SCHOTT PHARMA

Sustainability Report

2023

Sustainability at a glance

We consider sustainability a cornerstone of our strategy and future success. We are proud to do our part and take our impacts and responsibility very seriously.

60 %

reduction in CO_2eq emissions since 2019

100%

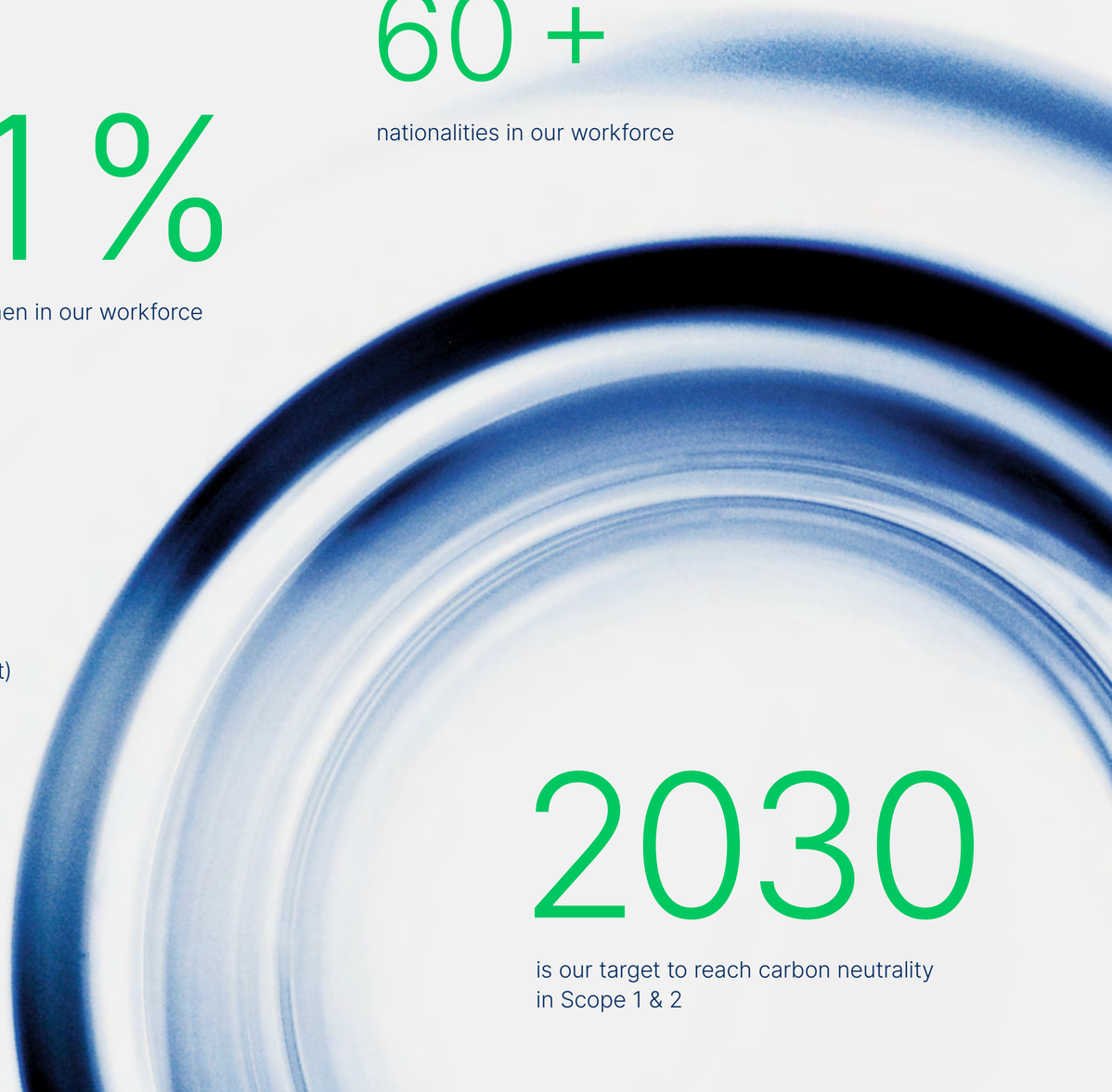
sites certified for ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management)

41 %

share of women in our workforce

60 +

nationalities in our workforce



2030

is our target to reach carbon neutrality in Scope 1 & 2

Table of contents

Business responsibly
Learn more about our understanding of responsible business conduct and governance

25

Workforce responsibly
Learn more about our people as a key factor for our sustainability journey

38

Social responsibility
Learn more about our committment to human rights and society

51

Environmental responsibility
Learn more about our ambitions for climate action and care for the envrionment

61

Table of contents
Chapter beginning
Previously visited page

This PDF document has been optimised for on-screen use. You can use the content overviews to directly access the desired content. Use the buttons in the sidebar to return to the previously visited page, or to the content overviews.

Andreas Reisse (CEO) Dr. Almuth Steinkühler (CFO)

Dear readers,

GRI 2-22

Every day, our 4,646 employees at SCHOTT Pharma come to work with the motivation to deliver an impact for global health. With our product solutions, we ensure that lifesaving medications reach patients around the world in a safe and timely manner – because human health matters. Every minute, over 25,000 people receive an injection from one of our products. This comes with a high responsibility which ultimately creates a strong purpose-driven motivation for us to ensure product quality and availability. Together with our customers and partners, we continuously develop and improve our products and services to further enhance patient safety by meeting the specific needs of new drug products and complex application scenarios.

Our fiscal year 2023 was very eventful and our strongest business year yet. The most prominent highlight was our listing on the Frankfurt Stock Exchange on 28 September. Entering the capital market so successfully was an incredible feeling and a huge achievement for all of us. Even more important are the many highlights in our daily business. We continued to shape the pharma industry with our innovations and were able to capitalise on long-term pharma trends, including the rise of mRNA medications, and GLP-1 drugs used to treat diabetes or obesity.

Looking back, the carve-out of SCHOTT Pharma from the SCHOTT Group in 2022 and the following IPO preparations encouraged us to reassess our sustainability strategy together with our stakeholders. The result: an approach that builds on synergies of our joint longstanding values, policies and processes. Additionally, SCHOTT Pharma's activities set additional priorities meeting market and product-specific sustainability challenges.

"At SCHOTT Pharma, we believe in sustainability as a key business priority. We are proud to share our sustainability journey with our stakeholders."

Andreas Reisse

With our products and sustainability activities, we actively contribute to the global initiative outlined in the United Nations Sustainable Development Goals (UN SDGs) and in particular focus on the four SDGs, where we can make the greatest contribution: SDG 3 Health and well-being, SDG 5 Gender equality, SDG 12 Sustainable consumption and production and SDG 13 Climate protection measures. By this, we follow the footsteps of our founders who established the Carl Zeiss Foundation to pioneer welfare rights and dedicated the dividends to support social institutions and science. Therefore, our ESG initiatives are deeply rooted in our company's DNA. We continue to act as a responsible, good corporate citizen with a clear commitment to diversity, inclusion, human rights and fair business practices. In addition, climate change represents an enormous threat to all of us and we are committed to take our responsibility. Therefore, we have made the decarbonisation and resource efficiency of our operations and supply chain a business priority with the target to reach climate neutrality by 2030. Our sustainability framework and programme build a state-of-the-art sustainability platform, which is also recognised externally. This was confirmed by EcoVadis, for example, that awarded the SCHOTT group's sustainability performance with a gold medal rating.

We do believe in sustainability and long-term thinking as key success factors. In particular in the pharmaceutical industry, market penetration of new products and their lifecycles are long. Consequently, our customers are looking for partners who can reliably meet their needs on a long-term horizon and grow with them. That is why our decision-making is guided by foresight and focusing on a sustainable return on invest. This way, we aim to create benefits for all stakeholders involved.

Following through on our sustainability strategy, our priorities this year included rethinking and developing manufacturing processes and technology to reduce energy and emissions. At the same time, we implemented ecodesign guidelines as an integral part of our product development process. Overall, our initiatives are aimed at fostering collaboration and circularity within our industry. Hence, we worked closely together with like-minded customers, partners and suppliers.

This mindset is also reflected in our activities as part of the Alliance to Zero, which we co-founded in 2021 to facilitate industry change towards net zero. This year, our Head of Sustainability took over the presidency role, which underlines our commitment to collaborate and drive change in our field of expertise.

For us at SCHOTT Pharma, sustainability is a key driver that helps us to deliver on our business strategy and enables our growth today and in the future. Together with the entire management team, we are committed to taking a market-leading stance and want to thank our highly engaged workforce as well as our customers, suppliers, partners and shareholders for their vital input and support along the way. We consider this report a stepping stone to sharing our sustainability journey and intend to use it to strengthen our continuous dialogue with our stakeholders.

We hope you enjoy reading our first sustainability report.

Sincerely,

Dr. Almuth Steinkühler (CFO)

Andreas Reisse (CEO)

"Across our entire workforce, we seek to have a positive impact on a sustainable future, day by day. This mission is critical to our long-term success."

Dr. Almuth Steinkühler

About this report

In this sustainability report, SCHOTT Pharma reports on its sustainability strategy, activities and progress in accordance with the GRI standards and a focus on its material topics. The report also entails information on how sustainability is firmly anchored in the company culture and organisation, reflected by the respective responsibilities, structures and processes.

GRI 2-2/-3

Reporting period and scope

The report covers the fiscal year 2023 which ranges from October 2022 to September 2023. For some data, the acquisition period deviates from SCHOTT Pharma's fiscal year. In those cases, explicit notes allow traceability.

The editorial deadline was December 2023. The sustainability report is published in January 2024 and and is available in English to ensure access for SCHOTT Pharma's global stakeholder community. Our non-financial declaration, as required by the respective legal provisions, was issued in German and English as part of the Annual Report.

To ensure completeness and suitability of the information presented, this sustainability report has been prepared in accordance with GRI Universal Standards 2021. Consistent with GRI provisions on boundary setting, the data in this report covers all of SCHOTT Pharma's entities[1] over which it has operational control. Sales offices are considered in scope with respect to employment-related disclosures. Regarding all other disclosures, they are excluded due to immateriality. Our joint ventures in Italy and India are considered out of scope since SCHOTT Pharma does not have operational control.

[1] These are: SCHOTT Pharma AG & Co. KGaA, SCHOTT Igar Glass, SCHOTT France Pharma Systems SAS, SCHOTT Pharma Brasil Ltda., SCHOTT Envases Farmaceuticos SAS, SCHOTT Pharma Schweiz AG, SCHOTT de Mexico, S.A. de C.V., SCHOTT Hungary Kft., SCHOTT Pharmaceutical Packaging OOO, SCHOTT Envases Argentina S.A., SCHOTT Pharmaceutical Packaging (Zhejiang) Co., Ltd., SCHOTT France Pharma SAS, SCHOTT Pharma USA, Inc.

Reporting principles and assurance

GRI 2-4/-5
GRI 3-1

Regarding the development of this report, the Board of Management of SCHOTT Pharma has tasked the sustainability team in collaboration with subject matter experts to conduct, guide and oversee the compilation of the information in this report to the best of their knowledge and free from material errors or omissions, as concerns the business activity itself, the process to gather and select the information provided, the nature of the information as well as the measurement, calculation or estimation methods applied.

In order to determine which sustainability topics are material for SCHOTT Pharma and its stakeholders, the sustainability team, together with external support, performed a comprehensive materiality analysis in 2022, which has been thoroughly documented and is presented in the chapter on our sustainability strategy. In the opinion of SCHOTT Pharma, the information presented on this basis is balanced, appropriate and conclusive in relation to the material topics.

SCHOTT Pharma issued its first Annual Report (separate document) for the fiscal year 2023 following the company's initial public offering in September 2023. The Annual Report encompasses a non-financial declaration as required by the German 'CSR-Richtlinien-Umsetzungsgesetz' (the national law implementing the European Non-Financial Reporting Directive). The non-financial declaration, as part of the separate annual report, was audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in a limited assurance engagement based on the "International Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000).

The following GRI disclosures were included in our separate non-financial-delclaration within the annual report and and thereby subject to audit: 302-1, 302-3, 303-3, 305-1, 305-2, 305-3, 306-3, 401-1, 403-9, 405-1. Reference to these GRI disclosures made in this report are based on audited contents of the separate non-financial declaration. However, this standalone report and all additional GRI disclosures to be featured in the following were not subject to the separate audit of the non-financial declaration.

As SCHOTT Pharma seeks to provide transparency about its plans and goals, this report contains forward-looking statements that reflect the management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond SCHOTT Pharma's control, including economic and market developments, political conditions as well as governmental action and regulation. In case related risks materialise or uncertainties occur or if the assumptions underlying any of the statements made prove incorrect, then actual results may be different from those expressed or implied in the respective statements.

The report is available as a PDF document and accessible on SCHOTT Pharma's homepage. For easier reading with respect to the GRI standards, the report contains a GRI Content Index at its end.

Point of contact

For questions on this report or SCHOTT Pharma's sustainability activities, please contact: sustainability.pharma@schott.com

About SCHOTT Pharma

GRI 2-1/-6

For SCHOTT Pharma, creating value sustainably means combining economic success with social and environmental responsibility. Being a company with a tradition that goes back more than a hundred years, it is in our DNA to think and act in long terms. As a globally leading manufacturer of products that are essential for human health, responsibility for their quality, patient safety and availability is a paradigm for us. But responsibility means more to us than that. We are convinced that the sustainable success and future viability of our company not only depend on high quality and innovative products but also on fairness towards all our stakeholders and the protection of our natural environment.

Our value creation and portfolio

We are a global market leader in the development and production of a wide range of advanced drug containment solutions and delivery systems for injectable drugs supplied to the pharmaceutical and biotechnology industries. SCHOTT Pharma is the global number one market position for polymer syringes, ampoules and vials, the global number two for cartridges and the global number three for glass syringes.

Our pre-fillable syringes, cartridges, vials and ampoules are critical components in our customers' drug manufacturing and distribution processes as even the most advanced injectable drugs cannot reach patients if not packaged safely. For the safe storage and transport of injectable drugs, we supply our customers worldwide with drug containment solutions and delivery systems in pre-sterilised or non-sterilised form, depending on our customers' needs.

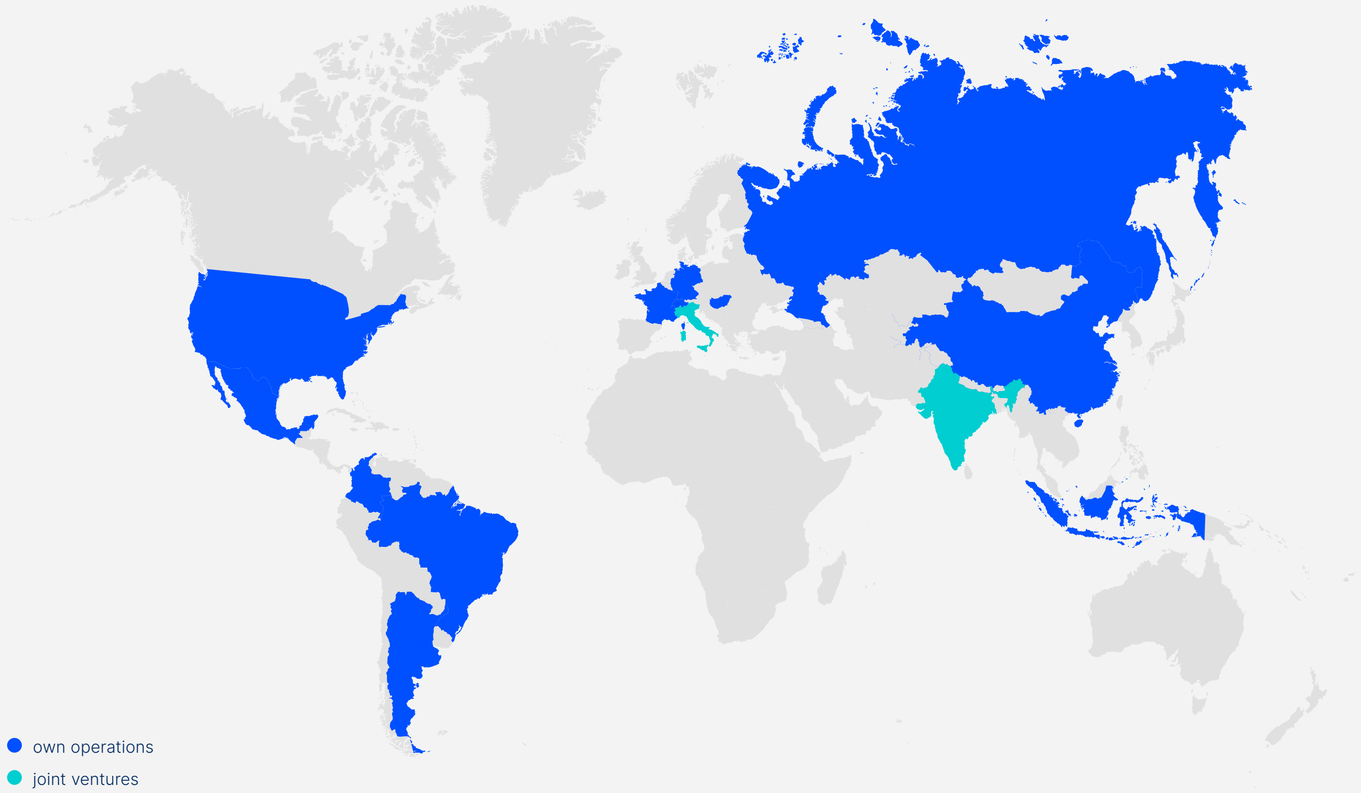
Our solutions have helped provide injectable drugs to patients around the world for more than a century and enable the delivery of over 25,000 injections per minute worldwide on average today. Globally, more than 75 % of new biologics (i.e. drugs produced from living organisms or containing components of living organisms) were stored in and delivered through our containment solutions and delivery systems during our previous fiscal year. Precision manufacturing methods and strict inspections ensure that our products are of high quality.

We also provide services and analytics for the pharmaceutical and biotechnology industries in the area of drug containment and delivery. Our services range from developing novel solutions for drug containment and delivery systems to performing analytical tests and optimising fill-and-finish processes as well as providing sustainability and regulatory support.

Our product portfolio is grouped into two reportable segments. The reportable segment "Drug Containment Solutions", or DCS, includes the operating segments "Bulk Solutions" and "Sterile Solutions". The reportable segment "Drug Delivery Systems", or DDS, includes the operating segments "Polymer Solutions" and "Glass Syringes". We intend to primarily focus on and manage the business at the DCS and DDS level as we advance our business.

Our DCS product portfolio offers customers a wide range of sterile and non-sterile standard and high-end solutions to store drugs safely. Glass vials provide safe storage of injectable

SCHOTT Pharma employs over 4,600 scientists, pioneers, and problem solvers in North America, Europe, Asia, and Latin America.



drugs due to their high chemical resistance, which limits interactions between liquid drug formulations and containers. Glass cartridges dispense drugs in accurate doses for any medical situation, from treating emergency victims (e.g. natural disasters) to self-administration by diabetes patients and offer safe and simple drug delivery. Glass ampoules in turn ensure the safe storage of a wide variety of essential drugs, including painkillers, inflammation inhibitors, emergency drugs and anesthetics, and of essential drugs and diluents for lyophilized applications.

Our DDS products are characterised by enhanced functionality providing our customers with systems to deliver drugs safely. The DDS portfolio comprises pre-washed and pre-sterilised syringes that are ready-to-use. The pre-sterilised syringes made of glass or polymer not only offer highly stable, long-term storage solutions for drugs but also safe and convenient delivery systems for healthcare professionals and patients. As the combination of a storage container and injection device in a single system requires fewer manual steps upon administration compared to conventional drug packaging, the risk of medical errors and infections is considerably reduced. This plays a vital role in the safety of healthcare professionals and patients while at the same time significantly reducing drug waste.

Since we try to be as close to our customers around the world as possible, we have operations in the following countries: Germany, Switzerland, Russia, Hungary, France, USA, Mexico, Brazil, Colombia, Argentina, Indonesia and China.

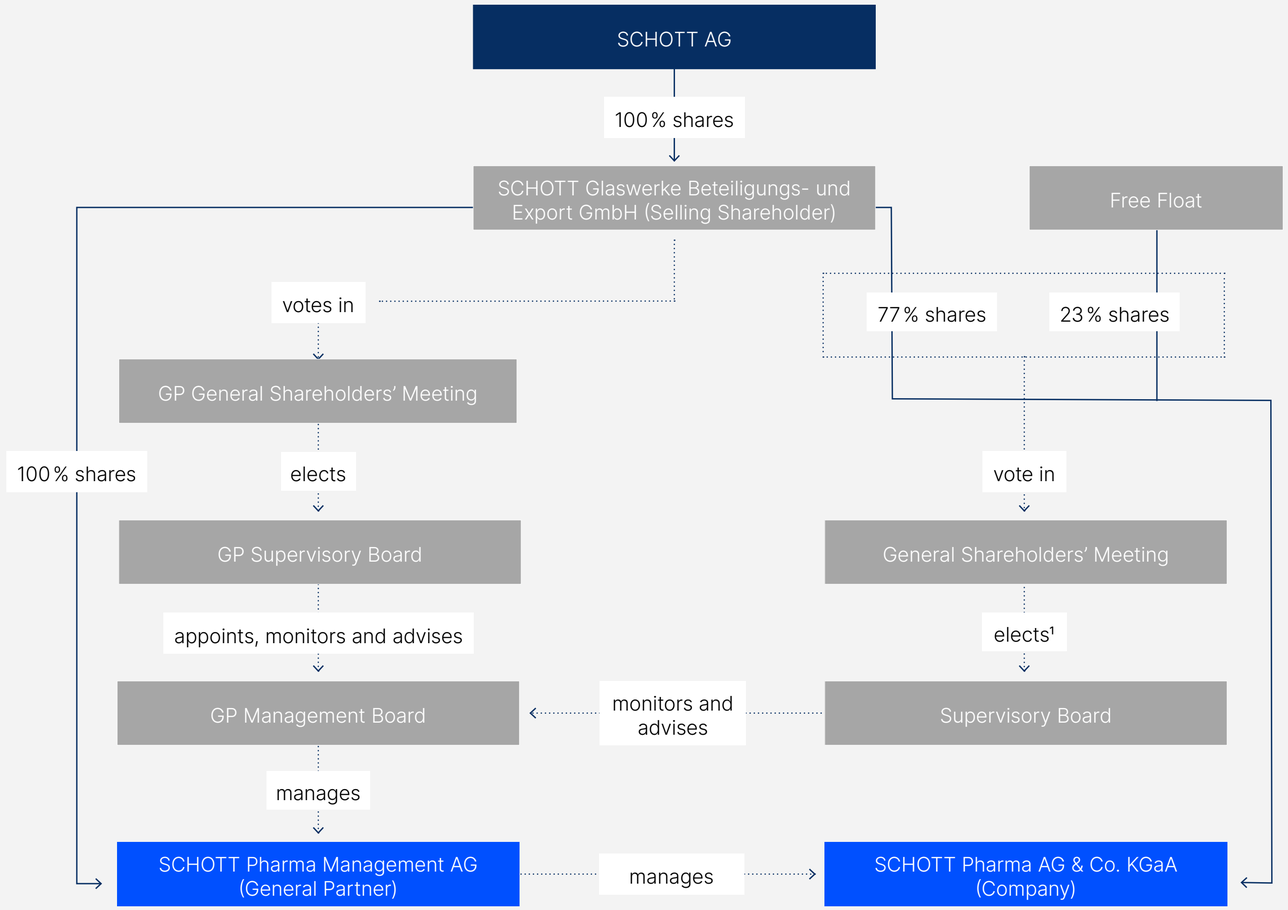
GRI 2-1/-9/ -10/-11/-15

Our company structure and governance

SCHOTT Pharma is constituted as a KGaA with a German stock corporation as its sole General Partner. It is the parent company of SCHOTT Pharma Group. The Company is governed by its Articles of Association (Satzung) and the general provisions of German corporate law, particularly the German Stock Corporation Act and the German Commercial Code.

A KGaA's corporate bodies are its General Partner (Komplementärin), its Supervisory Board (Aufsichtsrat) and the General Shareholders' Meeting (Hauptversammlung). Unlike a German stock corporation in which the Supervisory Board appoints the Management Board, the Supervisory Board of a KGaA has no influence on the appointment of the managing body of the General Partner (and hence the management body of the KGaA) pursuant to statutory law. We currently have only one general partner, but a KGaA may have one or more general partners who conduct the business of the KGaA. The removal of a general partner from office is subject to very strict conditions and does, under statutory law, not fall within the competences of the KGaA's Supervisory Board. General partners may purchase shares of the KGaA or provide equity without being required to do so.

