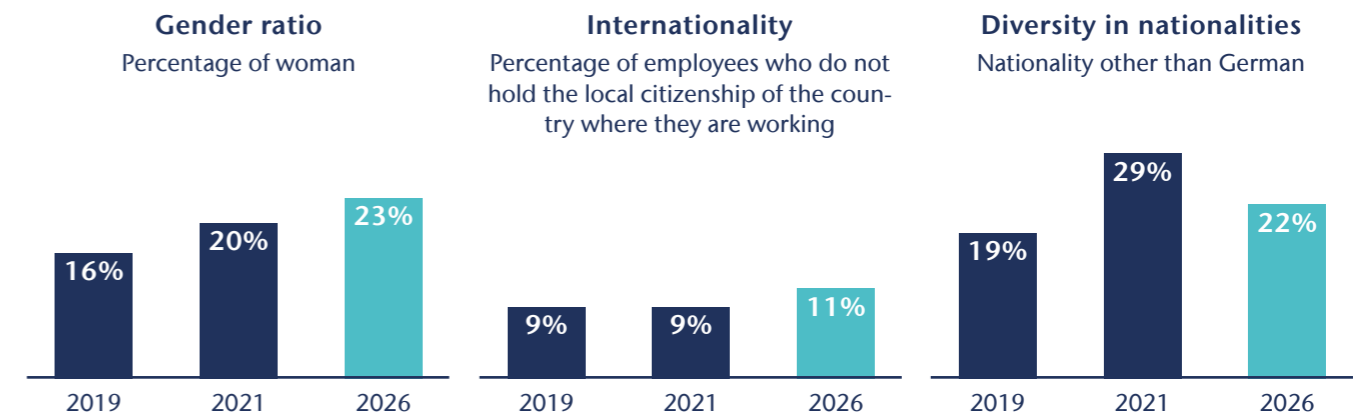
Diversity is a key to our corporate success.

teams, in line with the strategic goals of the unit and the Group as a whole. With this in mind, the Best Teams initiative is being integrated into succession planning. The topic of diversity has also been incorporated into a global employer branding campaign “Be the ONE” #oneofus, which we use externally to address potential employees.

Our Best Teams program is not about radical change, but about organic development that help us fulfill our goal. The process is not solely shaped by managers. Instead, employees’ own initiative is also encouraged, in acquiring intercultural skills or undertaking assignments abroad in order to broaden their own cultural horizons for example.

In order to make our progress in this process visible, it is being assessed against measurable targets for the two top management levels below the Board of Management.

Our Best Teams KPIs und targets for 2026 In the top two management levels



Our percentage of women in our workforce will increase to at least 23% by 2026.

Our employees who do not hold the local citizenship of the country where they are working will increase to 11%.

Among managers, at least 22% will hold a nationality other than German.

The 2026 target numbers are minimum targets set in 2020.

Global commitment to society

SCHOTT firmly believes that corporate responsibility does not end at our plant gates. That's why we are committed to giving back to the communities surrounding our sites around the world. In addition to corporate projects, our sites can also initiate regional projects on their own. We are particularly engaged in supporting children and adolescents and we mostly support projects related to education, social affairs, sports, and climate protection.

Promotional focus on education

Participating in the German youth science competition Jugend forscht has helped many of today's technicians, engineers, and natural scientists develop their future career aspirations. As the most important competition for science and technology students in Germany, Jugend forscht seeks to promote mathematics, computer science, natural science, and technology, and to find and support talented students. In Germany, we have been sponsoring the Mainz-Rheinessen regional competitions of Jugend forscht and the youth talent competition "Schüler experimentieren" since 1970.

Since 2014, we have been organizing a worldwide intercultural exchange between children of employees during their summer vacation. Under the motto "SCHOTT goes Family," young people spend two weeks abroad together with their exchange partners at their guest families' homes.

SCHOTT supports educational projects around the world, including in India.



Promotional focus on social issues

Together for a good cause – that's the motto of the Run for Children charity run, which was the flagship project for our social commitment until 2019. In 14 years, participants raised more than €2 million. The proceeds were donated to charitable organizations in the Mainz region to support sick, disabled, and socially disadvantaged children. During the coronavirus pandemic, we transformed the run into Act for Children with direct donations of €100,000 (2020) and €87,000 (2021) going to around 30 children's aid organizations.