Our sole General Partner, SCHOTT Pharma Management AG, is indirectly wholly owned by SCHOTT AG and solely responsible for the management of the Company. SCHOTT Pharma Management AG is a German stock corporation with a two-tier system. It consists of the Management Board and the Supervisory Board. Together with the General Partner's general shareholders' meeting, they form the corporate bodies of the General Partner. Their functions, rights and obligations are governed by the laws applicable to a German stock corporation, in particular the German Stock Corporation Act, the General Partner's articles



¹General Shareholders' Meeting only elects shareholder representatives on the Supervisory Board

of association and the rules of procedure of the Management Board, and the rules of procedure of the Supervisory Board. The Management Board is responsible for managing the Company's day-to-day business while the Supervisory Board advises and supervises the Management Board.

After the successful IPO of SCHOTT Pharma in September 2023, SCHOTT AG continues to hold indirect majority ownership of SCHOTT Pharma KGaA and indirect full ownership of the General Partner. Thus, SCHOTT Pharma KGaA will continue to be part of the SCHOTT Group – implying that SCHOTT Pharma Group will be fully consolidated into any consolidated financial statements prepared by SCHOTT AG. Under German corporate law, SCHOTT AG as controlling shareholder is responsible for setting up a functioning organisation within the SCHOTT Group as a whole (including SCHOTT AG and SCHOTT Pharma Group) to fulfil its duties arising from its role as SCHOTT's group parent company, including its obligation to ensure compliance with applicable laws throughout the SCHOTT Group.

The strong ties between SCHOTT Pharma and SCHOTT AG evolving from this relationship foster the use of synergies and economies of scale related to central services as well as an emphasis on long-term targets with a strong group partner ensuring business continuity. Moreover, the existing linkages and governance systems permit an efficient conflict resolution.

Since the governance system of SCHOTT Pharma KGaA consists of a multi-tiered system, conflicts of interest of members of the highest governance bodies are mitigated by this structure preventing members of the Management Board from being on the Supervisory Board – and vice versa.

SCHOTT AG and SCHOTT Pharma KGaA, represented by their respective highest governance bodies, have executed a Relationship Agreement that coordinates the relationship between the parties involved. It ensures compliance with legal requirements as well as proper business and risk organisation for SCHOTT Pharma as part of the SCHOTT Group.

In the Agreement, SCHOTT AG acknowledges that the Management Board manages the Company in its own responsibility (Section 76 of the German Stock Corporation Act) and that the exercise of any influence is always subject to the governance framework of the German Stock Corporation Act, including Section 311 et seq. Moreover, the parties agree that any business relationships between SCHOTT Pharma Group on the one hand and SCHOTT AG or other members of the SCHOTT Group on the other hand will always be at arm's-length conditions.

The four members of the Supervisory Board representing the shareholders of SCHOTT Pharma KGaA have been appointed by the General Shareholders' Meeting on 4 April 2023. The two members of the Supervisory Board representing the employees have been appointed after alignment with the employee representative bodies at the request and proposal of the company by resolution of the local court (Amtsgericht) of Mainz where our company is headquartered, on 19 April 2023.

Management Board

- Andreas Reisse, 62, first appointed in July 2022 and until July 31 2025, CEO
- Dr. Almuth Steinkühler, 42, first appointed July 2022 and until July 31 2025, CFO

Supervisory Board of SCHOTT Pharma AG & Co. KGaA

- Peter Goldschmidt (chair, independent), 58, member since 2023, appointed until 2027, CEO of STADA Arzneimittel AG
- Dr. Wolfgang Wienand (independent), 51, member since 2023, appointed until 2027, CEO of Siegfried Holding AG
- Ann-Kristin Erkens (independent), 47, member since 2023, appointed until 2027, CFO at SIG AG
- Eva Kienle (independent), 55, member since 2023, appointed until 2027, CFO at KWS SE (General Partner of KWS Saat SE & Co. KGaA)
- Christine Wening (employee representative), 43, member since 2023, appointed until employee election, Head of Global Supply Chain Management at SCHOTT Pharma
- Mario Just (employee representative), 57, member since 2023, appointed until the next employee election, Chairman of the works council of the Company in Müllheim, Germany)

Supervisory Board of the SCHOTT Pharma Management AG

- Dr. Frank Heinricht (chair), 61, member since 2022, appointed until 2027, CEO of SCHOTT AG
- Dr. Jens Schulte, 52, member since 2022, appointed until 2027, CFO of SCHOTT AG
- Peter Goldschmidt (independent), 58, member since 2023, appointed until 2027, CEO of STADA Arzneimittel AG
- Dr. Wolfgang Wienand (independent), 51, member since 2023, appointed until 2027, CEO of Siegfried Holding AG

GRI 2-18/-19/-20

Fair and transparent evaluation and remuneration

Our elaborate system of corporate governance is in full alignment with the German Corporate Governance Code, which comprises essential statutory regulations for the management and supervision of German listed companies and contains, in the form of recommendations and suggestions, internationally and nationally acknowledged standards for good corporate governance.

In line with the Code, our Supervisory Boards oversee the work of our Management Board. The Supervisory Boards – in addition – formally approve certain transactions that require prior consent according to "standing orders" guidelines. In addition, the Supervisory Boards determines specific objectives regarding its composition, and prepares a profile of skills and expertise for the entire Board while taking diversity principles into account. The Supervisory Board's skill and competence profiles comprise expertise regarding our material sustainability topics. Proposals by the Supervisory Board to the General Meeting shall take these objectives into account while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. The implementation status shall be disclosed in the form of a qualification matrix in the Corporate Governance Statement, ensuring transparency for all relevant stakeholders.

Being transparent is also of high importance to us when it comes to renumeration of our highest governance bodies. Moreover, we integrate both financial and sustainability targets regarding variable compensation to incentivise the pursuit of sustainability issues.

The members of the Management Board receive a fixed annual base salary. Additionally, they are entitled to a short-term incentive ("STI"), depending on the achievement of performance targets in the respective fiscal year. The STI depends on specific financial targets set by the Supervisory Board which generally include increases in revenue (weighted at 40 %), ROCE (30 %), and EBITDA margin (30 %).

The long-term incentive ("LTI") in turn is intended to promote long-term commitment of the members of the Management Board to the Company and its sustainable growth. Accordingly, the LTI covers a period of four years. The Company Supervisory Board sets performance targets pertaining to three different categories: (i) financial company targets (60 %), (ii) ESG targets (30 %) and (iii) (individual) strategic targets (10 %). Target achievement is capped at 180 %. In addition, each member of the Management Board is entitled to a fixed annual pension allowance and defined additional fringe benefits.

The members of the Supervisory Boards receive a fixed annual allowance, with the chairperson receiving a double allowance and the co-chair being entitled to additional 50 %. Expenditures for travel and other necessary tasks directly related to board membership are reimbursed.

Our sustainability management

GRI 2-9/-12/-13/-14/-17

At SCHOTT Pharma, we believe that it is our responsibility to contribute to the long-term viability of economic, social and environmental systems. By preserving their sustainability, we create value for us, our stakeholders and society at large. To live up to this responsibility, we have established a holistic sustainability management that we gradually extend and improve. It encompasses the tasks, structures and processes necessary to make a meaningful contribution to sustainable development.

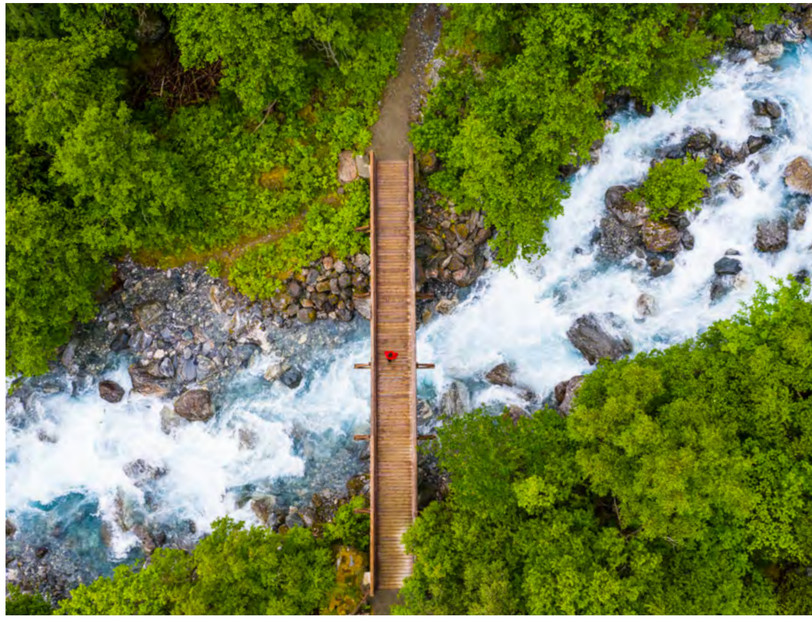
Sustainability governance

The organisation-wide responsibility for our sustainability management and strategy rests with the members of the Management Board who at the same time chair our Sustainability Board. This steering body also comprises the Head of Sustainability, the Head of Human Resources, the Head of Legal and Compliance and representatives of the individual business segments to ensure cross-functional planning and implementation.

The Sustainability Board is responsible for creating a holistic overview of the ESG strategy and promoting sustainability integration into business practice. It decides on the ESG roadmap, the release of targets and budget allocation, and meets quarterly to review progress as well as strategic opportunities and risks. It also serves as the central hub for sustainability-related information and provides state-of-the-art insights about developments that are relevant for the identification and assessment of material impacts of SCHOTT Pharma.

On the working level, there is a dedicated ESG team. The ESG team is reporting to the CFO, ensuring another linkage between operational and top management level. Furthermore, the sustainability programme appoints project teams staffed with topic-specific experts from across the organisation. The overall responsibility for the ESG team lies with the Head of Sustainability.

For purposes of advice and review, we also involve the Supervisory Boards in our organisation. The Supervisory Board of SCHOTT Pharma Management AG provides advice on the general direction of our sustainability strategy. It is also engaged in reviewing and approving our sustainability reporting. The



Independent Supervisory Board of SCHOTT Pharma AG & KGaA is involved in reviewing and approving the sustainability reporting in accordance with the respective legal requirements and advises on the strategic direction of our efforts.

Our governing bodies are also participating in the assessment of our impacts on people, environment and the economy as part of our materiality analysis. Our Group Management Board reviews and approves the materiality assessment and is involved in setting its scope regarding the process and the stakeholders considered. Stakeholders included in the assessment also comprise the members of the Group Supervisory Board (SCHOTT Pharma Management AG) and senior executives of the Group. For future assessments, we will also engage the members of the Independent Supervisory Board, which had not yet been established when our most recent analysis was conducted.

GRI 2-23/ -24/-25 GRI 3-1

Risk and opportunity management

At SCHOTT Pharma, a systematic management of risks and opportunities plays an important role in our group-wide planning, auditing and reporting processes. It is an essential tool to support the pursuit and achievement of our strategic and operational goals and to create an awareness of risks as part of our organisational culture.

We want to make sure that our people are aware that SCHOTT Pharma is exposed to a variety of financial and non-financial risks that result from external influences and have a potential impact on its business activities. In this context, we apply a broad understanding of risk that entails the actual or potential threat of external developments, events or actions preventing our group from pursuing and meeting its goals.

Our external analysis, however, is not limited to the identification and assessment of external risks, but also entails opportunities – again of financial or non-financial nature – that can be exploited to safeguard or strengthen our competitive position and ensure the existence of our company in the short and long run.

We systematically seek to identify and assess risks at an early stage, taking into account political, economic, social, technological, environmental, and legal conditions and developments. This provides the basis to continuously monitor and report on risks as well as to develop preventive or mitigating measures. Our assessments are based on the likelihood of occurrence and scope in the form of financial loss or reputational damage.

Our risk management approach consists of centralised and decentralised measures in order to make use of the specific experience and knowledge our experts have in their respective fields. It requires substantial expertise to identify and fully comprehend risks for business functions such as product safety, supply chain management and cyber security.

Identified material risks of strategic nature are reported to the relevant governance bodies on a regular basis to ensure their consideration in strategic planning, budget allocation and financial control. Risks of operational nature are reported to task forces and managers in charge for evaluation and ensuing handling.

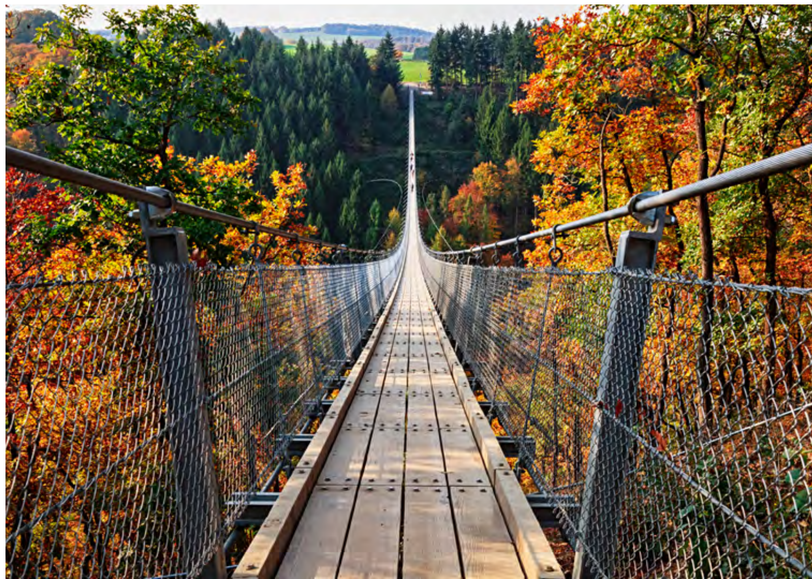
A holistic risk management, however, does not only comprise the identification and assessment of financial and non-financial risks for our business model and bottom line, now commonly referred to as “outside-in” dimension or “financial materiality”. We also evaluate the actual and potential risks emanating from our business model and operations, including our value chain, on economic, environmental and social aspects, now often described as “inside-out” dimension or “impact materiality”. This “double materiality” is a key element in the identification and assessment of our material sustainability issues and thus integrated into our strategic process described in the next chapter.

Regarding sustainability-related risks and opportunities, we build on the issues identified in our materiality analysis. We define the related risks as conditions, developments or events pertaining to environmental, social or governance (ESG) aspects

- that may be of actual or potential influence on our business model, our operations or the future viability of our company or
- whose occurrence may have a positive or negative impact on the economy, the environment or society.

To illustrate the nature of related risks and opportunities, the effects of climate change on our business as well as the impact of our operations on climate change in the form of emissions can be used as an example regarding the environmental dimension. When it comes to social aspects, product or occupational safety may be mentioned for illustration. Governance in turn is concerned with issues such as competition law or preventing bribery and corruption.

Our aforementioned risk analysis was performed in accordance with sections 315c, 289c of the “Handelsgesetzbuch” (German Commercial Code). This analysis – taking into account the measures we have taken to limit risks – did not reveal any material risks arising from our business activities, our business relationships or our products that are very likely to have a serious negative impact on the material non-financial aspects identified.



Stakeholder engagement

GRI 2-28/-29
GRI 3-1

In the process of determining material issues, we engaged a wide variety of stakeholders ranging from employees to customers and suppliers, to capital market representatives, to academic and non-governmental organisation representatives. This engagement is reflective of our overall approach to stakeholder management. As a business operating globally, our activities have an impact on groups and individuals of very different kinds. They in turn have expectations and make demands that are financial, environmental, social or ethical in nature.

To understand their concerns, we engage in dialogue with our stakeholders. We believe that such interaction is part of our responsibility and integral to a fair relationship, but also conceive the interests and expectations of our stakeholders to be vital for our licence to operate and our business success.

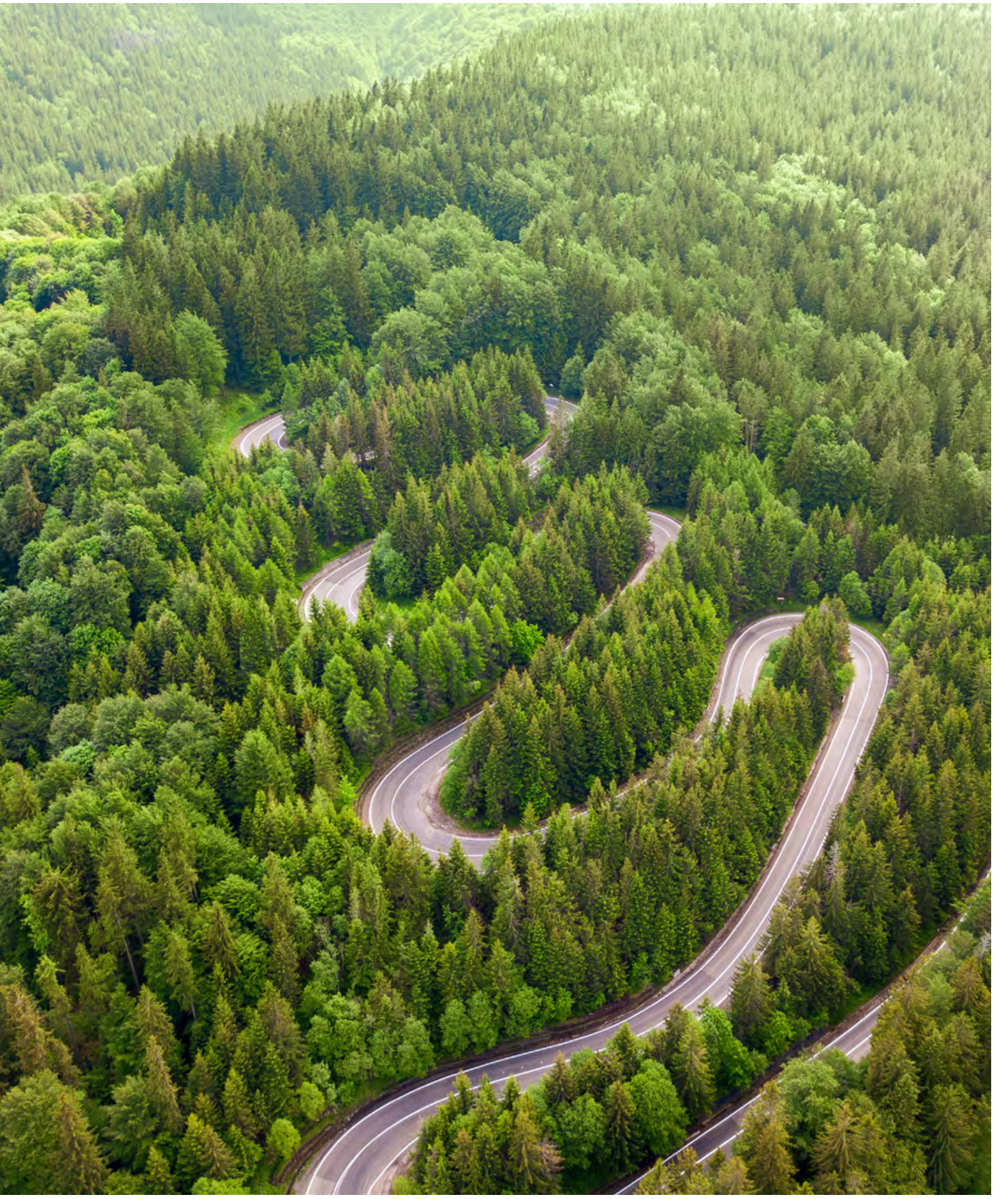
In the context of sustainability, our stakeholder dialogue provides us with different perspectives on sustainability issues and may even create awareness of issues that we did not consider before. It helps us to identify or better understand trends and developments at an early stage and to become aware of potential conflicts that would be hard to resolve at a later stage, when positions have hardened. The engagement of our stakeholders thus also contributes to the identification and prioritisation of risks and opportunities mentioned in the previous section.

The forms of dialogue we apply are as diverse as our stakeholders are. They range from direct exchanges with customers to electronic surveys of employees or suppliers and from our participation in conferences to our active membership in scientific and industry associations. The latter allows us to exchange with peers and experts from other organisations on a large variety of subjects such as new technologies, economic and political developments or regulatory issues. The dialogue also spurs ideas, innovation and collaboration on specific projects.

Among the associations SCHOTT Pharma is active in are:

- Drug, Chemical & Associated Technologies Association, Robbinsville/USA
- International Society for Pharmaceutical Engineering, North Bethesda/USA
- Parenteral Drug Association, Baltimore/USA
- Comité National des Conseillers du Commerce Extérieur de la France, Paris/France
- Alliance to Zero, Burgdorf/Schweiz
- Bundesarbeitgeberverband Glas und Solar e. V., München/Germany
- Bundesverband Glasindustrie e. V., Düsseldorf/Germany
- Wirtschaftsverband Industrieller Unternehmen Baden e. V., Freiburg/Germany

The systematic integration of stakeholders is also a main element in our materiality analysis, helping us to better understand three things: the issues they see as important for us to address, the effects of these issues on our business, and the impact of what we do on people, the environment and the economy. How we conducted this materiality analysis as a cornerstone of our sustainability strategy is described in the next chapter.



Our sustainability strategy

The central theme of our sustainability strategy continues our tradition of elevated corporate social responsibility, including workforce, society and nature. In 1884, Otto Schott, Ernst Abbe and Carl Zeiss founded the laboratory for technical glass works – the “Glastechnische Laboratorium Schott & Genossen”. To make this company foundation a long-term success, the young company pioneered social worker rights and guided the company’s growth and success based on scientific exploration of glass. An early milestone in 1887 was the discovery of borosilicate glass which still is the gold standard for safe drug containment.

The foundation statute of the Carl Zeiss Foundation from 1896 included regulations on worker health, pension and survivors’ insurance, working hours, salary, and the principles for an independent workers’ committee for issuing advisory opinions to the Executive Board. A clear commitment to long-term thinking and responsibility to the employees and their social environment. Today, we aim to serve this legacy and go even further by embracing a holistic approach towards corporate sustainability and responsible business conduct.

GRI 2-22/-26/-29
GRI 201-2

Our strategic focus

With our sustainability strategy, we are setting a focus on:

- striving for climate-neutrality by 2030,
- pioneering for circular packaging solutions
- and promoting equal opportunities to utilise the strengths of diverse teams.

We derived and validated our strategy from stakeholder interaction. Our priorities are in line with our commitment to the United Nations Sustainable Development Goals (SDGs). With our products and services we are particularly contributing to:

SDG 3: Good health and well-being is directly linked to our Company's mission: we deliver solutions that ensure medicines are safe and easy to use for people around the world. With our products for drug containment and drug delivery we support about 25,000 injections per minute around the globe. We understand this contribution as our responsibility for global health and as such for the assurance of product quality and resilient availability.

SDG 5: Gender equality resonates with our mindset, company culture and full commitment to human rights and equal opportunity. As a global organisation, we believe in the value and success of a diverse workforce, closely collaborating to generate the best ideas and the best solutions for the complex challenges we are solving, day by day. We therefore embrace all differences among people, cultures, skill sets, opinions, experiences and perspectives. For us, the assurance of equal opportunities is unlocking our full potential as a preferred employer and a rewarding place to work and thrive in.

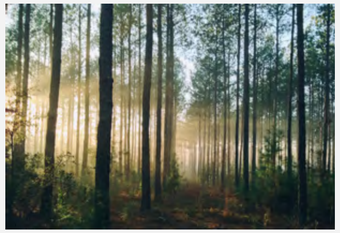
SDG 12: Responsible consumption and production encompasses our commitment to resource and energy efficiency along our value chains and in our products. We have implemented guidance and checks for ecodesign compliance into product development. This way we ensure that our products are simultaneously designed to be safe for the patient as well as sustainable to the planet. Together with our suppliers, partners and customers we take the initiative to develop and realise concepts that enable a higher degree of circularity related to our packaging materials and products in compliance with the regulatory framework of our industry. This way we intend to simultaneously reduce the amount of waste and the demand for virgin materials.

SDG 13: Climate action is a number one priority on our agenda. The enormous threat to our ecosystems and long-term quality of life requires dedicated action by all stakeholders. Consequently, we set a focus on developing solutions to reduce emissions related to our production processes and to enable circular material-use and packaging solutions across our value chains. We also see this a priority from an economic perspective. Beyond this being the right thing to do, we ensure to address upcoming customer expectations and secure future compatibility of our business operations with market requirements.

We ensure the administration of 25,000 injections per minute

We promote equal opportunities and diverse teams

We pioneer sustainable and circular packaging solutions in the pharmaceutical industry



We strive for climate neutrality by 2030

We are committed to business integration

We believe in the positive impact of our sustainability activities as driver of long-term business success. Therefore, we handle the underlying roadmap as a part of the overall strategy process of SCHOTT Pharma, just in the same way as the product roadmaps. This ensures the integration of our sustainability priorities into the overall priorities within our business decisions.