Our social commitment also includes supporting those affected by natural disasters, often through joint campaigns with our employees. These include projects after the tsunami hit Japan in 2011, Typhoon Haiyan in the Philippines in 2013, the earthquake in Nepal in 2015, or in 2021 after the dramatic flood disaster in the Ahr Valley in northern Rhineland-Palatinate in Germany.

Promotional focus on sports

Promoting recreational sports has a long tradition at SCHOTT. Back in 1896, company founder Otto Schott supported the founding of the SV SCHOTT Jena sports club in Jena, which has a close connection to our company. In Mainz, we support TSV SCHOTT Mainz, which was founded by our employees in 1953.

Promotional focus on climate protection

In line with our strategic goal of becoming climate neutral by 2030, we are combining our efforts with the School and Climate Protection project. As part of this project, we are supporting schools near our six German sites in raising awareness for climate change among students by helping them develop their own solutions for greater climate protection at their school. We reward the best project ideas with a total of €120,000 for up to €20,000 at each location. This funding will be used to implement the winning ideas.

With our School and Climate Protection funding project, we help implement good ideas for climate protection at schools.



Run for Children and Act for Children – social commitment projects

Dividends for science funding

As the sole shareholder of SCHOTT AG (and Carl Zeiss AG), the Carl Zeiss Foundation has a great interest in ensuring that its companies are economically successful and regularly distribute dividends. Only with these dividends can the foundation fulfill its purpose of promoting the sciences. The foundation's statute contains clear rules for this: the higher the equity ratio of the foundation's companies, the higher the dividend payout.

Thanks to strong economic development in recent years and the financial stability we have achieved as a result, SCHOTT has been able to pay around €100 million in dividends to its owner over the past five fiscal years (2017 – 2021) despite moderate distribution rules.

In keeping with its guiding principle of responsibility, the Carl Zeiss Foundation uses the dividends from SCHOTT (and ZEISS) for a socially valuable purpose. That is how it promotes research and teaching in the STEM disciplines of science, technology, engineering, and mathematics. It supports projects and individuals in the German states of Baden-Württemberg, Rhineland-Palatinate, and Thuringia. This regional focus is due to the fact that the foundation's headquarters and the two companies are located in these states. The funding is provided through calls for proposals, programs, and projects. Scientific excellence is the most important selection criterion in all of these funding programs.



SCHOTT has paid around **100** million Euro in dividends over the past five years for the purpose of promoting the sciences.



The Carl Zeiss Foundation pursues four goals in its funding strategy:

Scientific breakthroughs

The foundation seeks scientific breakthroughs that offer added value for the sciences, industry, and society. Its support ranges from basic research to concrete applications.

Free space for people and institutions

The foundation trusts in the creativity and innovative strength of the individuals and institutions it supports. It encourages courageousness and the willingness to try out new things, also by taking risks.

Concentration on key topics

The foundation concentrates its funding on thematic priorities that address current scientific challenges with economic or social relevance.

Support for collaborations

The foundation works in interfaces: between academic disciplines, scientific institutions, social sectors, and countries. It networks people and promotes multi- and interdisciplinary research approaches.

Thanks to the increase in dividend payments from ZEISS and SCHOTT, the Carl Zeiss Foundation has become one of the largest private foundations in Germany supporting the sciences. By focusing its funding activities on important topics of the future, the Carl Zeiss Foundation contributes to the sustainable development of society.

At the Karlsruhe Institute of Technology (KIT), a research project funded by the Carl Zeiss Foundation is developing an agile production system that can react dynamically to uncertain product specifications using machine learning. Photo: KIT/Anne Behrendt



Further information can be found on the website of the Carl Zeiss Foundation [carl-zeiss-stiftung.de/en](https://www.carl-zeiss-stiftung.de/en)



Governance

Responsible corporate governance

As a foundation company, SCHOTT has a sustainable corporate model. Its compliance system ensures integrity and ethical behavior.

Although SCHOTT has the legal form of a stock corporation, SCHOTT AG is not listed on the stock exchange. Its sole shareholder is the Carl Zeiss Foundation. This special ownership structure creates a stable foundation for responsible corporate governance, sustainable development, and long-term planning.