We are committed to stakeholder engagement

Engaging our stakeholders, also outside of our value chain, is another key element in our strategic approach. Considering their opinions is not only a matter of a fair partnership to us. We also regard their expectations and suggestions as input that allows us to sharpen our strategy and address the concerns of those that are affected by what we do. As such, our stakeholders help us to match societies expectations for the long-term success for our company, partners, workers and social environments – fully in line with the spirit of our company founders.

We are committed to collaboration

To deliver on our sustainability strategy, we consider collaboration a major success factor. When it comes to climate action and sustainable products, there is a high dependency on other members of the ecosystem and to align change for solution acceptance. This is why we strive to realise our ideas in cooperation with our suppliers, partners and customers whenever feasible. This is also why SCHOTT Pharma is a founding member of the Alliance to Zero. The Alliance to Zero is a supply chain initiative aiming to facilitate the net zero transition of the supply chain for injection devices. The cooperation in this cross-company initiative enables us to understand problems and think about solutions from an ecosystem perspective.

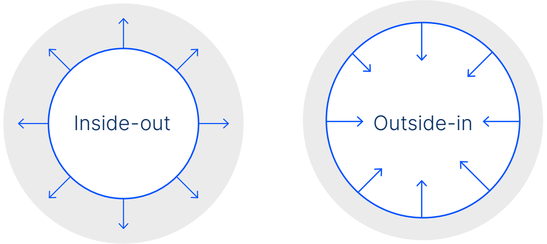
GRI 2-26/-29
GRI 3-1/-2/-3

Materiality analysis

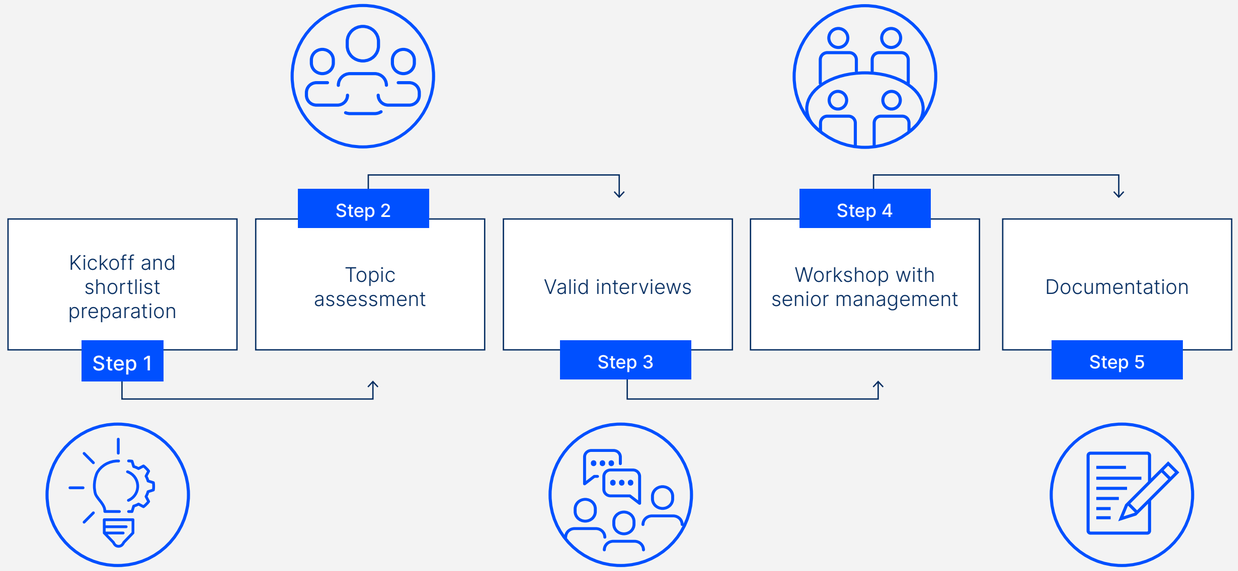
We carried out a holistic materiality analysis in 2022 in order to determine which sustainability topics are particularly relevant to our business operations and our stakeholders. We believe this to be vital to identify the most relevant areas of action and to address the issues that substantially affect our business or where we can make a significant contribution to a sustainable development. The results of the materiality assessment were used to finetune the scope of the sustainability programme and sharpen its strategic priorities.

The approach of our materiality analysis followed the principle of a double materiality including the two perspectives:

- Inside-out (also referred to as “impact materiality”) – the positive or negative impacts of SCHOTT Pharma on the economy, the environment and society.
- Outside-in (“financial materiality” or “business relevance”) – the impact of external conditions, events, developments and expectations on our business activities, financial performance and future viability.



To ensure a systematic identification and assessment of material topics for our Group, we conducted a five-step process.



In the first step, we drew on industry standards, frameworks and insights from similar organisations and developed a longlist of potential material topics. These subjects were further reflected upon in a comprehensive kickoff workshop, resulting in a concise shortlist that included the most critical aspects related to SCHOTT Pharma’s business context. Throughout this process, we created descriptive titles and established a specific terminology to describe each issue as precisely as possible.

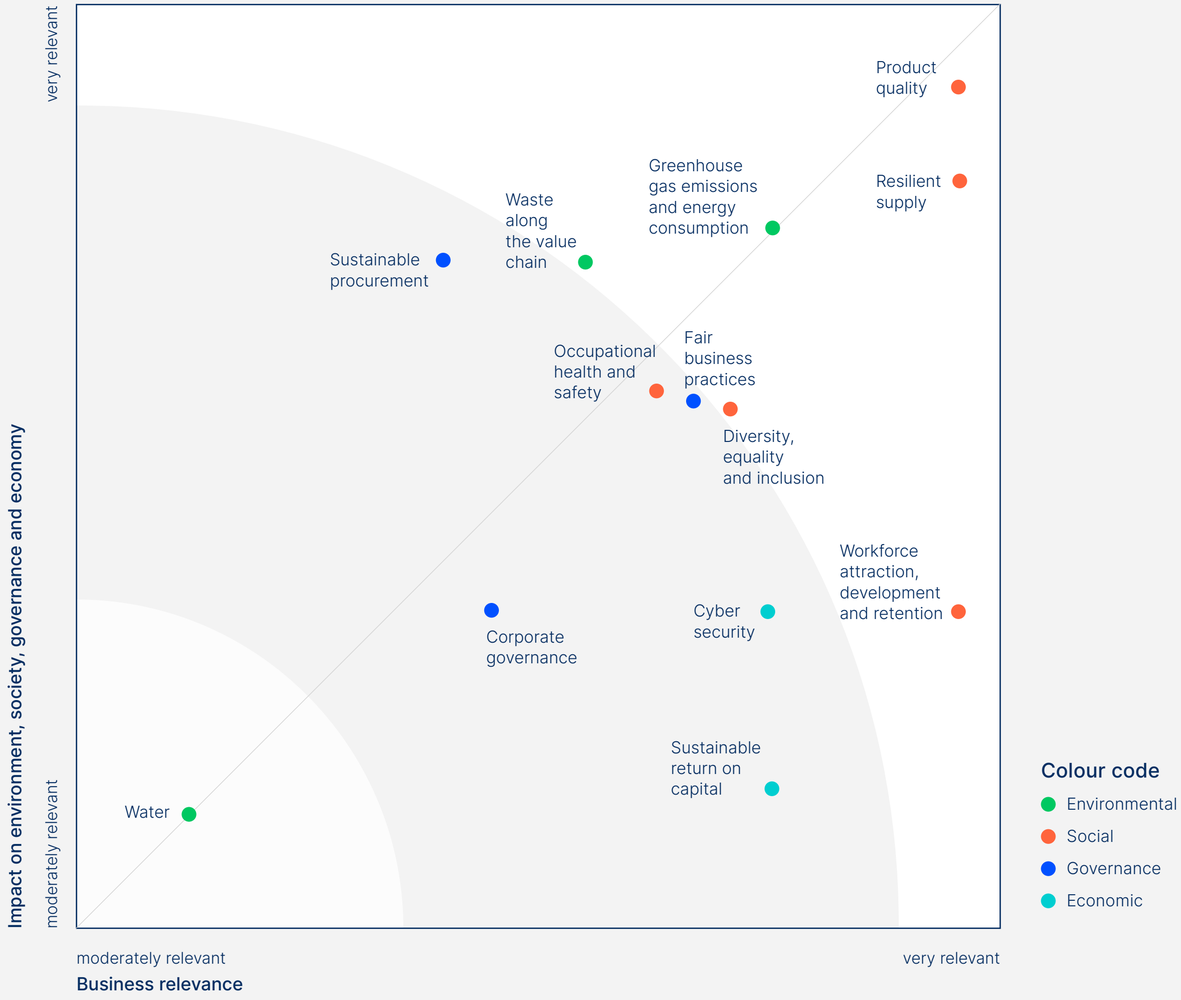
In the subsequent step, we deliberated on the preliminary shortlist with a group of experts from diverse business domains. Corresponding workshops utilised a dual perspective on potentially material topics, examining them both from the inside-out and outside-in perspective. The assembled experts carefully examined and outlined the implications of shortlisted issues in an initial evaluation regarding their significance for the company. This assessment encompassed not only immediate consequences but also their impact on the overarching business strategy.

Subsequently, 22 interviews with representatives of diverse stakeholder groups, including customers, employees, suppliers, investors, NGOs and local communities were conducted by SCHOTT Pharma. The input aided us to better understand stakeholder expectations and the actual and potential impact of SCHOTT Pharma's business activities. This collaborative approach ensured a broad spectrum of perspectives and insights. The interview partners did not only rank the material topics, but also helped us to interpret the consolidated shortlist topics from diverse viewpoints. Moreover, some topics beyond the consolidated shortlist were raised by the interviewed stakeholders enabling us to rethink and validate the shortlist content and thereby the specific responsibilities and expectations of SCHOTT Pharma.

The findings from the initial assessments and the validation interviews were synthesised into a preliminary materiality matrix, which was then presented to the Sustainability Board. The aim of this workshop with the senior management was to critically review and finetune the evaluations. Moreover, top management's consent ensured commitment to the topics identified.

As a result, the initial 39 topics were iteratively narrowed down to the most material 13 topics, which were then allocated to a materiality matrix, comprising an outside-in and inside-out dimension. The analysis was conducted in alignment with the requirements put forth by the Global Reporting Initiative (GRI), which stresses the inside-out dimension, the CSR Directive Implementation Act that emphasises the outside-in dimension, as well as in anticipation of the Corporate Sustainability Reporting Directive (CSRD) calling for both perspectives to be incorporated.

Together with our stakeholders, we assessed our material topics



GRI 3-2/-3

Our material topics

In the following, we provide a list of our material topics and elaborate on their relevance in the context of our sustainability programme.

Sustainable return on capital – At SCHOTT Pharma, we secure profitability by making business decisions with the long-term perspective in mind. The fiduciary duty we have towards our financial stakeholders is met by providing adequate returns on capital, grounded in a sustainable business model.

Corporate governance – To ensure the good governance of our company, we operate based on established structures, rules, processes and practices that provide for effective management and control. The underlying principles we adhere to in the interest of our shareholders and stakeholders are transparency, accountability, sustainability, efficiency, avoidance of conflicts of interest and control.

Fair business practices – We believe in fair behaviour as per the principles of UN Global Compact and view them as fundamental ingredients for long-term success. Consequently, we have high expectations regarding the way we conduct business. We believe in fair and honest conduct, adhering to strict legal and ethical principles in everything we do. We refrain from using unfair trade practices and any form of bribery or corruption. Through fair competition in the market, we want to contribute to a sustainable social and economic development.

Sustainable procurement – We expect our supply chains to reflect the values we stand for. We are working closely with our suppliers to promote environmental, social and governance aspects. Respect for human rights is of utmost importance to us in this regard.

Cyber security – In the 21st century, cyber crime has become a daily threat to almost any business. We consider it our responsibility to protect our IT systems against any form of attack to guarantee the integrity of our data and that of our employees, customers, suppliers and other business partners.

Diversity, equality and inclusion – As a global company with customers and employees across the globe, we embrace diversity as an enrichment of our organisational culture and a competitive strength. We promote a culture of equal opportunity for all, regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation and social background. Equality and inclusion are values we nurture and practice.

Workforce attraction, development and retention – The success of our business is grounded in our people. Therefore, it is of highest importance to be an attractive place to work for new colleagues joining us on our mission and to foster the passion and loyalty of our existing workforce. The complex and changing working environment is a challenge and chance to create modern jobs at the same time. We continuously invest in the qualification and development of our employees and thus establish the foundation for their and our success alike.

“The exchange with our stakeholders helped us to interprete our impacts from diverse viewpoints and enabled us to clearly prioritise our sustainability efforts.”

Philipp Ludihuser, Sustainability Manager

Occupational health and safety – In line with the pioneering initiatives regarding worker protection and welfare of our founders, comprehensive occupational health and safety measures are a natural priority to SCHOTT Pharma. This includes measures fostering the mental and physical well-being of all of our people.

Product quality – We understand that our company is part of a complex value chain with one objective: the improvement of human health and patient safety. Flawless quality is not negotiable for us when it comes to products used for the containment of parenteral drugs. To continuously raise the bar for ourselves, we operate in an environment that promotes continuous improvement and entrepreneurial responsibility.

Resilient supply – Our central purpose is the supply of safe containment solutions and delivery systems for about 13 billion injections per year. To ensure the resilience of our product delivery and make sure that our products are available where they are needed, we need to protect our supply chain from (geo)political and economic shocks, natural disasters and supply shortages. By pursuing a regional supply concept, we can significantly reduce the respective risks.

Greenhouse gas emissions and energy consumption – With climate change being a major threat to future quality of life for all of us, it is our responsibility to reduce our carbon footprint. In our own operations and in our supply chain, we are taking measures to use alternative energies, reduce energy consumption and develop circular economy concepts to make our contribution to climate protection.

Waste along the value chain – SCHOTT Pharma is working to reduce waste along the value chain in alliance with stakeholders upstream and downstream. It is our aim to develop meaningful circular economy concepts in collaboration with our partners and to increase the degree of circularity along the value chain to protect natural resources.

Water management – We acknowledge that water is one of the most precious natural resources in the 21st century. Although water consumption plays no major role in most of our manufacturing activities, we consider responsible use of water a central aspect for all our employees and local communities. Wherever water is consumed, we seek to systematically reduce our water consumption and increase the reuse of water from our operations and facilities through filtering and closed loop systems, keeping water in the circle instead of discharging it.

Our material topics guide the structure of our sustainability report. In the following chapters, we provide information on our approaches to managing them, the respective measures we take and our performance. How we create a sustainable return on capital is described in the chapter “About SCHOTT Pharma”. In the same chapter, we also describe our overarching structures and mechanisms to ensure a good corporate governance. Our sustainability governance is covered in the chapter on our “Sustainability management”.

Embracing customer exchange

At SCHOTT Pharma, we take customer voices seriously. Consequently, our sustainability strategy has evolved beyond a corporate initiative to become a fundamental response to customer demands. Additionally, the integration of our customers into our sustainability endeavours enables to join competences and to secure solution acceptance. To get a better understanding of customer expectations, we spoke to Philipp Ludihuser, Sustainability Manager at SCHOTT Pharma.

What role does SCHOTT Pharma's sustainability performance play for its customers?

We see that over the last 2 to 3 years customers started to increase their attention on human rights risks and carbon emissions related to their supply chain. Some customers consider insufficient sustainability performance a potential obstacle to future business partnerships. Therefore, in addition to our own sustainability goals, meeting our customers' sustainability expectations is crucial for maintaining strong supplier-customer relationships.

You mentioned that customers increase their expectations, but what exactly do they expect?

Our customers expect safe and reliable drug containment solutions that enable patient safety. We provide these solutions because human health matters. Furthermore, our customers expect us to take responsibility for the sustainability impacts related to our business operations. They expect us to support their ambitions related to climate change – starting from data requests to reduction targets and activities. This is why we are focusing on decarbonisation of our operations to achieve climate neutrality. We are also collaborating with partners throughout the value chain to promote circular packaging, which enables us to increase resource efficiency and reduce associated emissions.

What are typical topics beyond climate change that are relevant for SCHOTT Pharma's customers?

Besides climate-related topics, our customers review the due diligence of their supply chains with respect to human rights and fair business practices. The same we do as well. Today, it is important that each company is not only receiving goods, but also takes responsibility that the values of good business conduct and human rights are understood and shared throughout the entire supply chain.

What are the challenges of customer requests?

For me, the various customer requests we are receiving are more an opportunity than a burden. They allow us to gain insight into customer needs and, in some cases, even initiate collaborations to achieve common goals. Especially in our industry, achieving more sustainable products and production requires all partners in the value chain to work together. Having our customers on board increases our leverage to drive change.

Philipp Ludihuser
Sustainability Manager

"Having our customers on board increases our leverage to drive change."

Dr. Arne Kloke
Head of Sustainability

"Overall, it was a great year for us because we have strengthened our organisational structure and were able to harvest first outcomes."

Partnering for change

Alliance to Zero
Enabling Net Zero Pharma Products

The Alliance to Zero represents a pivotal commitment by SCHOTT Pharma to collaborative engagement for sustainable products and industry change. In partnership with eight companies, SCHOTT Pharma established this membership association to facilitate the transition of the pharmaceutical sector to net-zero emission solutions. We interviewed Dr. Arne Kloke, Head of Sustainability at SCHOTT Pharma, about the Company's involvement and the Alliance to Zero. In 2023, he assumed the presidency of the Alliance.

The goal of the Alliance sounds very ambitious. How can a small group make a change?

This is true, our goals are ambitious. Still, they just follow the necessity of climate science and a problem that is here, if we want it or not. The strength of the Alliance lies in us being a group of likeminded companies. Together, we use the format of an association to jointly understand the problem and review future scenarios from an ecosystem perspective rather than within the confines of individual business models. This cross-company approach enables us to challenge the status quo. Different to larger industry or cross-industry initiatives, we focus on specific problem statements. This focusing enables us to develop tangible solution approaches and to draw an actionable path forward. To amplify our impact, we then seek partnerships with respective experts or larger groups having shared interests to increase change probability.

Can you give us an example how this works in practice?

Sure. One of our first exercises was to run a cross-company assessment of the emissions associated to an autoinjector. The results highlighted that the polymer components, along with their raw material and end-of-life impacts, significantly contribute to the overall footprint. So it is logical to think of using recycled content in those components. But today, all skin contact materials are subject to biocompatibility testing, which limits the most massive parts to virgin material use for this ten-second application. All pens we use for writing are touched for hours and are typically not tested for skin irritation. Therefore, we decided to analyse the related regulations and risks in detail and participated in the Parenteral Drug Association (PDA) Quality & Regulation conference to discuss our findings with industry experts. This way we are able to form an industry opinion and sketch alternatives that balance patient safety and environmental considerations.

How does SCHOTT Pharma benefit from being a member of the Alliance?

The membership is about joint learning and co-development. The Alliance facilitates a continuous exchange on the uncertainties and trends around the net-zero and sustainability journey. Together, we can more easily understand how to react to the evolving requirements and related opportunities. Beyond learning, the Alliance is also a platform for co-development. No doubt, this ongoing collaboration makes it easier to understand interfaces between the parties of the value chain. And discussing future scenarios naturally prompts reflection about the own business and potential opportunities that might open up.

Looking back to the last year: what were the highlights for the Alliance?

Overall, it was a great year to us because we have strengthened our organisational structure and were able to harvest first outcomes. We now have seven active working groups, spanning from ecodesign, sustainable procurement to co-development projects and circular transformation. On circular transformation approaches, we successfully completed three master theses with TU Delft. We delivered three PDA presentations on circular transformation, ecodesign for machinery and regulatory hurdles. Another clear highlight to us was the workshop of circular economy in pharma, conducted in partnership with the PDA. This signifies substantial progress toward our objectives of raising awareness about the net-zero challenge and developing our solutions.

Business responsibility

At SCHOTT Pharma, responsible business conduct is a cornerstone of our tradition as part of the SCHOTT Group and the Carl Zeiss Foundation.

Being a trustworthy partner for all our stakeholders and acting fairly in the market are deeply rooted in our organisational culture. “Respect others” and “act responsibly” are two of our core values guiding our daily behaviour in everything we do. We are committed to sustainable and fair business practices, a clear stance in the fight against corruption and bribery, the respect for human rights along our value chain, and the protection of our data and that of our business partners.

Fair business practices

GRI 3-1/-3

SCHOTT Pharma is committed to maintaining fair operating practices by complying with laws, regulations and international standards of business behaviour. We are a participant in the UN Global Compact, the world's largest initiative dedicated to responsible business, and oppose all forms of corruption, including bribery and extortion. Relying on the quality of our products and their innovative character, we promote fair competition and reject any improper relationship with business partners, governments, local municipalities and regulatory institutions. We are carried by our conviction that companies can only be successful in the long run if they are acting ethically and legally responsible.

Materiality and impact

Ensuring fair business practices safeguards our reputation and the trust that important stakeholders such as customers, investors, suppliers and employees place in us. The risks for SCHOTT Pharma resulting from possible violations include jeopardising business relationships with public and private partners, loss of reputation as well as civil and criminal liabilities. To retain the trust of our stakeholders, we need to act as role models – on an individual as well as on a corporate level.

Corruption and bribery lead to a distortion of competition and market inefficiencies. In the societies affected, they lead to a loss of trust in institutions, they increase income inequality and at the same time reduce equal opportunities. The same applies to any restriction of competition through cartels or other anti-competitive measures.

As SCHOTT Pharma is doing business in countries that are prone to corruption, as indicated by Transparency International's "Corruption Perceptions Index", there is a potential risk of corruption, which requires monitoring and, in particular, training our employees accordingly. Overall, it is essential for us to ensure that each individual employee and our organisation as a whole always act in accordance with our internal compliance framework as well as all external laws and regulations.

GRI 2-23/-24
GRI 3-3

Management approach

At SCHOTT Pharma, we manage all compliance-related issues under the SCHOTT Group Compliance Management System. This does not only provide a consistent approach across our entire Group, it also ensures continuous improvement based on mutual exchange and shared experiences.

To us, responsible business behaviour means doing the right thing. Our approach to achieving that is grounded in the understanding that in the dynamic and complex world of today, there cannot be an internal or external rule on every potential scenario. That is why acting with integrity is of crucial importance to us. Our values provide us with an inner compass, also in situations when regulations of any kind are absent. This moral framework we do not regard as something that restricts us. Instead, we see it as an asset that strengthens the relationships we have with our stakeholders and the trust they place in us.

Within this moral framework, always striving for competitive advantage through the quality of our products and the satisfaction of our customers is a core conviction. Based on this performance-driven approach, we are committed to fair competition and strongly reject any form of market-restricting behaviour or undue influence.

Our approach is manifested in our Code of Conduct which reflects our commitment to the UN Global Compact and the fight against corruption. Building on that, our Anti-Corruption Guideline as the key policy document on this topic

- prohibits all forms of active or passive corruption,
- contains clear guidelines on the acceptance of invitations, gifts and other benefits,
- establishes rules on dealing with sales agents and dealers, and
- specifies how to handle donations and sponsoring activities.
- The Code of Conduct also contains clear provisions against any form of behaviour restricting free and fair competition. On this basis, the SCHOTT Compliance Management System lays down guidelines regarding appropriate competitive behaviour,
- puts forth rules for legitimate meetings with competitors that are not targeted at collusion or similar behaviour, and
- makes it mandatory to document memberships in associations.

Any policy can only be successful if the people it addresses know how to apply it to their daily business. This is why extensive information and training are other important elements in our approach. Since we operate on a global scale, our employees encounter a variety of legal frameworks and value systems, which is why we sensitise them also to these cross-cultural aspects when necessary. Our managers play a key role in all compliance issues.

They bear a special responsibility to act as role models for their staff, which is why participating in diverse compliance training activities is obligatory for them.

Because of the transnational scope of our operations just mentioned, we regularly assess our locations of operation for country-related risks of corruption or other anti-competitive behaviour. This enables us to design new policies and measures or adapt existing ones if necessary.

GRI 205-1/-2/-3
GRI 206-1

Measures and measurement

Our Compliance & Security department conducts regular risk assessments of the SCHOTT Pharma sites using country and market risk indicators to determine whether there is a heightened risk regarding corruption. This systematic analysis provides us with the basis to classify SCHOTT Pharma sites into risk categories and additional compliance measures can be taken if necessary. For high-risk sites, these include additional trainings and further assessments to identify whether risks are properly managed at the respective sites. In the reporting period, all of our 12 sites were assessed for risks related to corruption. No incidents of corruption were found.

Corruption risk assessment and related incidents	
Operations assessed for risks related to corruption	
Total number of operations assessed for risks related to corruption	12
Percentage of operations assessed for risks related to corruption	100
Confirmed incidents of corruption and actions taken	
Total number of confirmed incidents of corruption	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0

Our Anti-Corruption Compliance Management System has also been successfully audited by SCHOTT's Internal Audit department. In addition, Compliance & Security uses regular self-assessments to determine whether the preventive measures are recognised and understood within the Group.

Through online and classroom trainings, our Compliance & Security department raises awareness among our employees and introduces them to the rules and preventive measures defined in our Anti-Corruption Guideline. Employees are selected for those trainings according to their positions. For every employee holding a management position participation is mandatory. Employees working in areas with a higher risk of corruption – such as sales or purchasing – have to complete the training regardless of the position they hold. Selected employees must do an online training every two years. They also have to participate in on-site trainings on compliance topics, including anti-corruption and fair competitive behaviour.

All governance body members are provided with anti-corruption policies and procedures through our reporting. They receive the same information as all other employees to ensure they are familiar with the contents and current state of affairs.

In addition to the mandatory trainings, Compliance & Security initiates a variety of communication measures aimed at maintaining thorough awareness on anti-corruption. These include the Compliance@SCHOTT Newsletter, short voluntary trainings on individual compliance questions, short videos, e.g. on specific topics like giving and receiving gifts during the holiday season.

The trainings also cover correct behaviour at meetings of industry associations or any other contact points with competitors to avoid potential involvement in collusion, or other behaviour that could be interpreted as harmful to free competition. In the reporting period, SCHOTT Pharma was not confronted with any legal action regarding anti-competitive behaviour or violation of anti-trust and monopoly legislation.

"Our business partners place their trust in SCHOTT Pharma based on our demonstrated integrity, firm commitment to fair business practices, and robust corporate governance that ensures effective compliance and oversight."

Chris Cassidy,
President SCHOTT Pharma USA, Inc.

Communication and training about anti-corruption policies and procedures	
Total number of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	2
Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	100
Total number of employees that the organisation's anti-corruption policies and procedures have been communicated to	4,704
Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100
Total number of business partners that the organisation's anti-corruption policies and procedures have been communicated to	699
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to	14.5
Total number of governance body members that have received training on anti-corruption	2
Percentage of governance body members that have received training on anti-corruption	100
Total number of employees that have received training on anti-corruption	431
Percentage of employees that have received training on anti-corruption	9.2

To reduce risk regarding business partners of SCHOTT Pharma, we assure that we only work with reliable partners for the sale of our products. Our Compliance & Security department has established an integrity check for sales agents, consultants and dealers via an automated workflow. Only those business partners who pass the check conducted on compliance risk databases can receive goods or payments for their services from SCHOTT Pharma.

We also encourage our employees to speak up when identifying potential corrupt or/and anti-competitive behaviour, inside or outside of our organisation. Transparency and openness as building blocks in our corporate culture thus also support our commitment to a strong corporate compliance on both a local and a global level.

Christoph Dahl
Human Rights Officer

"Promoting human rights and respect for every indiviual has always been an integral element of our success story."

Committed to human rights

At SCHOTT Pharma, we are committed to fair and responsible business practices. This is reflected in our corporate values, our mission to serve the global healthcare market and our strong support of human dignity and human rights. To shed light on how we turn these beliefs into tangible action, we spoke to Christoph Dahl, Human Rights Officer for the SCHOTT Group and SCHOTT Pharma.

SCHOTT Pharma and the SCHOTT AG have recently reemphasised their commitment to human rights. What are the main cornerstones of that commitment?

Upholding basic human rights in the context of our business is nothing new to us. It has always been part of our Code of Conduct and moreover a central element of the foundation documents of our company.

To add another layer to our committment, we detailed our principles in our Human Rights Policy. As participant of the United Nations Global Compact, we have further demonstrated our commitment as a company to respecting human rights in our business activities and assume responsibility for promoting this stance along our value chain.

What are the main challenges we are facing regarding human rights and how are we tackling them?

We are facing a lot of legislation on this topic – like the German Due Diligence in the Supply Chain Act or the freshly agreed upon EU Corporate Sustainability Due Diligence Directive. The main challenge is not losing track in doing the right thing and finding practical solutions for our business and external stakeholders without getting caught up in over-engineered bureaucratic processes just for the law's sake. Together with our Purchasing department, however, I think we are on a good track to both satisfy legal requirements and make a positive impact regarding human rights along our value chains.

Human rights is an all-encompassing topic. How do we make sure to set the right priorities?

Human rights is part of our Compliance Management System. The core of this is our yearly comprehensive risk analysis. It helps us to identify potential areas of concern. In this way, we ensure that this topic is met adequately, in a practical manner and with a systematic approach to minimise the risks discovered.

GRI 3-1/-3

Sustainable Procurement

At SCHOTT Pharma, we assume social and environmental responsibility beyond our factory gates. This is why we are committed to contributing to sustainable development in our value chain. To this end, we regard our suppliers as partners and work with them on increasing product sustainability and driving circular economy concepts.

We also strive to ensure their compliance with ESG standards – holding them to the same high expectations we are setting for ourselves. As a company dedicated to support human health, respecting human rights as well as maintaining fair and safe working conditions is non-negotiable for us. Pursuing a holistic approach, we also demand environmental protection and adherence to principles of good governance and compliance from our suppliers.

Materiality and impact

Our dedication to social and environmental responsibility as well as ethical behaviour is an integral element of our corporate culture and a key factor in our business success. It strengthens our reputation and builds trust among our stakeholders. For our customers and investors, it is important to know that they are doing business with a partner that is fully aware of non-financial risks and takes widespread measures to ensure legal and ethical action along its supply chain.

Moreover, an ESG-conscious approach allows us to identify risks but also opportunities at an early stage. We are aware that unethical behaviour in our supply chain poses a risk to us, potentially leading to a loss of reputation, a loss of customers and a ban from bidding in tenders as well as civil and criminal charges against our company. The latter is especially important related to the German Supply Chain Due Diligence Act (“Lieferkettensorgfaltspflichtengesetz”) that focuses on preventing human rights violations in the supply chain.

It stipulates

- the prohibition of child, forced and slave labour,
- the observance of workers’ rights including occupational health and safety,
- workers’ rights to organise and form trade unions,
- the prohibition of discrimination and unequal treatment,
- compliance with environmental standards and other environmental rights insofar as environmental damage may affect human rights such as human health.

The upcoming EU Corporate Sustainability Due Diligence Directive, which we expect to enter into force as national legislation by about 2026, will extend environmental protection beyond human rights-related aspects, and increase criminal and civil liabilities.

By strengthening workers’ rights and promoting environmental protection among our suppliers, we can make a substantial contribution to sustainable development and address potential grievances – particularly when considering the global scope of our supplier network. At the same time, we further improve our position as supplier and employer of choice, and our attractiveness to investors.

Another positive impact of our ESG efforts in the supply chain we see is the deepening of our supplier relationships – leading to more mutual confidence and trust. By helping them to increase their ESG performance, we also strengthen their market position, as more and more customers purposefully opt for suppliers with a good ESG record.

GRI 2-23/-24
GRI 3-1/-3

Management approach

Our management approach rests on the understanding that assuming social and environmental responsibility as well as acting ethically is not an administrative burden but a competitive advantage – also in collaboration with our suppliers.

One focus area of our approach is increasing the environmental sustainability of our products. Drawing from strong research and development, we develop novel solutions for reducing emissions and waste by increasing energy and resource efficiency and the circularity of materials and products. To be effective and to create a meaningful impact, we need to collaborate with our suppliers, particularly when it comes to circular economy concepts.

In that regard, we apply circular economy criteria to assess the environmental performance of our products. Carbon footprint assessments of materials and packaging density are already integrated into the early development stage of our products. Regarding material composition, usage of recycled materials and packaging design, we collaborate with our suppliers to find the most effective and efficient solutions.

At the same time, we make specific demands of our suppliers concerning the materials they use and the processes they apply to reduce environmental impacts. This reflects another focus of our approach to sustainable procurement: assuring our suppliers' adherence to ESG standards and improving their sustainability performance. In doing so, we integrate ESG considerations within the responsibilities of our procurement organisation.

Our procurement organisation is responsible for purchasing tubular glass, raw materials, packaging and semi-finished components, equipment and machinery as well as sterilisation services. Our procurement is managed by a central lead overseeing planning and equipment aspects for our products and services as well as raw materials and components required. The procurement function is split into strategic, operational and investment teams with different procurement responsibilities.

The strategic aspects are handled by our global category managers. They develop our global supplier strategy, negotiate prices and framework agreements, realise savings, evaluate suppliers' performance, manage risks, introduce new suppliers, and monitor market and technology trends. In contrast, our operational team manages the daily call-offs of direct and indirect materials (e.g. gowning) as well as all other services needed at site from a procurement perspective, ensuring availability of spare parts and answering to maintenance, repair and operations demands. Our investment team in turn is responsible for the procurement of equipment and machinery.

This refined organisation permits us to address issues of sustainable procurement on point at different levels, since we do not only strive for operational efficiency but also a clear strategy to supplier selection and assessment as well as the procurement of energy and resource-efficient machines.

The development and integration of internal and external policies characterise the policy dimension of our approach. Our internal Purchasing Guidelines that are binding for all our people in procurement, demand longevity, environmental protection as well as responsible resource use to be included in the supplier selection process. Likewise, equal and fair treatment of employees is fully expected from our suppliers and is a relevant criterion when making a decision.

Our expectations on adherence to ESG principles are laid down in our Supplier Code of Conduct, based on the UN's Guiding Principles on Business and Human Rights, fundamental labour and social standards of the International Labour Organization (ILO), the Guiding Principles of the Organisation for Economic Co-operation and Development (OECD), and the principles of the UN Global Compact. The Code sets out the minimum standards that our contractual partners must meet in order to do business with us, including the prohibition of any form of child or forced labour.

To ensure consistency, we emphasise ESG issues in the Supplier Code of Conduct that are also an integral part of our own Code of Conduct. With regard to the ecological dimension, the protection of our climate is of crucial importance to us, which is why saving energy and raw materials is something we expect along our supply chain.

Regarding the social dimension, we demand the full recognition of internationally applicable human rights to ensure decent working conditions. This includes a complete ban on child and forced labour. We also consider other forms of compulsory labour as well as any practices of coercion to be unacceptable. We expect that equal treatment and equal opportunities are ensured and that our suppliers take an active stand against any form of discrimination. They have to ensure the right of workers to form unions and bargain collectively. Fair pay and adequate occupational health and safety must be provided.

As far as good governance is concerned, fair business practices are non-negotiable for us. We commit our suppliers to fighting corruption and bribery as well as money laundering, complying with antitrust law and protecting intellectual property. The protection of personal and business data must also be ensured.

GRI 308-1/-2
GRI 407-1
GRI 408-1
GRI 409-1
GRI 414-1/-2

Measures and measurement

To ensure the consistent implementation of our management approach covering the topics just indicated, we take a variety of measures on sustainable procurement and follow a clear process.

Potential new suppliers are screened by a cross-functional team from different units (Procurement, Quality, Technology, R&D and Supplier Development) to perform a holistic assessment. The suppliers in question have to pass certain criteria, including ESG aspects, to become suppliers in the first place, which reduces our risk of entering business relationships with suppliers that might not adhere to ESG standards.

When onboarding new suppliers, we emphasise the importance of suppliers assuming social and environmental responsibility and acting ethically. We clearly communicate our expectation to adhere to recognised international standards of behaviour, such as the UN Global Compact. Already in the beginning, we want to make it unmistakably clear that we regard the commitment to sustainable development as a key element in our business relationship.

To continuously monitor risks in our supply chain, we conduct encompassing ESG risk assessments to manage related risks systematically. We also perform a Vendor Risk Management (VRM) twice a year to identify critical single sources. Based on the result of the risk assessment, mitigation measures are defined if necessary. One of the sources upon which our VRM is built are supplier surveys on ESG aspects. They enable us to assess and rank the respective supplier's ESG performance, identify major gaps and derive potential opportunities for improvement – also based on a collaboration with us. To ensure a holistic application, 100 % of our suppliers were screened for risks regarding human rights violations and environmental risks based on the requirements of the German Supply Chain Due Diligence Act. Subsequently, they were subject to a multi-stage risk and engagement process based on their initial risk score. Moreover, a criticality assessment on all suppliers is executed with respect to industry- and country-specific KPIs once a year. This assessment is based on four data sources:

- Transparency International's Corruption Perceptions Index
- ITUC Global Rights Index
- FIRST for Sustainability industry factsheets
- Federal Ministry of Labour and Social Affairs' report on the "Protection of human rights along global value chains" ("Die Achtung von Menschenrechten entlang globaler Wertschöpfungsketten")

Moreover, high-risk suppliers are uploaded into a 3rd party monitoring software that then refines the risk analysis with additional data compiled of industry benchmarks and specific information drawn from a questionnaire that is sent to the respective suppliers. Additional real-time news monitoring of high-risk suppliers regarding ESG-related topics is currently being implemented and planned to be operational by the end of 2023. In the case of high-risk suppliers, there is a detailed exchange with the responsible procurement function to initiate specific follow-up measures. Suppliers identified as high-risk suppliers regarding the aggregated risk score, have to sign our Supplier Code of Conduct and by doing so make their commitment to adhere to recognised ESG standards contractually binding.

In our last assessment, 19.7 % of our suppliers received an overall high-risk score. Over 50 % of them are located in Brazil, China and Indonesia, acting as local suppliers for our production sites

in these countries. All high-risk suppliers from these three countries combined are responsible for less than 10 % of our overall spend and less than 7 % of our direct spend.

In cases where a supplier refuses to sign the Supplier Code of Conduct or does not take effective measures to remedy the identified shortcomings even after our request, or if recurring systematic violations are recognisable, we reserve the right to end our relationship and terminate existing contracts. This step, however, is only the last possible option for us. Instead, it is our aim to work in partnership with our suppliers and help them develop to jointly strengthen environmental protection, respect human and labour rights and adhere to principles of fair competition.

Dr. Martin Bleider
Head of Sustainable Procurement

"We are convinced that we can make a meaningful contribution to sustainable development in collaboration with our suppliers."

Engaging our suppliers as partners on our sustainability journey

Supplier engagement involves building collaborative relationships with suppliers that go beyond traditional transactional exchanges. In today's world where sustainability, ethical practices and innovation are of upmost importance, supplier engagement is a strategic imperative. Dr. Martin Bleider, Head of Sustainable Procurement at SCHOTT AG (Group), provided us some insights on supplier engagement activities.

How do you try to integrate suppliers into SCHOTT Pharma's sustainability journey?

Integrating suppliers into SCHOTT Pharma's sustainability journey is a proactive and collaborative effort. We go beyond the transactional aspect of supplier relationships by actively encouraging our partners to identify and share opportunities for sustainability improvement. The annual supplier survey serves as a key tool in this endeavour, providing a platform for mutual engagement and allowing joint assessment and work towards realising sustainability goals. This approach highlights the shared responsibility and commitment to sustainability, ensuring that our suppliers actively participate in shaping SCHOTT Pharma's journey towards a more sustainable future.

Could you please provide more information about the objectives of the survey you mentioned as a tool?

Certainly. The supplier survey is a strategic tool designed to achieve two primary objectives within SCHOTT Pharma's sustainability framework. Firstly, the survey provides transparency regarding the maturity of our key suppliers. It serves as a comprehensive assessment mechanism, allowing us to understand the sustainability practices and commitments of our suppliers. Those results are then used in the overall supplier performance review, making sustainability a visible factor next to e.g. quality or supply chain performance records.

Secondly, the survey serves not only as an evaluation but also as a catalyst for collaboration and improvement. By leveraging the insights gained, we identify opportunities for joint initiatives with our suppliers. Therefore, the survey also functions as an instrument to actively shape the future trajectory of our sustainability journey through collaboration and continuous improvement.

Surveys are always a little bit time-consuming. How can our suppliers benefit from the conduction of this survey?

The survey benefits our suppliers in two ways. Firstly, it provides them with recognition for their sustainability efforts. This recognition is not just a formality but a genuine acknowledgement of their commitment and efforts.

Secondly, the survey provides our suppliers with new and valuable engagement opportunities. Through this survey, suppliers can actively propose ideas for co-development to jointly advance on the sustainability journey. The aim is to foster a two-way street of recognition and collaboration, ensuring that our suppliers play an integral role towards a more sustainable future.

Cyber security

GRI 3-1/-3

For SCHOTT Pharma, responsibility also has a digital dimension. We are committed to protecting the data and intellectual properties of all stakeholders involved in our business – from suppliers to customers, and investors to employees. We strive to protect our IT-supported processes from being interrupted to ensure smooth operations at all our sites. This is not only important for the viability of our company but also for the delivery of products that are essential for the provision of medicines. Cyber crime might lead to breakdowns in our manufacturing facilities and logistics, and endanger the medical treatment of people around the globe.

Materiality and impact

As a company driven by science and technology, we work with a large variety of data. SCHOTT Pharma assumes the responsibility of handling that data in a compliant way, especially when sensitive data is concerned. We strive to safeguard the integrity of any person or organisation whose data we process, and to protect sensitive information on, e.g. intellectual property or key technologies.

Due to technological progress, digitalisation and networking are increasingly entering our manufacturing facilities, which drives process innovation and effectiveness, but also increases the risk of cyber attacks. A similar development occurs with regard to the transformation of work organisation. Accelerated by the Covid-19 pandemic, working remotely from diverse locations and even across borders has increased the risk of data breaches.

For our stakeholders, such a loss of personal information could entail serious negative effects, such as identify theft, potential access to financial information by third parties and intrusion into their IT systems. If our processes are affected, the safety of our employees could be endangered if protective measures are disabled. Most importantly, we might not be able to supply our customers from the medical sector with much needed products.

From a business perspective, theft of data might lead to a loss of knowledge and copying or counterfeiting of our products. We may also have to incur cost from recovering data or systems, and might be blackmailed and asked for ransom payments. A loss or misuse of personal data can result in claims for damages by third parties and severe penalties, particularly against the background of tightening legislation, such as the EU General Data Protection Regulation. Another financial risk pertaining to cyber crime lies in us not being able to meet contractual obligations because of a standstill of our operations and resulting contractual penalties.

A serious non-financial risk that could also have financial consequences is a loss of reputation – our most important business asset. We want to make sure that also in the digital world we are the reliable business partner that we have been for more than a century.

GRI 2-23/-24
GRI 3-3
GRI 418-1

Management approach

Our approach is aiming at the best possible protection of our IT systems, data and electronic communication channels against illegal or unwanted activities. These range from unauthorised access and leakage of information to organised cyber crime, entailing demands for ransom and the destruction of data. We operate our IT systems and data infrastructure under the premise of always keeping information secure. Regardless of where we operate, we fully comply with all legal requirements on data protection.

Our policies and guidelines set the framework for our risk-based cyber security approach and define necessary processes and requirements. SCHOTT Pharma is running a comprehensive cyber security programme in alignment with ISO 27001. The building blocks of this framework are policies, people, architecture and assessment addressing prevention and detection of cyber incidents as well as appropriate responses.

Our cyber security architecture is based on a state-of-the-art toolset and is supported by a cyber defence centre that is operated 24/7. We have developed plans for incident management, emergencies and disaster recovery that are tested regularly. To avoid incidents in the first place, risks to the security of our IT are systematically identified, assessed and addressed. This includes potential risks arising from interaction with customers, suppliers, investors and other third parties. To analyse the effectiveness of our approach, we regularly conduct reviews and make modifications if necessary.

Measures and measurement

Due to the wide array of measures we take, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data in the reporting period.

Our Cyber Security team continuously works on increasing awareness among our employees of potential risks. In line with national regulations and our global approach to data privacy, we offer online training courses on cyber security for our employees on a regular basis.

In addition, we provide information material on how to protect against attacks and strive to increase data security by working with “real-life examples”, such as simulations of phishing e-mails. We want to enable our employees to detect and report potential attempts to infiltrate our systems. Such measures do not only sensitise our employees to an ever increasing risk, they also help us to identify potential weaknesses of our approach. We regularly challenge our systems, policies, processes and measures through audits and penetration tests. This is particularly relevant when considering that tactics and methods applied by cyber criminals develop as fast as the technology itself.

Workforce responsibility

At SCHOTT Pharma, we are aware that our employees make a vital contribution to the sustainable development of our company.

Thanks to their dedication and commitment, we are able to produce safe drug packaging solutions for around 13 billion injections every year and make a significant contribution to global healthcare. Their expertise and experience are the key to our innovative strength and future viability. Fostering continuous personal and professional development as well as good working conditions are essential for us. In a competitive market for qualified specialists, we provide an environment in which individual performance and diversity are encouraged. Because only with skilled and motivated employees from different backgrounds we can master the manifold challenges and ensure the long-term success of our company.

Diversity, equality and inclusion

GRI 3-1/-3

With more than 4,600 employees from more than 60 nationalities and locations in 12 countries, SCHOTT Pharma is a large international employer. Diversity, equality and inclusion form an integral part of our organisational culture and are deeply engrained in our corporate values. To “respect others” is one of these values, expressing our aim to foster a culture in which equality and inclusion help us to release the full potential of our diversity to “create value” and “drive innovation”. We are convinced that without mutual respect, tolerance and openness, we cannot deliver our core value to "act responsibly", neither within our company nor in relation to our external stakeholders. Overall, we regard diversity, equality and inclusion as a matter of an appreciative corporate culture and an important success factor in a globalised world.

Materiality and impact

At SCHOTT Pharma, we regard a diverse range of people with different cultural and social backgrounds, geographical origins, languages, talents, experiences and ways of thinking as a fertile ground for creative and innovative ideas. Different backgrounds, perspectives and ways of thinking strengthen our ability to meet the needs of our increasingly diverse markets and stakeholders. Our culture of diversity, equality and inclusion increases the attractiveness of SCHOTT Pharma for potential and existing customers, investors, employees and society overall.

There is a high expectation regarding companies such as ours by society and among employees to appropriately address equal opportunities and fight any form of discrimination. As such, inconsequent consideration of this material topic includes a risk to external reputation as well as loss of trust by our customers and investors. Moreover, it could lead to loss of loyalty within the own workforce with consequences like fluctuation and unhealthy work environments as well as a loss of customers, investors and of our licence to operate.

Our aim to build a diverse and inclusive culture in which employees feel appreciated and empowered goes way beyond compliance with existing laws and regulations. Building on our company values as well as SCHOTT Group’s commitment to the UN Global Compact and the Universal Declaration of Human Rights, we are committed to making a meaningful contribution to a world with reduced inequalities in which people can develop and utilise their abilities regardless of their backgrounds.

The aspiration to promote diversity equality and inclusion also extends to our supply chain where we want to reduce potential risks of discrimination for stakeholders, predominantly employees, through collaborating with our suppliers and service providers.

12 countries | **60+** nationalities | **4,600+** employees

GRI 2-23/-24
GRI 3-3

Management approach

Our management approach is characterised by the close integration of diversity, human resources and corporate development. The creation of diversity in our company is based on a carefully designed recruiting process. Our goals are to find the best members for our teams and to utilise the skills and strengths of our employees, while creating a working environment that is inclusive and free from any form of discrimination. By doing so, we strive for equal opportunities for everyone to develop and progress. Fostering the success of our people – individually and with their teams – is the key to the success of our entire organisation. We actively seek to identify and eliminate any barriers that may hinder our employees' development and individual growth and we encourage our people to do the same.

Our approach is rooted in our Code of Conduct, which makes the principles of diversity, equality and inclusion binding for all units and employees of our company. We want to create a respectful working environment for everyone – regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation and social background. Moreover, the entire SCHOTT Group is a signatory to the "Charta der Vielfalt" (Diversity Charter), a corporate initiative that promotes the recognition and integration of diversity in business culture.

A key role in our approach falls to our leaders on all levels. We expect them to be unprejudiced and open in how they attract, retain and promote their people. It is their responsibility to create teams in which all members feel appreciated and valued. We expect all our people to be ambassadors in the promotion of diversity, equality and inclusion – within our organisation and beyond. Particularly in our upstream value chain, we seek to establish these principles in close cooperation with our suppliers.

GRI 2-7/-8
GRI 401-1/-2/-3
GRI 402-1
GRI 405-1/-2
GRI 406-1

Measures and measurement

Diversity at SCHOTT Pharma has different dimensions, with age, gender and regional composition being of particular importance to us. However, we also track working relationship types to monitor and better manage the composition of our workforce.