SCHOTT AG is managed in accordance with corporate governance rules. This includes a supervisory board with equal representation of shareholders and employees, in which employee representatives participate in the supervision of the Board of Management.

Our compliance management system ensures that our business decisions and conduct are in keeping with the law, internal regulations, and SCHOTT's company values.

Sustainable corporate governance

The SCHOTT Group consists of SCHOTT AG, with its headquarters in Mainz, Germany, and subsidiaries in 33 countries. All corporate functions as well as most of the operating units of the business units in Germany are legally and organizationally combined under the Group management company SCHOTT AG.

SCHOTT AG has the legal form of a stock corporation, but is not listed on the stock exchange. Instead, the sole shareholder is the Carl Zeiss Foundation, one of the oldest corporate foundations in Germany. It is not allowed to sell shares of SCHOTT AG, as stipulated by the foundation's statute. An initial public offering of SCHOTT AG is thus ruled out.

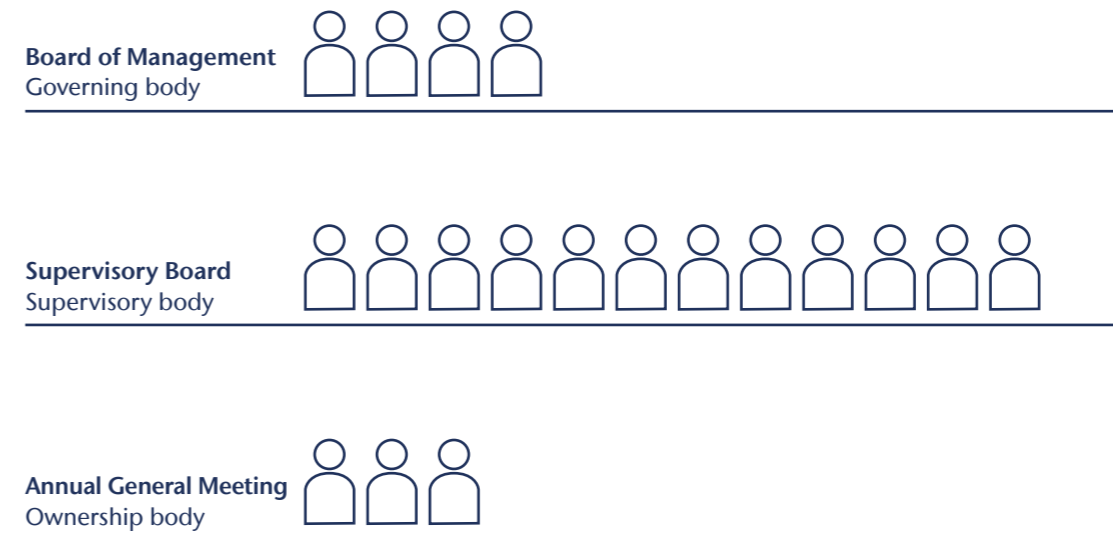


The Carl Zeiss Foundation is the sole shareholder of SCHOTT AG and Carl Zeiss AG.

As a foundation company, SCHOTT has a particularly stable ownership structure and is therefore crisis-resistant and future-proof. In short, it has a sustainable company model. Unlike listed stock corporations, this allows us to act more freely and to pursue our economic goals independently of current stock market prices and shareholder expectations. This special corporate model provides us with a strong basis for the sustainable development of our Group and the long-term alignment of our strategy.

The corporate bodies of SCHOTT AG

As a stock corporation under German law, SCHOTT AG is managed in accordance with the relevant corporate governance rules and has three main bodies: the Board of Management, the Supervisory Board, and the Annual General Meeting.



The Board of Management manages the company and represents it vis-à-vis third parties, while the Supervisory Board appoints and dismisses members of the Board of Management and monitors the activities of the Board of Management. In accordance with the German Codetermination Act, the Supervisory Board has equal representation and consists of twelve members. Half of its members are representatives of the sole shareholder, the Carl Zeiss Foundation, and half are representatives of the employees.

The economic interests of the Carl Zeiss Foundation as the owner of SCHOTT AG (and Carl Zeiss AG) are represented by a three-member Foundation Board. It exercises the voting rights of the foundation at the SCHOTT AG Annual General Meeting. The Foundation Board Chairman has a special role, and is elected Chairman of the Supervisory Board of the company per the Foundation Statute. This constellation makes the Chairman of the Foundation Board the most important link between the Foundation and SCHOTT AG.

The SCHOTT AG Articles of Association and the Carl Zeiss Foundation Statute together form the SCHOTT Company Constitution. The SCHOTT Code of Conduct and topic-related Group guidelines are also important sets of rules for responsible and compliant corporate governance.

Dividend regulation strengthens the company

One of the characteristics of stock corporations is the distribution of dividends to shareholders. While listed stock corporations distribute 40-50% of their profits on average, the distribution rates at SCHOTT are usually in the single-digit percentage range. The distribution modalities for dividends are defined in the Carl Zeiss Foundation Statute. Accordingly, payouts are linked to the net income for the year and the equity ratio achieved, staggered for an equity ratio between 20-40%. The dividend regulation of the Carl Zeiss Foundation is thus deliberately designed so that most of the profits remain with the company so it can strengthen its equity base and finance innovations and investments. This is because SCHOTT AG, a foundation company without free access to the capital market, must generate its own equity capital. This means that the moderate dividend regulation of the Carl Zeiss Foundation contributes to SCHOTT's financial strengthening and sustainable development.

Compliance ensures integrity and fairness

Complying with the law and internal company guidelines, respecting SCHOTT values and human rights, and avoiding discrimination, corruption, and anti-competitive behavior are an integral part of SCHOTT's company culture. All SCHOTT employees are bound by legal and ethical requirements in their work.

“Compliance, integrity, and ethical behavior are components of our Group strategy and company culture. Our aim is for our decisions and behavior to be in line with the law, our internal regulations, and our values.”

Dr. Frank Heinrich, CEO and Chairman of the Board of Management



Code of Conduct sets the rules

Laid out in the SCHOTT Code of Conduct since 2010, our compliance rules require all our employees to act with integrity and fairness. In a global company with employees from more than 90 countries, this Code of Conduct provides people from different cultural backgrounds security and an important framework for dealing with sensitive issues.

Global compliance management system

In addition to the Code of Conduct, our compliance management system comprises our corporate guidelines and measures derived from it, and the compliance organization responsible for enforcement. It maps the principles, measures, processes, and structures that are established and improved to comply with the law and counter systematic misconduct. Our compliance program aims to identify potential risks at an early stage and initiate suitable countermeasures if necessary. All our employees receive advice and training on compliance issues and are informed of our internal regulations and applicable statutory provisions. This makes compliance an integral part of every business.

The central SCHOTT Compliance Office is responsible for the conceptualization, implementation, and design of the compliance management system. It is supported by regional compliance representatives in the US and Asia, as well as compliance representatives in our units and locations worldwide.



SCHOTT Code
of Conduct
[schott.com](https://www.schott.com)

Our key compliance topics are:

Anti-corruption

To prevent bribery and corruption, the acceptance of benefits, and granting of advantages, SCHOTT has stringent and transparent rules for dealing with invitations and gifts, with external intermediaries, and with donations and sponsorship measures. For example, donations to political parties and religious and ideological organizations are not permitted.

Antitrust

For SCHOTT, respecting fair competition is a key element of its own business activities. Therefore, we do not tolerate any anti-competitive practices, such as agreements with competitors on prices, dividing up the market, or similar behavior. We have clear rules to ensure that contacts and exchanges of information with competitors are in line with legal regulations.

Data protection

Dealing with personal data in a responsible manner and respecting the national and international regulations that apply to data protection is a matter of course for us.



Intellectual property protection

As a high-tech Group, protecting trade secrets is of great importance to us. We use a wide variety of training and communication measures to ensure that our employees are made aware of this issue.

Export control

A comprehensive, electronically supported export control system ensures that we are in compliance with all export control and customs regulations applicable in the respective countries.

Money laundering prevention

Preventing money laundering is important in the fight against organized crime and the financing of terrorism. Therefore we carefully verify the identity of our customers and other contractual partners. It is our goal to maintain business relationships only with those partners whose activities are in compliance with legal regulations and the SCHOTT Code of Conduct.