Workforce composition[1,2] (FY 2023)

Employees	Total	Permanent	Temporary	Full time	Part time
	4,646	**4,070**	**576**	**4,479**	**167**
By gender					
Male	2,735	2,416	319	2,685	50
Female	1,911	1,654	257	1,794	117
By region					
Asia-Pacific	925	479	446	925	0
Europe and Middle East	2,432	2,304	128	2,266	166
Americas	1,289	1,287	2	1,288	1
Workers who are not employees (FTE)	197				
Agency Workers	146	–	–	–	–
Interns	51	–	–	–	–

Overall, more than 40 % of our workforce worldwide are female. For exempt management positions, we have set ourselves the target of increasing the proportion of women from currently 24 % to 30 % by 2030.

To achieve this ambitious target, the promotion of female colleagues as well as the increase of female hirings are cornerstones in our HR policy. To actively shape diversity through recruitment, we also track the composition of new hires and turnover according to gender but also other criteria. The proportion of women on our Management Board is already 50 %. This also applies to the Supervisory Board of SCHOTT Pharma KGaA.

New hires and turnover (FY 2023)

	New hires	Turnover
Total	**795**	**14.7 %**
By age group		
under 30 years	398	24.6 %
30 – 50 years	334	12.7 %
above 50 years	63	9.4 %
By gender		
Male	453	14.8 %
Female	342	14.5 %
By region		
Asia-Pacific	123	9.9 %
Europe and Middle East	517	11.4 %
Americas	155	23.2 %

In order to provide equal opportunities to all employee groups alike, we support our employees in taking parental leave and reintegrate them once they return to work.

Parental leave (FY 2023)

	Number
Total number of employees entitled to parental leave by gender	
Male	756
Female	544
Total number of employees taking parental leave by gender	
Male	139
Female	147
Total number of employees returning to work in the reporting period after parental leave ended	
Male	131
Female	79

[1] Our personnel headcount includes the following types of employees: All full-time employees as well as part-time employees, Employees in the active phase of partial retirement, Expatriates: the reporting of expatriates depends on the duration of the assignment: short-term delegations (temporary reassignments, 4 – 18 months) are reported at the home entity, long-term delegations (permanent transfer, 18 months – 5 years) are reported at the host entity, Temporary employees with fixed-term contracts, including KAPOVAZ and holiday staff (KAPOVAZ = "capacity-oriented variable working hours", i.e. employees who are available to the company as part-time employees with fixed-term contracts (e.g. to cover seasonal peak loads), Short-time workers, Permanently ill employees (it depends on local legal requirements during which period an employee counts as permanently ill and has to be reported), Apprentices and graduates, Working students

[2] We distinguish between agency workers and external service providers: Agency Workers are people who are usually hired through an agency to cover peaks or to replace people on an interim basis and who do not have a legal employment relationship with SCHOTT. These people are subordinated to SCHOTT organisational units and are guided and led by SCHOTT employees/managers, External service providers have their own organisational structure and have been given a set of tasks by SCHOTT. Their employees are guided and led by the service provider rather than SCHOTT employees/managers. The figures reported refer to the average of full-time-equivalent agency workers.

Equal pay is another key aspect of gender equity for us. At SCHOTT Pharma AG & Co. KGaA in Germany, we have a collective bargaining[1] agreement in place for all employees (aside of Company Grades 1–5) as well as a gender-neutral job evaluation system that promotes equal pay. For the employees that do not fall under this agreement, we see a base compensation ratio between women and men of 98 %.

However, not only with regard to gender but also any other diversity attributes, we strive to ensure that all employees are paid fairly and according to their individual contribution to the success of our Group. We also apply such equal treatment to our full-time and part-time employees. We offer all our 167 part-time employees worldwide the same benefits as our full-time employees at the respective locations concerning life insurance, health insurance, disability insurance, parental leave and retirement benefits.

Differing expectations of our workforce, local labour market standards and national requirements may lead to variations in the provision of these benefits across countries. This practice is in line with our company values on equal treatment and our joint mission to further build and develop a diverse workforce.

This mission is supported by our “Best Teams” programme through which we form interdisciplinary and intercultural teams, bolstering the competitiveness of our company and employee retention. We are convinced that the consideration of different individual skills, knowledge, perspectives and experiences is an important basis for short- and long-term team success. The programme empowers individual employees to contribute their respective qualities and strengths and to develop in the best possible way.

[1] Collective bargaining agreements are also in place at our locations in France, Hungary, China, Indonesia, Argentina, Brazil and Mexico.

Diversity can only flourish in an environment that is free from discrimination and harassment. One key activity here is the rollout of a global recruiting policy, accompanied by mandatory training for all hiring managers and recruiters worldwide. This way we intend to further secure that each applicant is equally judged by their fit to the job requirement. Next to recruitment, we consistently record incidents of discrimination and harassment and provide all employees with the opportunity to report them anonymously. In the current reporting period, no incidents of discrimination were reported at any of our locations. To assure appropriate attention in our workforce, we plan to further raise the understanding of different types of harassment, the adequate reactions and related tools established in our company.

Together with all employees and stakeholders, we have to live a culture of no tolerance for harassment and discrimination, which requires the courage of each individual to see and react.

Inclusion also means supporting our employees in need because of private or job-related reasons, such as health, stress, care for senior relatives, financial issues, addiction etc.). Therefore, for each employee, we are assessing a case-specific solution with external and/or internal support (e.g. Employee Assistance Programme at SCHOTT Pharma KGaA).

Workforce attraction, development and retention

GRI 3-1/-3

As a company driven by innovation, we build on the commitment, creativity and capability of our people. We seek to attract talented employees who can make a vital contribution to our success and the future viability of SCHOTT Pharma. To help our employees achieve their full potential, we promote their knowledge and skills. We regard them as partners in a common endeavour and seek to establish a lasting partnership built on mutual trust.

Materiality and impact

In our highly dynamic business environment, rapid technological change has become rather the norm than the exception. The fast pace and complexity have a strong impact on structures, processes and work contents, leading to changing employee requirements and individual life situations. Agility and flexibility have become paradigms in the organisation of work, be it on the individual, team or corporate level.

At the same time, we operate in markets that are characterised by strict regulatory frameworks and high customer expectations. Meeting regulatory demands and complying with restrictions that vary considerably across countries requires flawless processes and thorough action. Deviances and deficiencies can endanger the usability and effectiveness of pharmaceutical products and at the same time result in legal procedures against our company.

In order to successfully master the associated and diverging challenges, it is essential for us to recruit employees with a wide range of skill profiles we need now and in the future. To a varying degree across our countries of operation, successful recruitment is impacted by demographic change and an increasing shortage of skilled workers – both in the commercial and technical fields. One associated potential risk is that our manufacturing processes may be hampered if the necessary workforce is not available, particularly at specific locations. This in turn entails the risk of a reduction in the security of supply of system-relevant and vital medicines if important components from SCHOTT Pharma cannot be provided.

Due to increasing internationalisation and digitalisation, working environments and operations are also in constant transformation. Systematic training and continuing education are required to remain successful in highly competitive markets. The wide range of opportunities we offer to our employees for their personal and professional development also increases our attractiveness as an employer and strengthens our ability to retain people with experience and expertise.

By providing stable employment relationships at all our locations, we also have a considerable positive impact on the livelihood of individuals, their families and local communities. We regard this as part of our responsibility as a good corporate citizen. To contribute to the well-being of our employees and the socio-economic development of the communities where they live is a commitment that already the founders of our company made. In their spirit, we pursue this ambition until today.

GRI 3-1/-3
GRI 2-23/-24

Management approach

SCHOTT Pharma's approach to attract and develop skilled and dedicated employees and to retain them for our company is built on the understanding that these elements cannot be treated in isolation from each other. We regard the management of human resources as a consecutive approach that requires interlinking the different stages of the process and planning them in unison.

At the same time, we are aware that we need people with very different skill sets due to the nature of our business and our global business activity. Taking a one-size-fits-all approach is inevitably bound to fail. Therefore, we design the development of our people as individually as possible, taking into account the experience, skills and ambitions of each employee as well as the needs of our company.

Our approach is aligned to our overarching aim to attract and develop qualified employees and retain them over the long term. We are convinced that in addition to well-established entry options, e.g. direct entry, vocational training and trainee programme tailored to specific areas are an effective way of hiring talented people and providing them with career opportunities that best match their respective capabilities and goals. For us, this is an effective way of meeting our current and future demand for qualified professionals. To ensure the success of our recruitment efforts across all target groups, we take changing demographics and the value sets and expectations of all generations into account.

To support our employees in their professional and personal development, which is essential for our business success, we offer a diverse learning and training portfolio, customised to specific areas and functions. It is essential to our approach to encourage and empower our people to actively seek and use development opportunities themselves. We are convinced that knowledge and skills are enhanced best when there is an intrinsic motivation to do so.

Offering opportunities and individually designed career paths in combination with an inspiring and appreciative working environment is the best approach to retain qualified and motivated people from our point of view. An attractive compensation, additional financial and non-financial benefits paired with a flexible work organisation that caters to the different needs of our people make SCHOTT Pharma not only an employer of choice when it comes to recruiting, but also when it comes to staying.

GRI 404-1/-2/-3

Measures and measurements

To pursue our approach to manage human resources holistically and build a strong employer brand, we are currently developing a recruiting guideline that includes various measures to identify and attract new employees with different backgrounds, qualifications and skill sets. We strategically apply different channels, from traditional print to social media, to reach our respective target audiences. We also regard our employees as brand ambassadors and encourage them to recommend candidates that could be assets to our company.

At SCHOTT Pharma, we manage various programmes to develop our employees both professionally and personally. Our approach involves a combination of face-to-face and online measures in order to reap the benefits of both methods. We are making easy-to-access digital training formats an integral part of the SCHOTT learning landscape. Our employees are provided with frequent webinar trainings to help them transition to state-of-the-art tools like office M365 and MS Teams.

Every employee can access the internal learning platform “MyLearning” to enroll in training programmes and enhance their skills. During the last financial year, around 800 different e-learning contents were available, enjoying great popularity among our employees, as almost 1,000 training dates were offered through the platform. Employees can start learning a language at any time through our language training programme by Rosetta Stone, which is also available to family members. In addition to our offers, employees can also request to participate in external trainings.

We continuously evaluate our programmes and measures to systematically improve our portfolio. To track the participation and successful completion of courses by our employees, we work with an SAP learning platform, which enables us to make individual offers tailored to different areas of expertise and management levels. As our tracking shows, our employees have completed an average of 13.8 hours training per year, with men (14.4 hours) undergoing slightly more training than women (13.0 hours).

Another important part of our human resource development are differentiated career paths. We distinguish between careers in management, project management and as experts. This differentiation accounts for the individual competencies and development goals of our employees, providing the foundation for high performance and motivation.

Regarding the advancement of key talents at SCHOTT Pharma, we provide trainings to prepare them for the next step in their careers. Depending on seniority and the individual profiles of our employees, we have specially tailored development programmes in place for different position levels (Horizon 1–3) and offer extensive leadership trainings.

Our culture of openness, transparency and trust is reflected in our regular performance and career development reviews. For all our employees, we have review processes in place that account for different professions and career levels as well as national labour laws. Through appraisals by line managers, employees get feedback on individual performance and development opportunities. The respective meetings also serve to determine performance-related salary components and potential career paths. Overall, more than 90 % of our global workforce participate in at least one structured performance review every year.

In addition to this regular review process, we encourage all our managers and employees to proactively ask for feedback and to be willing to share their own perspective. By doing so, we support continuous development and the provision of feedback in specific situations.

To complete our efforts, we conduct biannual employee surveys at all our locations to determine employee satisfaction and commitment. Our biannual employee survey is flanked by smaller, specific surveys (“pulse checks”) in individual sites or departments throughout the fiscal year. The data obtained is analysed and discussed in teams and with line managers, and presented in aggregated form to our Executive Board. The results are used to jointly derive measures that enable us to continuously and systematically develop our working environments and further strengthen employee recruitment, development and retention.

“Providing relevant trainings and development pathways for our employees is both a key to their individual and our joint success stories”

Thomas Strasser, Head of HR

Bagus Nurul Akbar
People Development & Internal Communication Supervisor

"It's a pleasure to see so many of our people come together to engage in a communal activity. It feels great to be part of an active community."

Together we run

Our colleagues in Indonesia have organised a running event. Next to the running itself, the event became a forum on healthy lifestyle and enabled colleagues to get to know each other from another perspective beyond their company functions. We spoke to Bagus Nurul Akbar, who is responsible for People Development & Internal Communication, and had a big part in hosting this running event.

Bagus, you were part of the organisation team for this event. What a huge event. What drove your motivation?

I took part in the company running event at our site in Bekasi, Indonesia, because I believe in the importance of promoting a healthy lifestyle. The initiative to organise the SCHOTT Pharma Run resonates with my personal values, and I wanted to actively contribute to fostering a culture of well-being within our workplace. Participating in the run was a way for me to authentically engage with the initiative, demonstrate my dedication to a healthy lifestyle and encourage my colleagues to join in creating a workplace culture that prioritises well-being.

What made the running event a special experience for you?

A special experience during the event was the presence of the famous Indonesian professional bodybuilder Ade Rai. His involvement gave the event a unique and inspiring dimension that went beyond a typical run. Ade Rai shared invaluable insights on nutrition and fitness, bringing a wealth of expertise to our gathering. Having the opportunity to learn from someone with his expertise made the event memorable and, more important, deeply motivating for all participants.

Can you elaborate on how shared experiences, such as the SCHOTT Pharma Run, create a sense of community within the company?

Participating in the SCHOTT Pharma Run and collectively focusing on promoting a healthier lifestyle enhances the bonds among team members. Shared experiences like this create a sense of camaraderie and teamwork. Moreover, the event reflects the company's commitment to employee well-being, fostering a positive work environment. The focus on a healthy lifestyle can also contribute to increased productivity and overall job satisfaction among employees.

Occupational health and safety

GRI 3-1/-3

At SCHOTT Pharma, it is not only essential to us to offer our employees excellent opportunities for training and development, but also to ensure safe working conditions. Protecting our people's physical and mental health as well as promoting their personal well-being is imperative to us. It is our goal to avoid health risks and maintain our employees' health over the long term – in their best interest and in ours.

Materiality and impact

As a company whose ultimate mission is to make a vital contribution to human health, protecting the health of our own people is a matter of responsibility and credibility to us. Since we are predominantly operating in the industrial sector, most of our employees work in manufacturing. Physical risks are more extensive there than in management and administration. Compliance with comprehensive occupational health and safety (OHS) measures, especially in countries where legal regulations are relatively weak, is therefore of great importance to SCHOTT Pharma. Neglect would lead to risks to the health and safety of our employees, as well as liability risks for our company. Regardless of the type of work, mental health is a potential risk and equally important for all our employees. Any impairment of physical and mental performance has a negative impact on individual employees and our company as a whole. Weak occupational health and safety leads to absence and a loss of productivity. In the long run, reduced motivation, retention and employer attractiveness would be the consequence.

Due to our global operations, we are confronted with a wide array of OHS regimes. These include varying laws, regulations and guidelines on how to establish and maintain a healthy and safe working environment. Not complying with the respective provisions could lead to legal charges, a loss of reputation and essentially our licence to operate.

GRI 2-23/24
GRI 3-3
GRI 403-1/-2/-4

Management approach

SCHOTT Pharma's approach to promote the health and well-being of our employees is based on our commitment to fostering a culture that promotes physical, mental and emotional well-being. Through comprehensive programmes and initiatives, we strive to empower our employees to lead balanced lives. Our philosophy encompasses proactive measures to prevent illness and injury, while we encourage healthy behaviours. Our commitment extends to creating a supportive workplace that cultivates mental resilience and provides resources for stress management and work-life balance.

Our OHS approach is built on several pillars. Having to adhere to differing legal and regulatory provisions across the countries where we operate, we take a local approach to ensure full compliance with them. At the same time, we have established a set of requirements that must be applied at all our locations to design our own universal OHS standard in addition to legal provisions. By doing so, we have been able to establish a system that provides for a healthy and safe working environment regardless of where we operate.

Moreover, we encourage the exchange between our OHS officers to share experiences and best practices regarding the causes, prevention and treatment of accidents and injuries. Our culture of mutual learning across divisional and regional boundaries fosters this dialogue.

To support the global dimension of our approach, all our manufacturing locations are operating a full-fledged OHS management system in compliance with ISO 45001, the world's most prevalent standard aiming at the reduction of occupational injuries and diseases, including the promotion and protection of physical and mental health. The requirements pertaining to ISO certification are implemented in the Environment, Health and Safety (EHS) Guideline and are locally implemented through the respective site-level processes. The Guideline explicitly states and requires that a local process needs to be in place, allowing us to combine our local and global efforts. Compliance with the EHS Guideline is regularly confirmed via internal and external EHS audits.

Contributing to the effectiveness of our measures on the local level is the active participation of employees. We motivate them to contribute to the detection of risks, analysis of accidents and development of appropriate measures. This does not only generate valuable ideas from those who are directly involved in operational processes. It also creates sensitivity and heightened attention to crucial issues.

Paired with this involvement is our focus on prevention. We seek to identify risks and dangers as early as possible and counteract them with effective, preventive measures instead of reacting once accidents have occurred. In line with the requirements of ISO 45001, we have implemented an employee safety board that regularly meets and discusses potential actions with the management. It also systematically participates in risk assessments, investigations of accidents and work-related health problems, planning processes and safety inspections in our factories.

GRI 403-1/-2/-3/-4/-5/-6/-7/-8/-9/-10

Measures and measurement

To foster the translation of our approach into daily practice, we continuously train our employees on OHS issues. In most cases, we far exceed the legal minimum of one training per year in most jurisdictions, offering various trainings on work safety procedures, maintaining and strengthening health, reaction to accidents and other issues. Regardless of their role or position, we want all of our people to be aware of potential threats to safety and health, and to act accordingly when needed.

The inclusion and protection of all people that work for us is crucial to us. This explicitely encompasses also those that we do not directly employ. In the reporting period, 4,619 employees and workers who are not employees of SCHOTT Pharma were covered by our OHS management system. This amounts to 96.6% of the total 4,787 people working for SCHOTT Pharma. Only our people in sales offices in France and China, where occupational risks are minimal due to the nature of work, did not fall within the scope of our system.

Due to the scope and quality of our systems and measures, we have been able to register only a small number of work-related injuries and low Lost Time Injury Frequency Rates (LTIFR)[1] for employees and workers who are not employees alike. The main types of injuries include hand and finger injuries, followed by sprain, crush and bruise injuries. As a reaction, we have initiated the “Global Hand Campaign” across our factories to raise awareness among employees and reduce the number of hand-related injuries.

[1] The LTIFR is the number of accidents per 1,000,000 working hours and includes all accidents leading to more than one day of absence from work (not including the accident day itself).
[2] Regarding accidents of workers who are not employees, all accidents with more than 30 minutes time off work are included.

Injuries in the workplace (FY 2023)

Employees	Work-related injuries	Fatalities	Hours worked	LTIFR
Employees	52	0	8,660,648	6.0
Workers who are not employees[2]	3	0	309,279	9.7
Total	**55**	**0**	**8,969,927**	**6.1**

Our management information system (MIK) allows us to track the respective numbers and use them as a basis for follow-up on plant level. We investigate the roots and nature of accidents on a monthly basis to obtain a deeper understanding of cause and effect. We also revise, define and discuss results and corresponding actions to constantly improve our performance and reduce the number of injuries. Our top management is involved through yearly reviews, and we collaborate with external partners such as the Employers’ Liability Insurance Association in St. Gallen, Switzerland, to broaden our horizon and solicit practical and scientific advice.

Despite the low number of injuries resulting from our diverse efforts, every accident is one too many from our perspective. With our “Zero Accident Programme” we follow the conviction that every employee should return from work as healthy as when coming in.

This is why we provide extensive health services to our employees in addition to our safety measures. These include health checks, medical checks for special risks (e.g. blood tests for heavy metals), medical treatment and reintegration of ill or disabled employees.

Moreover, we offer consultations on work-related health problems, travel recommendations (e.g. vaccines needed), advise on pregnancy-related aspects, as well as help with mental and psychological problems.

To ensure professional services at all our sites, either occupational doctors and nurses are available or we have a contract with private doctors or clinics in place. Regardless of the specific setup, all health services provided by SCHOTT Pharma are bound to confidentiality regarding personal health data provided by employees. Data is kept strictly separate from other management systems, and external data sources (i.e. those of private doctors) are not connected in any way.

To round up our efforts, we have also initiated “Health Days” in which we offer information on diverse topics and encourage or facilitate healthy behaviour with regard to daily behaviour such as eating and exercising. The corresponding activities do not only contribute to the health of our people, they also promote team spirit and collaboration in our Group.

Social responsibility

We support

25,000

safe injections per minute
to people around the world

At SCHOTT Pharma, our tradition is rooted in achieving social good. Taking a wide array of social responsibilities is an integral part of what we do – in our core business and beyond.

We are an active corporate citizen that supports the communities at the locations where we operate. In the spirit of our founders – Otto Schott, Carl Zeiss and Ernst Abbe –, SCHOTT Group, our majority shareholder, passes on dividends received to the Carl Zeiss Foundation, which in turn promotes educational projects and awards research scholarships.

The biggest social impact we make is through our core business, however. Thanks to our products, approximately 25,000 injections can be administered to people around the world every minute, promoting their health and well-being. We are committed to making a vital contribution to SDG 3 - because human health matters.

Product quality

GRI 3-1/-3

Making medicines safe and easy to use is inseparably linked to the quality of our products. Since they are used as primary packaging for pharmaceuticals, the protection of active ingredients and substances until their application is essential for a safe and effective treatment. That is why it is of primary concern to us to ensure a smooth fill-and-finish processing for our customers, drug stability until use and patient safety during injection. To achieve these aims, we do not only adhere to the laws, standards and regulations in all countries where we operate. We are also obliged to follow internationally recognised Good Manufacturing Practices (GMP) and take a wide range of measures to ensure that our customers and their patients reliably receive the high quality they expect from our products.

Materiality and impact

At SCHOTT Pharma, we understand that our company belongs to a chain of interlinked activities with one objective: the improvement of human health and patient safety. The corresponding quality requirements are particularly stringent where products are used for the containment and delivery of parenteral drugs. Our pre-fillable syringes, cartridges, vials and ampoules are critical components in the pharmaceutical supply chain. Without them, the safe storage and transport of injectable drugs as well as their easy application would not be guaranteed. This would endanger the effective medical treatment of people around the world. Additionally, insufficient quality could cause harm to the healthcare professionals working with our containment solutions, such as injuries from glass breakage and splinters.

Our customers from the pharmaceutical industries could then face serious complaints and low market acceptance or even be confronted with civil suits. Such claims in turn might fall back on us in case of improper quality supplied. This may negatively affect existing customer relationships as well as our financial performance, and tarnish our reputation.

GRI 2-23/-24
GRI 3-3

Management approach

We recognise that by improving effectiveness and quality we will continue to meet and exceed customer requirements and the expectations of our stakeholders. To achieve this aim, we operate our units per good manufacture practices and in an environment which combines continuous improvement and entrepreneurial thinking.

Our management approach is grounded on a culture of “zero defects”, hence not willing to accept any avoidable defect of our products. We expect the commitment of every employee to ensure that all operations throughout the production process are handled with utmost care. This also includes our suppliers and all other third parties in the value chain. To deliver top quality, we also depend on flawless input materials and thus rely on proper supplier management. Regarding our downstream supply chain, it is our ambition to ensure that our products reach our customers safely, in quality and in due time.

Our commitment and our goals are anchored in our Quality Policy. It sets out the path for us to further increase our global market share in parenteral packaging systems by further enhancing our reputation as the supplier trusted for its quality and service. The pharmaceutical industry already considers us the leading producer of high-quality solutions.

The Quality Policy is aligned with the strategic objectives of SCHOTT Pharma. These objectives are consistently met by our total commitment to effective quality management at every level of the organisation, and the operation of our quality management system (QMS) in accordance with the requirements of ISO 9001, ISO 15378 and ISO 13485.

The ISO 9001 quality management standard is the most widely used standard in quality management both nationally and internationally. It specifies the requirements for a QMS that must be implemented to meet customer demands and other requirements regarding product or service provision. Its systematic application in all relevant areas of our company enables us to increase the transparency of our processes, reduce error rates and production rejects, identify and minimise risks and thus increase customer satisfaction.

ISO 15378 as a specific standard for primary packaging materials for medicinal products in turn is built on ISO 9001. Being able to trace individual batches is one of its core requirements and basis for systematic and continuous improvement. The standard also demands an encompassing risk management and the ability to operate under controlled environmental conditions. In addition, it entails all principles of Good Manufacturing Practice (GMP) required by all legal regulations for the pharmaceutical and medical device industry at an international level. These include the Code of Federal Regulations (USA), European directives and Indian regulations, just to name some prominent examples.

At SCHOTT Pharma, GMP goes hand in hand with Good Documentation Practice (GDP). Diligent documentation per GDP is fundamental to ensure the attributability, legibility, originality, reliability and accuracy of data we use to guide our decisions in development, production and for quality release. Therefore, adhering to these documentation guidelines allows us to ensure the overarching objective of consistently delivering drug containment and delivery solutions that are safe and effective, each and every single day.

Our quality mission

100% Reponsibility for patient safety

We nurture a zero defect culture

We are guided by a strong GMP mindset

We continuously improve
our systems and processes

We do know what we work for:
Because human health matters!

GRI 416-1/-2

Measures and measurement

Since quality at SCHOTT Pharma is within the responsibility of all employees, creating awareness and proper training are of major importance to us. Across our organisation, we nurture a culture centred around “100 % Responsibility”, emphasising the accountability of each and every team member in relation to our overarching goal of ensuring patient safety. We make sure all our employees are familiar with our Quality Policy as well as the detailed procedures and work practices applying to their respective area of work within our organisation.

To ensure organisation-wide governance on a global scale, a global quality department lead by the Director Global Quality Management develops and coordinates policies and measures across all our units. At each manufacturing site, there is a Quality Site Manager in charge of all aspects of local quality management and operational integration. This setup provides for a complementary centralised and decentralised approach. It permits us to establish uniform standards to ensure consistently high quality in all our manufacturing facilities. At the same time, it enables us to account for location-specific requirements resulting from regulation or customer demands.

An essential measure regarding the effectiveness of our QMS are regular checks at all our sites by conducting internal system and technical audits. At the same time, we assess our process on a regular basis and perform quality inspections on our products in line with the principles established by GMP and other relevant norms and standards.

Exchanging regularly with our customers is another essential measure in our QMS to safeguard the quality and functionality of our products. Aside from providing advice, our experts are available for all questions regarding usage of our products, material behavior and safety issues. Continuous training ensures that our people can always find the best solutions for our customers. Customer feedback in return enables continuous improvement of our products.

This, together with our own assessment, allows us to regularly challenge the quality of all key products in our portfolio, in particular with regard to health risks. In the reporting period, SCHOTT Pharma has neither been informed about any incidents concerning the health and safety of its products by third parties, nor has it identified any critical incidents in its audits.

100 % responsibility, every day

We take pride in making a global health impact through our products. With our offerings, we contribute to the safe delivery of approximately 25,000 injections per minute to patients worldwide. Uncompromised product quality is an indispensable requirement on this mission. The key to meeting this responsibility lies in our employees. They arrive at work every day and, through their discipline in adhering to good manufacturing practices, ensure that patient safety is guaranteed for each and every product.

Therefore, we spoke to four of our employees about the role product quality plays in their daily work life: Felipe Buhr (Head of Operations, South America), Carolina Bonells (Head of Quality Management, Buenos Aires), and to Eusebio Rodriguez (Head of Quality Management, Bogotá) together with Mateo Carranza (Quality Engineer, Bogotá).

Felipe Buhr
Head of Operations, South America

Carolina Bonells
Head of Quality Management, Buenos Aires

Eusebio Rodriguez
Head of Quality Management, Bogotá

Mateo Carranza
Quality Engineer, Bogotá

“Contributing to global health is our daily motivation.”

Mateo Carranza, Quality Engineer

As the regional Head of Operations for South America, what is the mindset you are striving for with your team, when it comes to product quality?

Felipe: Assuring patient safety is our central mission. So, we operate each production process with the mindset of creating a product as if it was destined for someone you love. This perspective ensures that every product meets the highest quality standards, as we imagine our loved ones receiving nothing but the best.

You all have responsibilities within Quality Management in your sites. How do you ensure that the products are of best quality?

Carolina: Our approach is rooted in a well-structured framework, bolstered by a dedicated team of 7 individuals solely focused on quality control. We believe in proactive measures, regularly monitoring long-term targets, systems and key performance indicators (KPIs) on a weekly and daily basis. Our goal is not just to meet industry standards but to exceed them, ensuring that our products consistently adhere to the highest quality standards.

Eusebio: As the leader of Quality Management at my site, ensuring the highest quality of our products is my prime focus. In Colombia, the quality role takes on a multifaceted approach, with direct interaction with customers, addressing technical requests, collaborating with inspectors and actively contributing to the development of products and projects.

Mateo: Our commitment to quality extends across the entire product life cycle. From the initial stages of customer interaction to the intricate phases of project development, we ensure that quality standards are not only met but consistently exceeded. This comprehensive involvement underscores our dedication to maintaining excellence at every step, emphasising our role in upholding high-quality standards throughout the entire process.

As a manufacturer of pharmaceutical products, we contribute to saving lives. How does this profound impact contribute to you and your team's sense of purpose and job satisfaction?

Felipe: Absolutely, it's a sentiment that resonates deeply within our team. "The things we do save lives" captures the profound sense of purpose that permeates our work environment. Being part of a company that plays a pivotal role in promoting and maintaining societal well-being is not just a job – it's a source of immense pride for our team. My employees find fulfilment in the knowledge that their daily efforts directly contribute to saving lives and improvements to the overall well-being of the community. The low turnover rate, in essence, serves as a tangible reflection of the deep sense of purpose and satisfaction that defines our team dynamics.

Eusebio: Certainly. The focus on learning about responsibilities and the commitment to contributing to society through the provision of high-quality products resonate deeply within our team, shaping our dedication to excellence.

Mateo: Knowing that our work directly contributes to saving lives adds a meaningful layer to our daily responsibilities. The sense of accomplishment and the awareness of our role in the broader societal context contribute significantly to our job satisfaction.

Can you elaborate on how this sense of purpose, particularly during the challenges of the pandemic, has influenced your and the team's resilience, spirit and commitment to making a meaningful contribution?

Felipe: During these challenging times, it wasn't merely about maintaining operations; it was a collective commitment to making a meaningful difference in a world grappling with unprecedented challenges. The spirit of the team became a source of inspiration, as individuals drew strength from the shared purpose of contributing to something greater than themselves. The challenges of the pandemic solidified our commitment to the core mission of making a positive societal impact, further uniting us in our pursuit of a meaningful and lasting contribution.

Carolina: Absolutely, the challenges posed by the pandemic have significantly transformed the dynamics of our team. On a personal level, the pandemic has strengthened my connection to the products, particularly in relation to the well-being of my family. The urgent need for quality vaccines, especially for my daughter, has added a personal dimension to my professional commitment. This personal connection serves as a constant reminder of the significance of ensuring that our products adhere to the highest standards, as they directly impact the health and safety of our loved ones.

Resilient supply

It is our core purpose to provide our customers with state-of-the-art products to make medicines safe and easy to use for people around the world. To pursue this mission, we supply high-quality drug containment solutions and drug delivery systems for approximately 13 billion injections per year. With this impressive number comes the responsibility to ensure the stability and reliability of our supply in order not to endanger the pharmaceutical supply chain. We are fully aware of the central role we play in health care systems around the world as an enabler of access to medicine for millions of people. We are committed to fully meeting our responsibility by acting with foresight and taking a wide variety of precautionary measures – making sure that we supply what is needed to promote global health.

GRI 3-1/-3

Materiality and impact

As the Covid-19 pandemic has demonstrated, supply chains are fragile and require many business decisions to be made on a volatile and uncertain basis. Increasing complexity and ambiguity lead to additional challenges for strategic and operational planning, as the influence of individual developments as well as cause and effect become harder to determine.

The security of our supplies is potentially endangered by diverse potential developments and events. Geopolitical distortions resulting from armed conflicts and terrorism can have negative effects on the availability of raw materials and logistics. Raw materials shortages are further aggravated by global competition for natural resources and national export restrictions. Extreme weather phenomena brought about by climate change can lead to the breakdown of transportation routes on land, sea and air.

In addition, threats of economic nature can be identified on both a macro and a micro level. On the macro level, volatility in prices and demand on global or regional markets can lead to shortages of materials we need for manufacturing. On the micro level, the potential inability of individual suppliers to deliver the quantities we need in due time can result in interruptions of our manufacturing process and in turn our deliveries.

A lack of our products can have potential consequences for our customers’ products and poses a risk for adequate medical treatment of millions of people around the world.

Due to this potential lack of supply on our customers’ end, they might be confronted with legal action and a loss of revenue, business partners and trust. For SCHOTT Pharma, the risks are identical. Considering that we are a supplier known for its strong reliability, the reputational damage for us could be immense.

GRI 2-23/-24
GRI 3-3

Management approach

Our approach to preventing potential disruptions to our upstream and downstream supply chain is essentially preventive in nature. We seek to detect risks as early as possible to be able to take effective mitigation measures. Should disruptions to our production occur, nevertheless, we have established a set of instruments to ensure business continuity.

The first step in our due diligence process consists of identifying critical raw materials. For all materials classified as such in a systematic assessment process, we have Global Category Managers in place. It is their job to identify a range of qualified suppliers that are evaluated on reliability, capacity and financial stability to protect against supply side disruptions. Based on the assessment, the managers define appropriate strategies for risk reduction and develop the respective Supplier Framework Agreements.

Of particular relevance in this context are bottleneck suppliers who provide high-risk items, such as specialised or rare products, on which SCHOTT Pharma is dependent – creating a high vulnerability to supply disruptions. To identify such critical single sources, we perform a Vendor Risk Assessment twice a year. With suppliers identified as critical, we have long-term contracts in place to strengthen the supplier relationship and protect ourselves against supply shortages resulting from short-term dissolution of contracts. In addition, with some of these suppliers we have agreed on the introduction of safety stock levels, partly held on our premises and partly on theirs, depending on economic and logistics considerations.

For the subsequent manufacturing process, we have introduced a tool to identify demand peaks and capacity bottlenecks at an early stage and to initiate countermeasures. This process enables us to integrate our worldwide production and partner network in a timely manner to evaluate different scenarios. This is a basis for avoiding interruptions in our manufacturing process and making optimal use of all the options existing in our network.

To broaden our manufacturing basis and reduce the dependency on one single facility, we are operating and expanding capacities to manufacture individual product types at different locations. Vials, ampoules and cartridges for drug containment solutions are already manufactured in every major region and in most cases by more than one plant in the respective region. This allows us to resort to alternative facilities on a regional or global level in case of disruptions at one specific site. Syringes for drug delivery systems are produced at two sites in Germany and Switzerland, and we have recently started a project to initiate their production also at our site in Hungary.

Measures and measurement

Regarding our upstream supply chain, our Vendor Risk Assessment allows us to determine the most effective measures such as supplier diversification, contingency planning, safety stocks, or alternative sources to mitigate risk and ensure continuity. To diversify our supplier base, we do not only search for new suppliers that already meet our criteria. We also seek to develop suppliers to meet our demands. By developing suppliers and materials, we strengthen our dual or even multiple sourcing approach in the case of critical materials.

In this context, we initiate the additional qualification of tubing sites to reduce transportation times whenever possible. We also monitor and measure the delivery performance of our suppliers to identify potential weak points in our supply chain, and take countermeasures when necessary.

In the exchange process with our suppliers, we also provide them with forecasts enabling them to adapt types and volumes produced to our needs and thus to grow together.

We certainly do not only track the performance of our suppliers but also our own. We have introduced several Service Key Performance Indicators, such as delivery capability (How well do we fulfill the wishes of our customers?), and delivery reliability (Do we keep the promises made to our customers?), that are measured on a monthly basis and allow us to identify and address potential weaknesses.

In the case of actual disruptions to our manufacturing operations and downstream supply chain, we have a process in place that allows us to implement rapid task forces of cross-functional nature. They have the capacity to investigate causes from different perspectives and develop holistic solutions in situations characterised by time pressure.

Regardless of upstream or downstream processes, we constantly engage with our stakeholders to identify shortcomings, jointly develop solutions and make continuous progress. The fragility of the pharmaceutical supply chain renders isolated approaches and measures ineffective. Instead, it is collaboration along the entire value chain that ensures that medicines reach patients in need in a safe and reliable way.

Environmental responsibility

“Protecting our environment and climate is essential for our core purpose: the protection of human health.”

Philipp Ludihuser,
Sustainability Manager

At SCHOTT Pharma, we consider protecting our environment and climate an essential responsibility.

The accelerating change of our climate, the growing scarcity of natural resources and worsening pollution of different kinds are among the greatest global challenges of the 21st century. Whether it is temperature increase, a growing number of regions suffering from water stress and air pollution, they all have detrimental effects on our core purpose – the protection of human health. That is why protecting the environment and climate also is a matter of social responsibility to us.

Due to our business as a manufacturing company and the international scope of our operations, we have identified three areas of concern to us:

- the reduction of greenhouse gas emissions and energy consumption,
- responsible handling of waste along the value chain and promotion of circular economy concepts
- and sustainable water management.

Anna Mader, (right)
Sustainability Professional, and
Marielle Girard, (left)
Product Engineer

"At SCHOTT Pharma, we design our products with a social and environmental purpose in mind."

Designing products that are safe for the patient and sustainable to the planet

80 % of a product's environmental impact are already determined during the product design phase. This is precisely where ecodesign comes in. At SCHOTT Pharma, design for sustainability is considered in product development, just as other key design aspects such as quality, efficiency in customer processes or cost. We interviewed Anna Mader, a Sustainability Professional, and Marielle Girard, a Product Engineer, two of the ecodesign stewards within SCHOTT Pharma.

Can you help us understand what ecodesign exactly is?

Anna: Ecodesign is a crucial concept in product development that recognises the growing significance of sustainability during the design phase. It is a collaborative guideline that integrates expertise and knowledge from both product development and sustainability, rather than just a set of rules. By doing so, ecodesign ensures that environmental considerations are seamlessly integrated into the product from its conception, creating sustainable, resource-efficient and environmentally friendly products. In a world where environmental awareness is essential, ecodesign is a key approach to harmonising innovation with responsible and sustainable practices.

Marielle: The significance of ecodesign lies in its commitment to strike a balance between sustainability and cost efficiency throughout the entire product development process. It is an additional dimension we have to and want to consider without losing focus on patient safety.

What should be considered with regards to our products?

Marielle: When we look at our products, we have to acknowledge the limitations that arise from stringent requirements, and limit direct alterations to the product itself. However, a strategic approach is to look at the entire product life cycle to identify options that promote sustainability. For instance, we can concentrate on designing new products sustainably by implementing changes in areas such as packaging materials or packaging density, creating closed loops within the life cycle, and adopting sustainable purchasing practices.

Anna: Marielle's suggestions offer opportunities for meaningful change within the product life cycle. We embed sustainability into the core of our products, guided by our commitment to responsible and environmentally conscious practices. This holistic approach ensures that sustainability considerations are incorporated into every stage of a product's existence, despite the limitations on direct product alterations.

Can you help us to understand how you consider ecodesign in practice?

Anna: Of course. Ecodesign is a thorough and iterative process that commences with an initial assessment by the project team. Guided by an ecodesign guideline and checklist, the team determines the course for critical design decisions. Throughout the development process, products undergo multiple design review sessions, wherein a cross-functional team assesses the alignment of the product design with the product requirements. Ecodesign is considered to be one of the aspects on the agenda of those reviews. The checklist facilitates status assessment and guides decisions on improvement needed to match design for recycling or design for low-emission manufacturing criteria.

Marielle: This way we make sure to guide decisions into the right direction as early as possible before there is no more freedom for design adaptions. Moreover, the ecodesign review consistently sparks innovative ideas, presenting superior solutions to other design requirements. In essence, our dedication to ecodesign reflects our continuous and collaborative efforts to enhance the environmental impact of our products.

Greenhouse gas emissions and energy consumption

At SCHOTT Pharma, we are in full support of the Paris Agreement, wanting to make our contribution to keeping global temperature increase to a minimum. We are pursuing the goal of achieving climate neutrality in Scopes 1 and 2 of our greenhouse gas emissions by 2030. This ambition is based on the vision of our business activities not contributing to further global warming.

GRI 3-1/-3

Materiality and impact

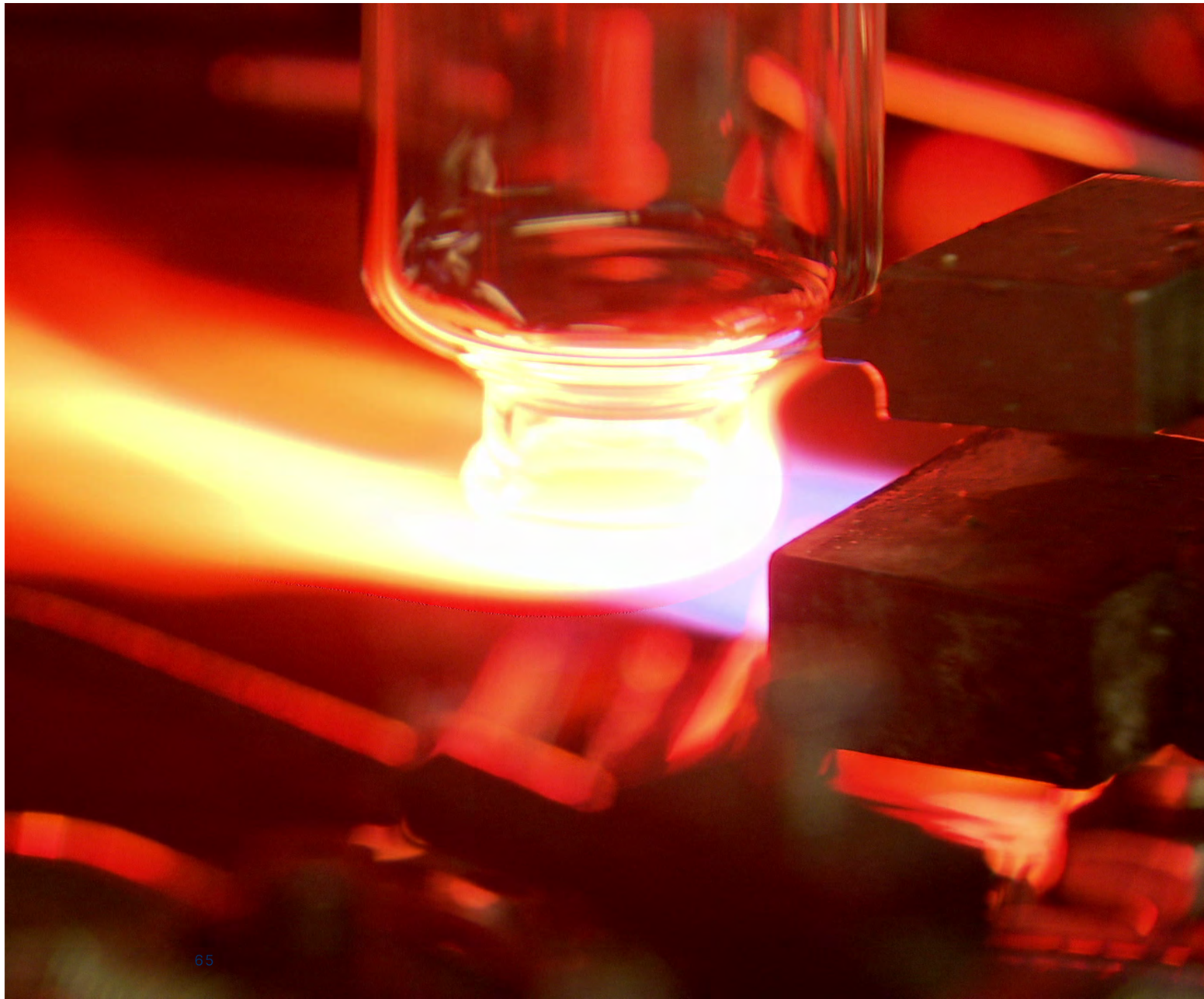
We consider climate change to be one of the greatest ecological, social and economic challenges of the 21st century.

In our manufacturing processes, energy is of central importance, as fossil fuels are used to convert glass tubes into containers for primary pharmaceutical packaging. To process the containers further, electrical energy is used, e.g. for process automation and the operation of clean rooms. Energy is also required for the production of pre-fillable plastic syringes, which are manufactured by injection moulding.

Further emissions in the supply chain are generated during the production and transportation of glass tubes, packaging materials and components we purchase. The glass tubes used are manufactured by our parent company SCHOTT, which develops glass melting technology based on higher electrification and the use of green hydrogen to lower emissions. Such innovative solutions also provide opportunities for us to reduce emissions in our supply chain. Regarding packaging materials, the major driver of emissions is the production of single-use polymer packaging, where we are collaborating with suppliers and customers to reduce our environmental impact.

By switching to renewable energy sources such as green electricity, we support the energy transition globally and contribute to action against climate change. From a business perspective, it helps to strengthen our reputation as sustainability frontrunner and provides an opportunity to promote the growth of our business, as more and more customers from both the private and public sector increasingly consider transparency on emissions and climate protection efforts in the bidding process. However, climate change also is associated with a variety of risks that affect our business model and our strategy. The risks for SCHOTT Pharma we have identified include, in particular, rising energy and commodity prices as well as insecure material availability. The fragility of supply chains is increasing due to climate-related phenomena such as floods and thunderstorms. As governments need to react to these developments, we anticipate a tightening regulatory framework accompanied by diverse fiscal measures such as carbon taxes in the jurisdictions where we operate. Only in September 2023, the EU formally adopted the new Renewables Energy Directive raising the 2030 target for the share of renewable energy in the EU's overall energy consumption from 32 % to 42.5 %.

In addition, climate-induced risks are becoming more prevalent. Extreme weather events are increasing in number and severity across the globe. These entail potential health risks for our employees due to rising temperatures and heatwaves. Other related risks are damage to buildings, flooding, and rising cost for insurances against natural hazards. We carry out risk analyses in cooperation with our reinsurer to determine whether our locations worldwide are exposed to extreme weather events such as flooding, to any significant extent. However, our most recent analysis has not shown any relevant risks here.



GRI 2-23/-24
GRI 3-3

Management approach

Our management approach is guided by our overarching goal to be climate neutral regarding Scope 1 and 2 emissions by 2030, underscoring our support for the Paris Agreement and the associated effort to limit global warming compared to the pre-industrial age. Concerning Scope 3 emissions, we are striving for transparency along our supply chain and collaborative approaches with our business partners.

Reduction of Scope 1- & 2-greenhouse gas emissions

Our journey to climate neutrality is based on the mitigation hierarchy "avoid – reduce – compensate". Wherever possible, SCHOTT Pharma avoids the generation of greenhouse gases in Scopes 1 and 2. This is a top priority for us, manifested in, e.g., switching from conventional to green energy. Wherever greenhouse gas emissions cannot be avoided, we seek to reduce their extent. Increasing efficiency in the production process and facility management is our biggest lever for doing so. For emissions which cannot be avoided or reduced, we plan to resort to compensation.

Our path to climate neutrality by 2030

In line with our approach, we have identified three strategic areas for reduction of our Scope 1- & 2-related greenhouse gas emissions:

- Switching to green electricity
- Increasing energy efficiency
- Driving technological change

The goal of reaching climate neutrality by 2030 is a goal pursued in cooperation with the entire SCHOTT Group. Within this frame, the specific approach for SCHOTT Pharma operations is defined and managed by our Sustainability Board (see chapter 4). Implementation and coordination are carried out by a project team led by the Head of Sustainability. Joint milestones and direct integration into SCHOTT's Group-wide programme ensure a coherent approach across all units and allow us to use synergies when developing green technologies. The entire SCHOTT Group adheres to a uniform EHS Policy and EHS Guideline. To emphasise their importance, key topics of the EHS Guideline are reflected within our Code of Conduct and thus directly addressed to every individual employee. In EHS management we take a centralised approach to ensure solid standards applicable across all our manufacturing sites, but still encourage initiatives on local level to identify and realise potential for improvement.

The EHS Guideline in turn has been designed in line with ISO 14001 as the world's most prevalent standard on environmental management systems. It encompasses all aspects enabling the continuous improvement of environmental performance including emission reduction. All our twelve production sites are certified according to ISO 14001. Another standard that has inspired our EHS Guideline is ISO 50001 – Energy Management. This internationally recognised standard defines how companies should introduce, implement and enhance an energy management system. The aim is to improve the bottom line through efficient energy management – reducing energy input and emissions and thus also cost. This reflects the underlying conviction in our approach that economic and ecological aspects are not in conflict but in harmony.

12/12

production sites are certified according to ISO 14001.