Compliance in the supply chain

As a B2B company, we operate in a sandwich position between suppliers on the one hand and customers on the other. Therefore, we strive for a sustainable supply chain, from raw materials to finished products. To ensure that our suppliers comply with social and ecological standards, we have defined corresponding minimum standards in a Code of Conduct for SCHOTT Suppliers since 2014, which all of our contractual partners must abide by (see p. 23).

As part of our improvement efforts, we will continue to pursue this issue in 2022 and revise it in line with the German Lieferkettensorgfaltspflichtengesetz (Supply Chain Sourcing Obligations Act).

Integrity helpline to uncover violations

As part of the compliance management system, we have had an integrity helpline in place since 2011. If SCHOTT employees are suspected of compliance violations, both employees and business partners can contact external, independent attorneys (ombudspersons) in confidence and, if desired, anonymously. Indications of violations can also be reported directly to the Compliance Office. It is important to note that we do not tolerate discrimination against anyone providing such information.



SCHOTT Code of
Conduct for Suppliers
[schott.com](https://www.schott.com)

SCHOTT's contribution to the global sustainability agenda

In 2015, the United Nations adopted 17 global Sustainable Development Goals (SDGs) as part of its Agenda 2030. These take into account all three ESG dimensions of sustainability and apply to all nations and social players worldwide. The 17 global goals make it clear that everyone shares a common responsibility.

With this in mind, we at SCHOTT rely on strong partnerships – internally with our employees and externally with our customers, business partners, research institutions, and other stakeholders. Especially when it comes to shaping a sustainable future, we feel that cooperation and joint solutions are the key to success.

For SCHOTT as one of the leading specialty glass manufacturers worldwide, several SDGs are of particular importance. As we further develop our sustainability strategy, we will specify our future goals with a view to these SDGs.



Good health and well-being
As the world's leading manufacturer of pharmaceutical glass and one of the leading manufacturers of primary pharmaceutical packaging, SCHOTT makes an important contribution to people's health. For example, during the corona pandemic, we supplied the pharmaceutical vials for the vaccines. Both within our company and together with our partners from the supply and value chain, the health, safety, and well-being of all people are the highest priority for us.



Gender equality
The Carl Zeiss Foundation's 1896 statute created one of the first prohibitions of discrimination at SCHOTT (and at its sister company Carl Zeiss) – also with regard to gender. Today, the company promotes equal opportunities for women and men with a family-oriented personnel policy. In addition, SCHOTT is committed to promoting diversity and inclusion at all levels and in different dimensions and specifically to increasing the proportion of women in its workforce, particularly in the upper management.