In line with ISO 50001, the EHS managers at our individual sites must take energy aspects into account when assessing environmental issues and impacts. Each local EHS manager evaluates and considers the following aspects for the respective site, based on methods and instruments established by our EHS Guideline:

- Transparent disclosure of energy sources used and of energy consumption by equipment/machinery
- Factors determining energy consumption
- Consideration of energy efficiency in design and procurement
- Introduction of regular energy monitoring

Reduction of Scope 3 greenhouse gas emissions

To promote reduction of Scope 3 emissions, we are intensifying the collaboration with our suppliers and customers. We encourage our suppliers to purchase renewable electricity, but also develop joint ideas for the products they deliver to us. A focus in our activities is on secondary packaging materials for our products and on components that we procure. Together with suppliers and customers, we are driving forward circular economy concepts against the background of tight pharmaceutical regulations. Through this collaborative approach, we contribute to the increase in resource efficiency as well as reduction of packaging waste and the associated greenhouse gas emissions in our upstream and downstream supply chain.

Our procurement team is considering such environmental aspects when making purchasing decisions. It is an integral element of our approach to also commit our suppliers to protecting the climate and environment, because the most impact can be made through collaborative efforts along the value chain.

In line with our EHS Guideline, we strive to improve the quality of data we generate to track our Scope 3 performance and derive effective and efficient measures for constant improvement. In our ESG questionnaire, we ask our major suppliers not only about their efforts to measure carbon emissions and their emission reduction targets but also about their ideas to collaborate for more sustainable products.

GRI 302-1/-3/-4,
GRI 305-1/-2/-3/
-4/-5/-6/-7

Measures and measurement

Based on our environmental management system, we measure our consumption of electricity and fossil fuels for all our locations on a monthly basis. This allows us to calculate the related emissions from these figures as CO_2 equivalents (CO_2eq) based on the methodology of the Greenhouse Gas (GHG) Protocol. Since we want to track the sources of energy consumption on a granular level, we have installed gas and electricity meters allowing us to measure the actual consumption of individual machines and process modules. We are using different KPIs to monitor and evaluate our efforts systematically: 1) total energy consumption, 2) energy consumption relative to salable goods, 3) GHG emissions (CO_2eq, market-based and location-based method) and 4) GHG emissions (CO_2eq) relative to salable goods.

Our relevant GHG emissions predominantly consist of carbon dioxide (CO_2). There are also minor amounts of nitrogen oxides from the hot forming process based on natural gas or liquefied petroleum gas. The greenhouse gas N_2O is included in the reported CO_2eq figures. The amounts of other nitrogen oxides are so small that they are not considered material issues for SCHOTT Pharma. SCHOTT Pharma is also not importing, exporting or producing any ozone-depleting substances (ODS) according to the Montreal Protocol. We strictly prohibit the use of chlorofluorocarbons at all our sites. All refrigerants currently employed are free of ODS. In addition, there are very small amounts of volatile organic compounds (VOCs) such as alcohols, glycols, esters, hydrocarbons and ethers from printing processes, which are also below materiality threshold.

Our direct emissions in Scope 1 amounted to 30,226 tons of CO_2eq in fiscal year 23 (FY 2023), refering to the reporting period from October 2022 to September 2023. Regarding indirect emissions (Scope 2), we calculated a total of 43,587 tons CO_2eq, applying the location-based method. Overall, we succeeded in reducing CO_2eq emissions by 7,299 tons compared to the previous fiscal year and 48,185 tons when compared to the base year FY 2019 (market-based calculation). This equals a 60 % reduction, which indicates the considerable progress we are making towards our overarching goal of achieving climate neutrality by 2030 in Scopes 1 and 2.

In addition to Scope 1 and 2 emissions, we have calculated our Scope 3 emissions based on financial data, using average spend and partially quantity based calculations, for our fiscal year 2023. The emission factors used in our calculation were provided by EXIOBASE, DBEIS and ecoinvent. Having made a profound start, we strive to continuously improve the transparency of emissions in our upstream and downstream value chain.

GHG emissions total, reduction and intensity (Scopes 1 and 2 of GHG Protocol)	FY 2023
Total emissions Scope 1 and Scope 2 (in metric t of CO_2eq, market-based)	30,226
Total emissions Scope 1 and Scope 2 (in metric t of CO_2eq, location-based)	73,813
of which	
Gross direct emissions (Scope 1)[1]	30,226
Gross indirect emissions (Scope 2) market-based	0
Gross indirect emissions (Scope 2) location-based	43,587
Biogenic GHG emissions	0
Reduction of GHG emissions[2]	48,185
GHG emissions intensity (in metric t of CO_2eq/EUR million)	82

[1] The following gases were taken into account when calculating direct and indirect CO_2eq emissions: CO_2, HFKW, PFKW, CH_4, N_2O, NF_3, SF_6.
[2] Reduction of GHG emissions (market-based calculation) as compared to base fiscal year 2019 (October 2018 – September 2019).

Relevant indirect GHG emissions (Scope 3 of GHG Protocol)	FY 2023
Relevant gross indirect emissions (Scope 3) (in kt of CO_2eq)[1]	532

[1] The calculation was made using a hybrid approach (spend- and mass-based) in accordance with GHG Protocol.

The most effictive measure which enabled the strong emission reduction compared to base fiscal year 2019 was our complete switch to green electricity by end of fiscal year 2021, making our company climate neutral in Scope 2.[1] We operate a portfolio of Energy Attribute Certificates (EAC) and Power Purchase Agreements (PPAs) with regional coverage corresponding to the consumption of all our sites. To ensure quality, our procurement focuses on green electricity suppliers that work in accordance with high international standards and are verified by a third party, carrying either the “EKOenergy” or “Green-e” label.

Working with credible and reliable partners also is essential for SCHOTT Pharma when it comes to compensating emissions we cannot avoid or reduce. As part of SCHOTT Group-wide activities, we cooperate with various providers and use the Gold Standard and the Verified Carbon Standard (VCS) from Verra to ensure the impact of the associated projects. Our focus is on nature-based solutions in the countries where we produce.

In addition to making the full switch to green electricity, we are taking a wide array of measures to reduce our energy consumption and increase the use of alternative energies. We have optimised energy efficiency by reducing gas consumption during machine downtime and have invested in state-of-the-art machines that have a significantly lower gas consumption per goods produced than previous machine generations.

For reduction of energy consumption, we have, e.g., started a transition to change our lighting systems to LED use. Today, already seven of our manufacturing sites are fully equipped with LED systems. In the other sites there is a continuous replacement to increase the share of LED systems.

In fiscal year 2023, we consumed a total of 301,518 MWh. In comparison to the previous year, we were able to reduce our total energy consumption by 8 %. In relation to turnover in the reporting period, our energy intensity amounted to 335.5 MWh per EUR million.

Energy consumption within the organisation and energy intensity	FY 2023
Total energy consumption (in MWh)	301,518
Total fuel consumption from non-renewable sources	154,448
Natural gas	72,870
Other fossil fuels	81,578
Total fuel consumption from renewable sources	0
Total indirect energy consumption	147,069
Electricity	147,069
Energy intensity (in MWh/EUR million turnover)	335.5

Using its innovative strength, the SCHOTT Group is conducting extensive research on how glass production can be made more energy-efficient and less carbon-intensive. Currently, we coordinate a large-scale research project funded by the German Federal Ministry of Education and Research called “MiGWa”: Mikrowelle (microwave) – Glas – Wasserstoff (hydrogen). Its goal is to evaluate and develop modern technologies that help to avoid or reduce the use of fossil fuels in the glass production process to cut the major source of CO_2 emissions, while maintaining highest quality. Due to the importance of our products for the safe and reliable medical treatment of people, making compromises on quality because of environmental considerations is not an option for us.

In the project, we are focusing on two technologies. The first is microwave technology, which uses electrical energy to melt the raw materials needed. This new technology aims at significantly reducing fossil fuels by replacing them with electrical energy. As a beneficial side effect, it also has the potential to improve operational processes. The second technology is the use of hydrogen for heating the melting tanks and for hot forming of pharmaceutical containers from glass tubes.

Also, outside of the SCHOTT Group, we are working with partners to help protect our climate, such as local communities that we team up with to improve energy efficiency. At our German site in Müllheim, e.g., we have initiated a project to use waste heat from our production processes to supply a local heating network. Following successful approval, the focus is now on winning enough customers for the network.

Our most important partners, however, are our employees. We encourage and empower our people to contribute their part to preserve the climate. Aside from voluntary engagement and expected behaviour set forth in our EHS Policy and Guideline, we also have clear rules to complement our efforts. Our travel guideline, e.g., requires all employees to use the train instead of the plane for any trips shorter than 600 km.

At SCHOTT Pharma, we are convinced that together with the people inside our company and our external stakeholders, we can make a meaningful contribution to protecting our climate and environment by using energy wisely, expanding alternative sources of power and developing the green technologies of tomorrow.

[1] Regarding Scope 2 energy consumption, SCHOTT Pharma only purchases electricity but no energy for heating, cooling or steaming purposes.

Andreas Maissen
Facility Manager

"Our commitment to sustainability is more than a mere strategic checkbox."

Energy efficiency in practice

On the decarbonisation journey, energy efficiency is a crucial pillar, playing a pivotal role in reshaping the landscape of responsible production. It is recognised as a strategic imperative in the global endeavour to reduce carbon emissions and mitigate the impact of climate change. This interview with Andreas Maissen, Facility Manager at the manufacturing site in St. Gallen, explores how sustainability and energy efficiency influence his working environment.

Sustainability is part of SCHOTT Pharma's strategy. How do you recognise this at your manufacturing site?

SCHOTT Pharma's commitment to sustainability is more than a mere strategic checkbox; it is influencing our operations and in particular shaping our future activities. We take already tangible steps towards our target of climate-neutral operations. Our focus is not solely on meeting sustainability targets, but also on fostering a culture of continuous improvement and innovation. We aim to ensure that sustainability is an integral part of our decision-making processes and investments.

A notable support for SCHOTT Pharma manufacturing sites is the internal competition called Green Fund. It acts as a catalyst for projects that generate double benefits – improving both our operational efficiency and our environmental impact.

How can you support SCHOTT Pharma's progress on sustainability?

Through my role as facility manager, I have a unique opportunity to promote sustainability in the workplace. I am responsible for setting up and operating infrastructure at the St. Gallen site. Every project involving the revision of local infrastructure, building technology and operational concepts provides a platform to incorporate and reflect on sustainability considerations. In this role, I work towards integrating sustainability into our operations, aligning our progress with SCHOTT Pharma's commitment to a climate-neutral future.

Can you give us some insights in the work at St. Gallen site?

The St. Gallen site has successfully implemented several projects. Since 2008, there has been an agreement with the canton to reduce CO_2 emissions, which has been consistently adhered to. We strive to minimise energy and heat consumption in all installations and utilise exhaustive heat were possible.

What do you consider important for the success of SCHOTT Pharma on the journey to climate neutrality?

From my perspective, it is important to have individuals at each site who invest time and have the freedom to design solutions for their challenges and projects. This requires individuals to educate themselves with an open mind and the courage to propose new ideas. And then, of course, management support is key to drive change and implement solutions.

Collaboration for the set-up of a district heating network in Müllheim

The community of Müllheim and the local facility of SCHOTT Pharma have collaborated to implement a district heating network. This joint endeavour between municipal authorities and SCHOTT Pharma highlights their shared commitment to environmental stewardship. In this interview, we discuss with Michael Bury, Head of Technical Services at SCHOTT Pharma in Müllheim, about the collaborative venture for a greener and more sustainable energy landscape in Müllheim.

How did you start off to develop a local heating network?

There is a long-term and good relationship between the community and our manufacturing site. In parallel to the extension of our manufacturing site, the community has started their plans for a new residential district and was looking for a modern and sustainable way of heat supply. So we started to jointly develop the idea of a district heating system utilising the waste heat of our facility as a main source input. In 2022, the project became formalised, and a comprehensive study confirmed feasibility, also from an economic perspective. And in Summer 2023, we reached the next milestone; the project received clearance for funding support by the German Federal Ministry for Economic Affairs and Climate Action.

How does the district heating system work?

The waste heat from our operations is warmed up in a dedicated building with heat pumps to a constant supply temperature of 75 °C. Additional heat generators in the network, such as a pellet boiler or vegetable oil boiler, are planned to balance potential variation in the waste heat of our manufacturing facility. A network of heat pipes enables the energy supply to various streets in the new residential area to reach the individual homes.

What do you see as the main benefits of this district heat supply?

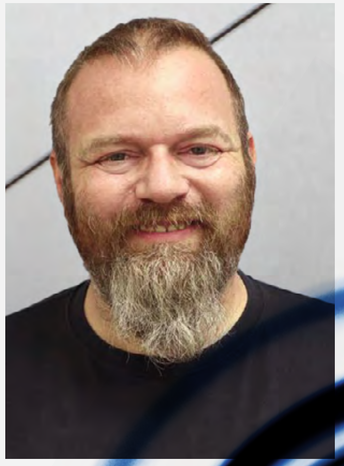
From an ecological standpoint, it is a providing and energy-efficient and clean heat supply. Previously unused heat waste is applied to heat residential homes. And as such, this approach significantly reduces CO_2 emissions, which is aligned with our ambitions to counteract climate change. From a legal perspective, district heat supply already prepares the households for compliance with the upcoming regulations, as the German government is preparing legislations that target the replacement of carbon-intensive heating technologies such as oil based. Also, the connection to a district heat network enables more independence from energy cost variations. So it comes with various advantages and supports the development to an eco-conscious community.

Are there plans to utilise the waste heat beyond the new residential area? And when can we feel the first heat supplied via the network?

In principle, the network could be extended on the long term. The heating source is 75°C hot water. This could also be used to deliver heat to existing residential areas or also public buildings. We'll see and take one step after another. As a next step, we need a sufficiently high number of residents to sign up for connection, to enter in the construction phase. And then, if everything works out as projected, heat flow can start by end of 2025.

Michael Bury
Head of Technical Services at SCHOTT Pharma in Müllheim

"What I love about this project is that we can simultaneously positively impact the environmental footprint of our working environment and our homes."



Waste along the value chain

SCHOTT Pharma seeks to decouple economic growth from the consumption of finite natural resources by increasing resource efficiency and developing circular economy concepts. With our internal operations and our partners along the value chain, we seek to transition from waste to resource management. Therefore, we review our product and packaging concepts, production processes as well as the related waste streams, to optimise them for keeping the related materials in the loop and reduce waste volumes.

GRI 3-1/-3

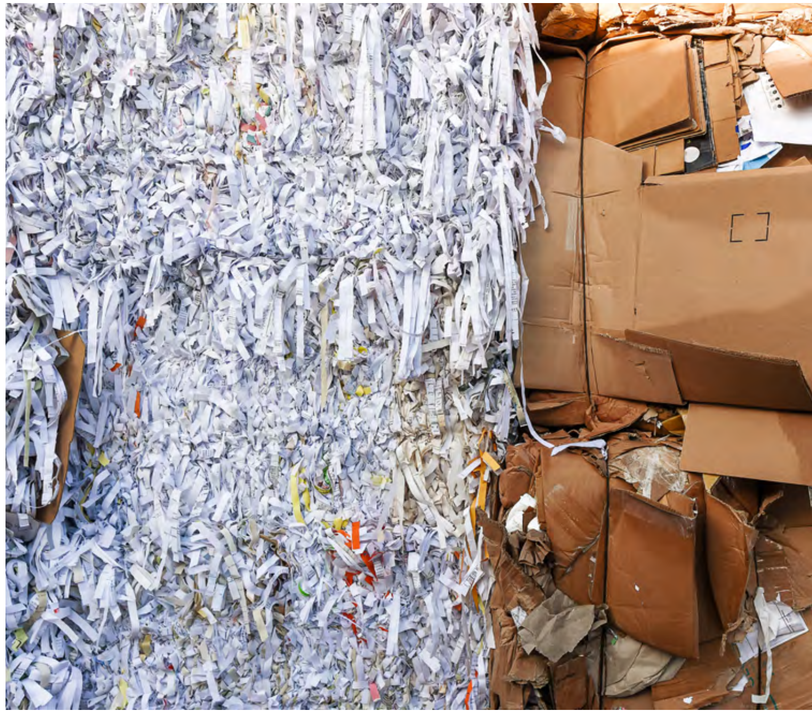
Materiality and impact

At the core of SCHOTT Pharma's value creation process is the conversion of glass tubes into drug containment and drug delivery products for pharmaceutical goods. Consequently, our major internal source of waste are the glass cullets resulting from residual tube length or rejections during the conversion process. Wherever feasible in terms of distance, cullets get returned for reuse in tube manufacturing. Sites with long transport distance use open loop solutions to recover the material value and apply it to other applications such as in the construction industry. At the end of life, the glass content of pharmaceutical drug products reaching patients or healthcare professionals is forwarded to medical waste disposal.

SCHOTT Pharma also produces drug delivery systems made from Cyclic Olefin Copolymer (COC). Related manufacturing waste is forwarded to an open loop stream enabling a second life as filler materials in other polymer applications. Waste resulting from drug product use is forwarded to medical waste disposal in the same way as glass-based products, since they were in drug or body fluid contact.

Another important waste stream is related to the packaging materials used to supply incoming materials to SCHOTT Pharma and to deliver our products to our customers. Those materials typically include cardboard, polymer foils, polymer packaging components, pallets, etc. Here, the impact depends on packaging density and the design for reusability or recyclability. We cannot directly influence how our downstream partners treat their waste stream, but still our packaging design decides on the ease to redirect the materials for resource recovery.

Increasing requirements from the private and public sector pose potential challenges for our business operation, like rising costs for waste disposal. Another challenge stems from tightening regulation around the globe. One example is EU legislation requiring all plastic packaging placed on the EU market to be reusable or cost-effectively recyclable by 2030. We are seeing similar efforts demanding the introduction of circular economy concepts to address the increasing shortage of natural resources and reduce waste.



Internally and together with our partners in the value chain, we are developing concepts that address the changing frameworks and requirements for increased circularity. This helps us to strengthen our position as prime partner for a sustainable supply chain and supports the optimisation of resource efficiency.

GRI 2-23/-24
GRI 3-3
GRI 306-1/-2

Management approach

To steer our product and product packaging design further towards resource efficiency, our Ecodesign Guideline gives direction to key considerations and good practices. One key consideration is packaging density. Together with our suppliers and customers, we work on solutions that enable higher packaging density. Such solutions reduce environmental impacts through less material, less processing, less sterilization and less transport. We also seek to reduce packaging for input materials in our upstream value chain.

Approximately 90 % of the waste from our manufacturing activities consists of cullet, which results from cutting the glass tubes we need for our containers as well as from production rejects. Where it is economically and ecologically reasonable, the cullet is returned to tube manufacturing facilities of SCHOTT AG, where it is reused for glass production. To keep transport distances short, save energy and reduce emissions, our manufacturing sites are sending the cullet to the closest factory of our tube supplier. Our location in Müllheim (Germany) sends the cullet to Mainz (Germany), St. Gallen (Switzerland) to Mitterteich (Germany), and Itupeva (Brazil) to Rio de Janeiro (Brazil).
If reuse for production is not possible, the glass waste is used for different purposes. Over the years, we have identified a large variety of purposes, such as filling material for civil engineering projects and road construction, for production processes in the cement industry, and as a component of fiberglass insulations or glass wool.

Packaging materials for the goods delivered to us by our suppliers are sorted into polymer and cardboard waste streams before they are forwarded to professional recycling providers. Both types of waste are recycled for polymer and cardboard manufacturing respectively.

Our approach to waste management is clearly manifested in our EHS Guideline. The EHS Guideline, as a Group-wide document, ensures that our approach and the corresponding requirements are binding for all our locations and assures a site-overarching standard. The related procedures and governance are part of the certified environmental management systems per ISO 14001, which are established at each site. Operational responsibility in turn lies with local management, supported by EHS site advisors, at our individual sites to account for location-specific technical conditions, customer demands and regulatory requirements.

The management approach duplicates the structure we use for the energy and emission management approach, because we see many synergies between reducing both carbon emissions and waste. If we manage to use less material for packaging purposes or further increase the share of recycled materials or recyclable materials, then less production processes will be necessary – cutting emissions, waste and the exploitation of natural resources at the same time.

Our ISO 14001-certified environmental management systems at all our sites also contribute to our efforts to reduce waste along the value chain. Based on its Plan-Do-Check-Act logic, the individual sites define annual targets for the handling of waste, continuously track their performance and develop improvements where significant impacts are identified. Our site-specific approach allows for precise target setting and detailed measurement matching the local scope of operations and national frameworks.

Regarding operational processes, the EHS Guideline in particular requires

- avoidance, separate collection and recycling or energetic recovery of waste and safe waste disposal,
- safe handling of hazardous materials and waste, thus preventing contamination of soil and an introduction of pollutants into groundwater.

It also stipulates the establishment and maintenance of a Hazardous Substances Register on

- incoming and utilised hazardous substances with minimum information on the quantity, trade name, supplier and date of the safety data sheet,
- voluntary complement, e.g. for water-hazardous substances or SVHC substances,
- outgoing hazardous substances as well as dangerous goods and hazardous waste.

Finally, it calls for internal and external documentation and reporting on

- information on the safe handling and storage of hazardous substances (there has to be a review after three years at the latest if the safety data sheets are up to date and the current safety data sheet has to be requested if required),
- associated operating instructions at least for hazardous substances and the handling of hazardous waste,
- permissions related to the authorised transport and disposal of waste to disposal partners (e.g. contracts, proof of proper disposal),
- declaration for the use of SVHC substances and respective separate permissions if restriction on the use is in place.

> “Our ambition is to ensure all our waste can be reintroduced into value chains as a valuable resource.”
>
> James Jin, EHS Manager, Suzhou

GRI 2-23/-24
GRI 306-1/-2/-3/-4/-5

Measures and measurement

SCHOTT Pharma's performance measurement is grounded in a clear-cut taxonomy that differentiates between four types of waste.

- Primary production waste – cullet from production of primary packaging
- Primary production waste – polymer residue from production of primary packaging
- Secondary packaging of input materials – polymer and cardboard packaging of glass tubes delivered to us, packaging material for final products supplied by us
- Secondary process-related waste – oils, cleaning agents, glue residue, etc.

We further distinguish between waste diverted from disposal through recycling (including reuse and thermal recovery) and waste directed to disposal (including incineration and landfill). Both in turn are differentiated into hazardous and non-hazardous waste. For defining hazardous waste and the categories for recycling and disposal, we follow the globally accepted Basel Convention. In addition, cullet and glass waste as well as their respective percentage of recovery are tracked separately for a more refined performance measurement.

Waste according to type and form of disposal	FY 2023
Total weight of waste generated (in t)	12,453
Hazardous waste	422
Non-hazardous waste	12,031
Total weight of waste diverted to disposal	9,906
Hazardous waste	182
Non-hazardous waste	9,724
Total weight of waste directed to disposal	2,547
Hazardous waste	240
Non-hazardous waste	2,307

Glass from the production process accounts for most of our waste, about 90 % of the total weight. At SCHOTT Pharma, we are proud that nearly 100 % of it were recovered – closing the loop or diverting the glass to other valuable purposes. When looking at other types of waste, an overall recycling quota of 80 % is achieved. For these purposes, we work exclusively with certified providers of waste management that are audited regularly, asking them for documented proof of disposal. Taking an approach of responsibility along the entire value chain, we want to make sure that no illegal or doubtful forms of disposal are being used.

Having proof is also of key importance to us when it comes to internal measurement and documentation of waste, which is why we apply a four-eyes principle for reporting waste in our information management system. Knowing that the numbers provided are the basis for ensuing management decisions and appropriate actions, we ascertain that all numbers are correct. Preciseness is also essential for meeting governmental requirements, as regulation on the handling of waste is very tight in the countries where we operate.

As for all issues in environmental protection, we also involve our employees in finding ways to avoid and reduce waste. Developing circular economy concepts for packaging materials and containers after usage is of particular relevance for us.

Being aware that most of the avoidable negative impacts of products are already defined during their development, we use our Ecodesign Guideline to sensitise our people for the dos and don'ts of developing eco-friendly products, design for recycling and design for circularity. The application of the associated principles is monitored during milestone meetings in the product development process alongside with other critical design requirements. At SCHOTT Pharma, it is our aim to think beyond the end already in the beginning.

As meaningful circularity cannot be achieved in isolation, we work with our suppliers and customers along the value chain and actively involve other stakeholders, when necessary. For instance together with renowned partners such as Merck KGaA, Erasmus Hospital Rotterdam and TU Delft, we investigated circular options for the waste streams of hospitals. With our partners in the Alliance to Zero, we are collaborating on circular solutions for the components of injection devices.

Another focus area is transport packaging. Here, we cooperate with our suppliers and customers on solutions that enable a higher packaging density. In addition, a large part of our joint work on transport packaging also deals with the question of how packaging can be redesigned, so that a high degree of circularity can be achieved while preserving the resources contained. We do this always under the premise that solutions are grounded in science, ensuring that medicines are safe and easy to use for people around the world.