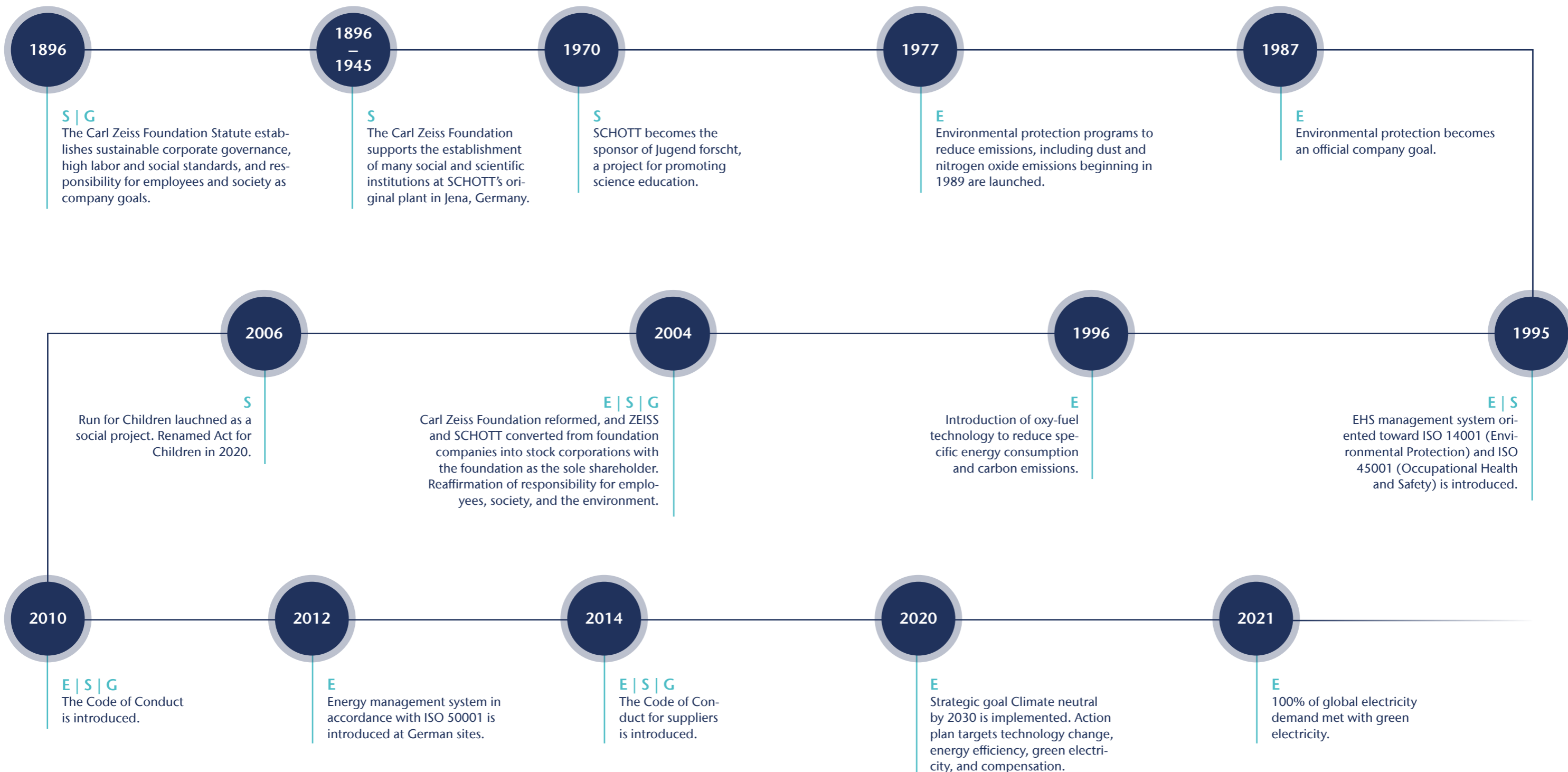
Responsible consumption and production
SCHOTT products are usually integrated into complex systems as components. Specialty glass is subject to extremely high quality requirements. Therefore, recycling used specialty glass poses a major challenge. Still, SCHOTT is working on such circular economy solutions. Internally, the circular economy is already well implemented: More than 90% of broken glass from our production is returned to the glass melting process. For the future, we have set ourselves ambitious goals for using secondary materials (recycling) and implementing circularity along the value chain.



Climate action
Since SCHOTT is an energy-intensive company, climate protection is one of its most important sustainability goals. The company is aiming to become climate neutral by 2030. By developing new technologies, SCHOTT wants to avoid using fossil fuels in the long term and thus make an active contribution to climate protection to make sure our planet will be protected for future generations.

ESG milestones at SCHOTT

E Environmental
S Social
G Governance



Silver medal for sustainability



Neutral, standardized, and internationally recognized ratings help assess our sustainability performance and practices. One of the world's leading providers of sustainability rankings for companies and global supply chains, EcoVadis offers such an independent service. More than 75,000 companies in 160 countries across 200 business sectors use these ratings to assess and improve their own sustainability performance and that of their upstream and downstream supply chains.

Helpful information for customers and suppliers

In addition to using it themselves, an EcoVadis rating also serves customers, suppliers, and other stakeholders as a source of information on companies' sustainability performance. The experts at EcoVadis analyze sustainability performance based on answers from a comprehensive catalog of questions on more than 60 topics and related documents, and summarize the results in a sustainability rating report and a standardized scorecard. These cover the four categories of environment, labor and human rights, ethics, and sustainable procurement.

Pioneer in environmental protection in the glass industry

We have also been using the EcoVadis assessment since 2016, and the rating agency awarded us a silver medal for fiscal year 2021. With this rating, SCHOTT is among the top 22% of all companies evaluated by EcoVadis. We received a particularly good rating in the environmental category, where we are in the top 13% of the glass industry. EcoVadis thus confirms SCHOTT's position as a pioneer in the glass industry when it comes to environmental protection.

Imprint



Shaping a sustainable future Sustainability Report 2021

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