Water management

GRI 3-1/-3

Water as the most valuable natural resource is increasingly threatened by a variety of developments: climate change, the steady growth of the world's population but also by industrial and agricultural use. Statistics show that one quarter of the global population already faces extremely high water stress each year, regularly using up almost their entire available water supply.

Living with this level of water stress threatens food and energy security, income as well as physical and mental well-being. Water is essential for agriculture, producing electricity, fostering equitable societies and maintaining human health – the central purpose of SCHOTT Pharma. As a signatory to the UN Global Compact, we are dedicated to protecting water as the basis of life and economic activity.

Materiality and impact

Due to its vital importance for humanity, we see water as a material issue, even though we only rely on it to a limited extent in our own manufacturing processes. Most of our manufacturing lines are executing heat-induced forming of glass-based pharmaceutical packaging goods. Here, water only serves as a coolant and typically circulates in closed circuits, substantially reducing withdrawal and discharge. Most of our water used comes from external public resources and is mainly discharged indirectly into communal sewage.

At some of our sites where glass syringes, cartridges or injection vials are being washed to prepare them for coating or as pre-sterilised ready-to-use products, comparatively more water is used. Related processes are restricted to few manufacturing sites: washing for coating processes is only executed at one and preparation for pre-sterilized products at two of our twelve sites, respectively. At the nine remaining sites, water is solely used in bathrooms, for cooking or as drinking water, and cleaning purposes, in addition to cooling processes.

Due to the overall low dependency on water in our value creation, we do not see significant risks from water or water scarcity on our business model or our business performance.

Water is also only of minor significance regarding our impacts. Despite our low consumption, we have systematically analysed whether our sites are located in areas with high or very high water stress levels, based on the Water Risk Atlas provided by the World Resources Institute. Only two – Pont-sur-Yonne (France) and Itupeva (Brazil) – of our twelve sites are in such areas. However, we do not manufacture any ready-to-use products at either of them and thus do not aggravate water stress.

GRI 2-23/-24
GRI 3-3,
GRI 303-1/-2

Management approach

Our EHS Guideline contains encompassing principles on sustainable water management in line with the requirements of ISO 14001. It requires precise tracking of water consumption and discharge at site level, and analysis of potential impacts on the environment. Local EHS managers assess water contamination risks considering the probability of occurrence and the severity of potential damage. This way, we ensure our installations and cleaning systems enable a systematic wastewater treatment and prevent our operations from contributing to contamination of the groundwater. Hazardous materials and waste have to be handled safely at all times to prevent potential contamination of groundwater. Wastewater and extinguishing water must be retained in case of posing a risk to groundwater. In such cases, it must be ensured that the necessary retention capacities are available. Sewage for rainwater, water from production and sanitary wastewater has to be separated to ensure safe treatment and best possible reuse.

Responsibility for water management as an integral element of environmental protection at SCHOTT Pharma lies with the plant managers, supported by the local EHS managers. By doing so, we enable the assessment and consideration of mutual influences and impacts of different environmental protection issues. Moreover, we ensure adherence to all local regulations and specific requirements, as they may vary substantially across municipalities and countries.

Another intention of our approach is to promote an exchange on experiences and measures in our global network of EHS managers, which is why regular meetings are held. Environment-related measures and impacts, including sustainable water management, are addressed monthly and jointly among the global EHS representatives of SCHOTT Pharma. A yearly target definition process has been implemented including the systematic definition of water-related targets and actions on site level, based on the preceding assessment of water-related impacts.

GRI 303-3/ -4/-5

Measures and measurement

Our water withdrawal and discharge are tracked via our environmental management system and evaluated yearly. Regarding water withdrawal, we differentiate between direct (e.g. from wells, rivers and lakes) and indirect (municipal) water withdrawal. Water discharge is also broken down into two categories: direct discharge into rivers, lakes and ground, and indirect discharge into municipal wastewater systems. Water consumption in turn is calculated from withdrawal and discharge – also separately for areas with water stress.

All data is collected and evaluated annually. When entered into our environmental management system, it has to be verified according to the four-eyes principle to ensure correctness and reliability. We want to make sure that we have a solid data basis for conducting a profound analysis and deriving appropriate measures if necessary.

Water withdrawal and discharge	FY 2023
Total water withdrawal (in cubic metres)	256,649
Direct withdrawal (groundwater from wells, surface water from lakes and rivers, collection of rainwater)	8,153
Indirect withdrawal (water from municipal sources)	248,496
Total water withdrawal from areas with water stress	14,554
Direct withdrawal (groundwater from wells, surface water from lakes and rivers, collection of rainwater)	8.153
Indirect withdrawal (water from municipal sources)	6.401
Total water discharge	235.262
Direct discharge (wastewater discharge to rivers, lakes or other public waters)	25.479
Indirect discharge (wastewater discharge to communal sewage, water disposed of by truck to private companies)	209,783
Total water discharge to areas with water stress	14.559
Direct discharge (wastewater discharge to rivers, lakes or other public waters)	13,683
Indirect discharge (wastewater discharge to communal sewage, water disposed of by truck to private companies)	876

To account most effectively for site-specific conditions, the local water situation and regulatory framework measures are determined locally by the sites. The local EHS managers are encouraged to share their measures and experiences in our institutionalised meetings to ensure the transfer of best practices across our entire organisation.

Examples of projects initiated at different sites are as follows:

- In Veracruz (Mexico), we use rainwater for sanitary facilities and thus avoid having to access fresh water sources. The secondary use of distilled process water and the installation of waterless urinals are also among the measures we take.
- Our site Müllheim (Germany) is working on reusing collected water from coating processes.
- In Bekasi (Indonesia), we are working on reuse of condensation water for humidification systems.

Once again, it is our innovative strength deeply engrained in our organisational culture that is vital for the continuous improvement of our environmental performance. The ideas and involvement of our people help us to make a meaningful contribution to the protection of the most precious resource of the 21st century.

Tobias Wagner
Global Manager
for Environment, Health
and Safety Systems (EHS)

Carolina Bonells
Head of Quality Management at
the SCHOTT Pharma manufactur-
ing site in Buenos Aires

Water as a valuable resource

Water management is an essential aspect of sustainable practices, encompassing a range of strategies and initiatives aimed at responsible and efficient use of water resources. In an era where environmental concerns are paramount, water management emerges as a key pillar in the pursuit of conservation and sustainability.

We interviewed Tobias Wagner, Global Manager for Environment, Health and Safety Systems (EHS), to gain insights into SCHOTT Pharma's global water management efforts. We also spoke with Carolina Bonells, Head of Quality Management at the SCHOTT Pharma manufacturing site in Buenos Aires, to gain a more comprehensive local understanding.

Water is a crucial resource, both in our personal lives and in our organisations. What is the significance of water in your context?

Tobias: "Water is life" – In Germany, we have long benefited from the abundance of water resources, thanks in part to the proximity to the Rhine and numerous rivers. However, the narrative is poised to shift in the coming years as discussions increasingly focus on water scarcity and the groundwater table. The upcoming discussions will focus on water scarcity and the groundwater levels, underlining the growing importance of responsible water management. Although water may appear to be abundant, recognising the potential challenges ahead will enable us to proactively address water scarcity. This highlights the crucial role of water in our organisational and environmental considerations.

Carolina: Water holds a unique significance in Argentina due to the abundance of fresh water. Today, awareness of water quality is not yet widespread, there is a positive trend towards improvement, reflecting a growing recognition of the importance of water and clean water in our lives. At the site in Buenos Aires, we foster ongoing awareness and sustainable practices to ensure the continued availability and quality of water resources.

We talked about the impact of water on your personal perception, now it would be interesting to get an insight on how water is used in production.

Tobias: Certainly. When it comes to production, we manage our water consumption at the plants with a focus on efficiency and sustainability. Interestingly, across most of our sites, the water used in production processes is not significantly high. Approximately 20–30 % are production-related, primarily allocated for cleaning or cooling processes. Around 60–70 % of the water used in our facilities are dedicated to non-production-related aspects, such as maintaining conducive and comfortable working conditions. It is important to note that plants with wash-

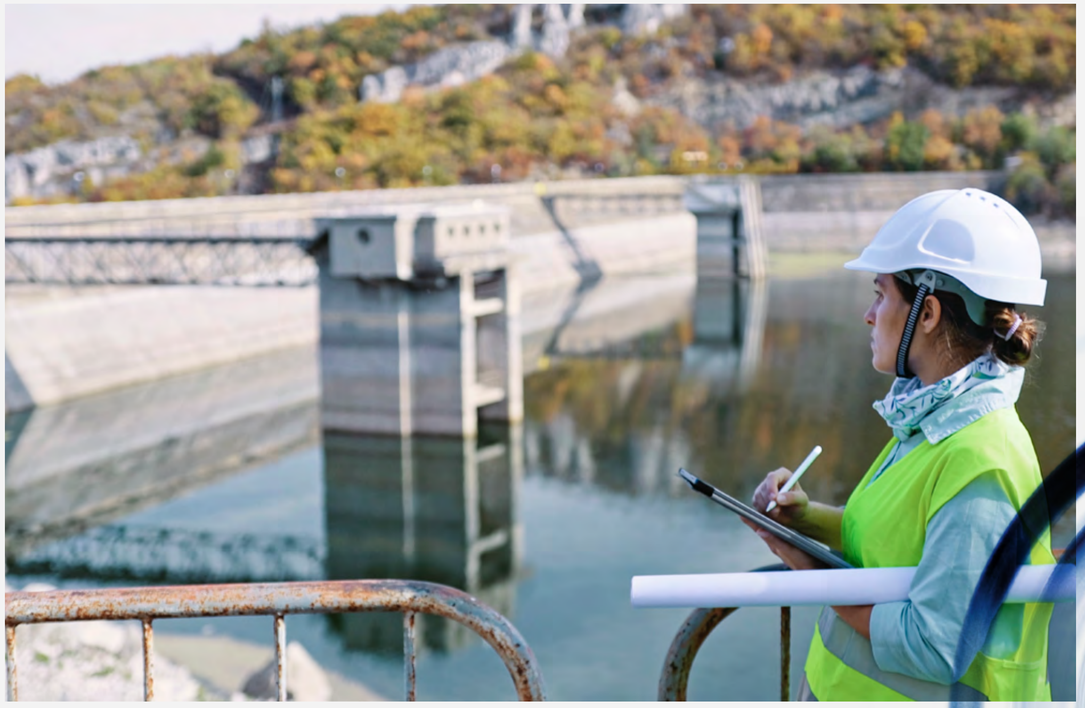
ing or coating processes have higher production-related water consumption, reflecting the specific needs of those manufacturing processes. Overall, our approach focuses on optimising water usage to align with sustainable practices while meeting the requirements of our diverse production activities.

Carolina: As already mentioned, it depends on the manufacturing processes at the local site. At the site in Buenos Aires, water is only used for bathrooms and drinking purposes, as we do not have water-demanding production processes.

Have there been any recent efforts to optimise water usage for non-production purposes, considering that water is not primarily used for production?

Tobias: Absolutely, we have been exploring opportunities to optimise water usage for non-production purposes across our various plants. Successful water optimisation projects have been undertaken, such as using rainwater for toilets and implementing waterless urinals. This aligns with our commitment to sustainability by utilising natural resources for non-production needs. Furthermore, we have implemented the reuse of distilled water in the laboratory, demonstrating our dedication to maximising the utility of water resources across diverse operational aspects. These initiatives demonstrate our ongoing efforts to reduce water usage for non-production purposes and adopt innovative solutions that contribute to our sustainability goals.

Carolina: Our approach to optimising water usage for non-production purposes is dynamic and responsive. We take immediate measures when we identify any indication of water loss at our site. Proactive detection of water loss triggers swift and targeted actions to rectify and address the issue promptly. Furthermore, I am proud to be part of a department that raises awareness in countries that may not be as developed as Europe. Our local initiatives play a vital role in extending the global message of sustainability, emphasising the importance of responsible practices in environmental and social matters. The way we talk about the value of water and resources inside the company will be taken home and into the communities.



“Water plays an important role in ecosystem resilience, so we take responsible water management seriously.”

Tobias Wagner
Global Manager for Environment, Health and Safety Systems (EHS)

“We are looking forward to drive our sustainability efforts together with our partners and customers.”

Anna Mader, Sustainability Expert

Looking ahead

Sustainable transformation is essential for our planet and our business.

2023 marked the warmest year on record in human history. As the most recent report from the Intergovernmental Panel on Climate Change (IPCC) shows, global warming continues to accelerate, and the number of extreme weather phenomena is increasing in its wake. According to a study from the United Nations Office for Disaster Risk Reduction, from 2000 to 2019, there were 7,348 major natural disasters around the world, resulting in $2.97 trillion in global economic losses.

The negative impacts on ecosystems and people can be observed like never before. Crop failures, famines, spreading diseases and conflicts on freshwater access are just some of the consequences. As diverse as they might be, these developments all endanger human health and well-being, which are core values we, at SCHOTT Pharma, hold dear and seek to protect.

In addition, resource scarcity is becoming visible in many industries due to their overuse since the dawn of industrialisation. Driven by rivalry for scarce resources, political instability is also on the rise in many parts of the world. Future generations will not be able to benefit from a wealth of resources anymore. At the same time, they will be confronted with waste left behind by previous generations and their impact on nature and human life.

In times of threats, conflicts and shortages, equality is one of the first victims. And gender equality is no exception. A recent global study by the United Nations Development Programme (UNDP) concludes that the last ten years have been a "decade of stagnation", showing no improvement in biases against women. From 2011 to 2021, the United Nations Gender Inequality Index has only marginally improved, implying that political and economic inequality as well as lacking medical care are still a widespread problem for women around the world.

We continue taking dedicated action

We, at SCHOTT Pharma, remain committed to sustainability and are determined to do our part. The aforementioned challenges proof the even growing importance of the four sustainability development goals in focus of our sustainability strategy. This confirms us to have embarked in the right direction and to continue our efforts to stay on this path.

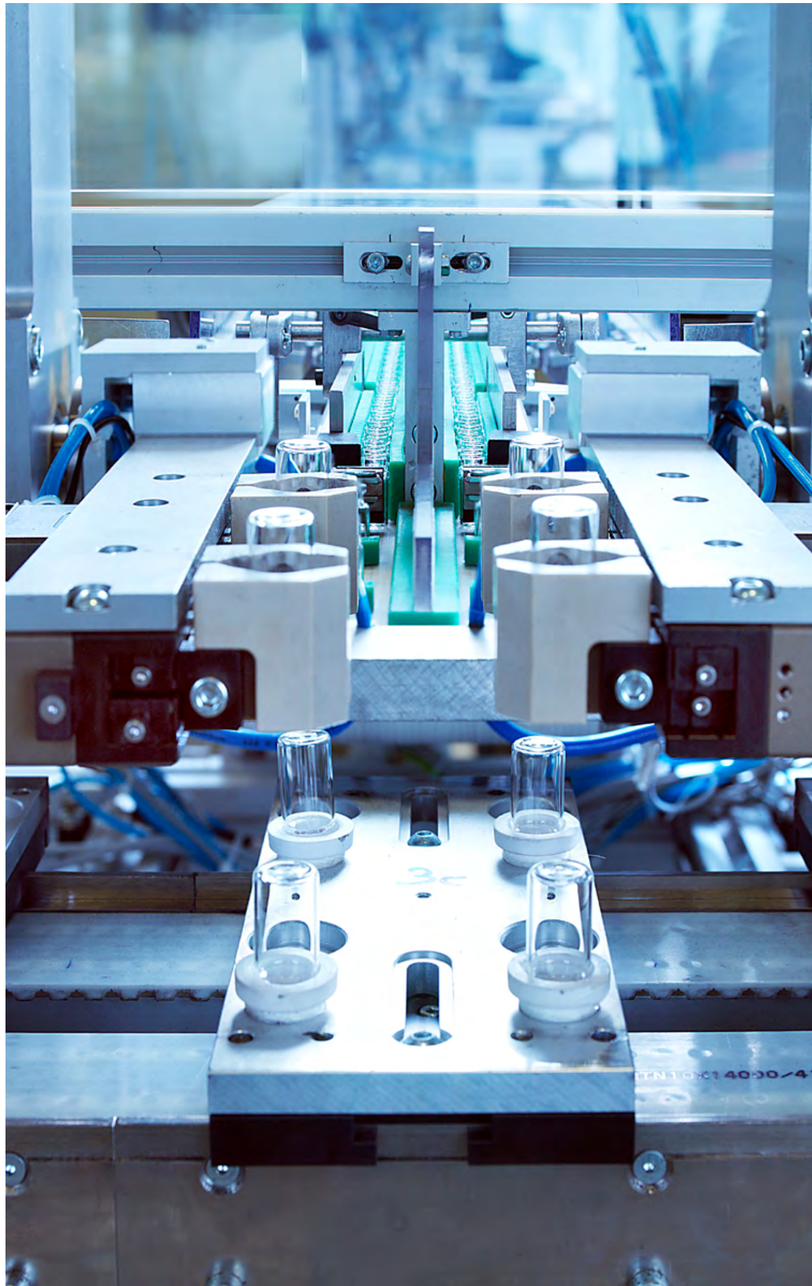
- SDG 3: Good health and well-being
- SDG 5: Gender Equality
- SDG 12: Sustainable consumption and production
- SDG 13: Climate action

To make a meaningful contribution to these goals, we will continue to enhance our sustainability management as well as intensify our sustainability actions and collaborations. It is in our entrepreneurial spirit to actively search for solutions and pioneer what might seem impossible – with regard to both products and processes.

Correspondingly, we will continue to increase our data resolution, measurement and optimisation of key performance indicators for material ESG aspects. As a science-based company, we always seek to take decisions based on solid data that permits a profound analysis and a coherent derivation of effective courses of action.

Empowering by holistic understanding

We believe that it is fundamental to bolster awareness among our employees regarding the importance of sustainability and its integration into our products, processes and culture. We want to make it a part of our daily actions and decisions, which is why we will continue to expand trainings and workshops on ESG aspects.



Building knowledge is of increasing importance in an increasingly dynamic and complex competitive environment. At SCHOTT Pharma, we believe in lifelong learning as an integral part of our organisational culture. We will also strengthen the diverse composition of our workforce and promote women in management positions. For senior management positions, we have set ourselves the ambitious goal of increasing the proportion of women from currently 23 % to 30 % by 2030. To achieve this target, we will consider gender aspects in recruitment. Alongside with gender-orientated recruitment, we actively promote internationality and mixed educational backgrounds in our teams to promote best solutions for the complex challenges we face.

Collaboration with our stakeholders is key

Creating more awareness for sustainability is something we seek to promote also among our stakeholders. This is the basis for jointly generating ideas and solutions, particularly regarding circular solutions, where isolated efforts are bound to fail. The development of recyclable products and packaging will remain the focus of our collaboration with suppliers and customers.

We will intensify the dialogue with other stakeholders as well to get suggestions and feedback on our sustainability activities. Cooperation with partners from industry associations, regulatory agencies and academic institutions will continue to guide our innovations to address future needs in drug containment and delivery, to thrive on our open corporate culture and to succeed in delivering on our sustainability strategy. We are convinced that cross-sector initiatives will be necessary to address the social, economic and environmental challenges of the 21st century, especially climate change.

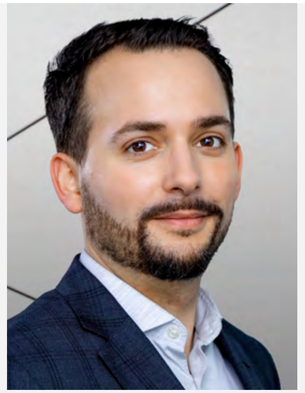
We are committed to continue our sustainable journey

At SCHOTT Pharma, we are determined to achieve our goal of climate neutrality in our Scopes 1 and 2 by 2030. We will drive innovation to reduce the emissions related to our production processes, without compromising on the quality of our products. In addition, our circular economy activities are not only aiming at reducing packaging waste but also the use of fossil resources and the related Scope 3 emissions.

The journey will be neither short nor easy. But as a company with a tradition that goes back to 1884, we understand what it means to have staying power. Throughout our history, we have always been able to translate ingenuity into action, and action into impact. We are confident that we will maintain our position as standard setter for innovative drug containment solutions and drug delivery systems, and simultaneously pioneer the industry in finding answers that unite the economic success with social and environmental responsibility – because human health matters.

Continuing our pathway towards sustainability

Arne Kloke
Head of Sustainability
SCHOTT Pharma



David Klein
Head of Corporate Sustainability
SCHOTT AG (Group)

Our sustainability journey at SCHOTT Pharma builds on a long-standing tradition and commitment to sustainable business practices rooted in our origins and founding principles. But our journey is far from over. Together with the SCHOTT Group, we are working on combining and integrating our collective efforts. To shed some light on our most recent highlights and the path ahead of us, we spoke to Arne Kloke, Head of Sustainability at SCHOTT Pharma, and David Klein, Head of Corporate Sustainability at SCHOTT AG.

What were the main highlights of the sustainability journey in 2023?

David: One of our most pivotal moments across the entire group was unequivocally the initial public offering (IPO) of SCHOTT Pharma. Taking an enterprise to the capital markets also extends our audience of stakeholders and public interest in our sustainability efforts. In parallel to the IPO-related activities, we continued to strengthen our sustainability processes. Joining the network of United Nations Global Compact marked another important milestone for our commitments to human rights, fair business practice and sustainable development. Additionally, we launched a dedicated Sustainable Procurement team to actively shape our supply chain sustainability, and correspondingly we succeeded in initial calculations of our Scope 3 emissions. It's been quite a year.

Arne: From my perspective, the highlight number one was the intense customer exchange. Their positive feedback confirmed us to be on the right track. With some customers we were even able to start co-innovation projects, which confirms the joint ambition to find solutions for sustainable products. As another highlight, I see the progress we made on our mission to deliver containment solutions that allow our customers to safely deliver medicines. With the rise of mRNA, deep cold storage at temperatures like -80 °C and even below has gained high importance. So far, this was beyond the limit of parenteral packaging science. Together with our customers, we generated massive data sets and developed solutions that ensure temperature compatibility. This way we've been able to help those medicines to market and support unlocking the breakthrough potential that mRNA holds for global health in the future.

Which sustainability milestones do you expect for the next fiscal year?

David: We are looking forward to the official validation of our climate targets by the Science Based Targets initiative (SBTi). With our reduction path across the entire SCHOTT family, we have set ambitious targets to reduce our Scope 1, 2 and 3 emissions based on a scientific methodology in line with the global warming trajectory set out by the Paris Agreement.

Arne: Last year, our colleagues in the business unit Tubing decided to realise a new, electrified tank technology for pharmaceutical glass melting. This way, about 80 % of the emissions related to glass melting can be mitigated. In 2024, we are now starting with our customers to integrate this into pharmaceutical packaging products and prepare utilisation of this huge decarbonisation potential for a commercial start in 2026. Another highlight I am looking forward to is a new dress code for prefillable syringes we are working on with our partners in the Alliance to Zero. At the PDA conference in Copenhagen, we'll present how a plastic blister can be omitted in syringe packaging, and its functionality can be covered by the system interaction of syringe, label and cardboard box.

What else is on the table to strengthen the framework for sustainability integration in 2024?

David: One major cornerstone of our sustainability strategy is to create transparency for our stakeholders by providing state-of-the-art reporting. Hence, CSRD readiness is on the top of our to-do list. Our preparations for CSRD go hand in hand with our continued ambition to improve data quality across all sustainability domains, ranging from Scope 3 calculations to diversity metrics.

Arne: In 2024, we will continue to strengthen our organisational culture for diversity, equality and inclusion. We are set to roll out a targeted recruitment approach, emphasising a diverse team composition in terms of gender, international representation and educational backgrounds. This will be accompanied by a tailored training programme to promote greater awareness and understanding of diversity issues, fostering an inclusive and collaborative workplace.

"Our journey is not over. We continuously strive to improve our processes, build resilience and promote responsible resouce use, today, and in the future."

David Klein, Head of Corporate Sustainability at SCHOTT AG (Group)

GRI Index

Statement of use

SCHOTT Pharma AG & Co. KGaA has prepared this report in accordance with the GRI Standards for the period 1 October 2022 to 30 September 2023. All relevant information is provided by the Company in this sustainability report. The interested reader can find additional information on the Company's website and in the annual report and the integrated non-financial declaration. The separate annual report and integrated non-financial declaration have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in a limited assurance engagement based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised). This standalone report and its GRI disclosures have not been subject to external audit.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

N/A // Glass Industry not specified as sector standards

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	About SCHOTT Pharma	
	2-2 Entities included in the organisation's sustainability reporting	About this report	
	2-3 Reporting period, frequency and contact point	About this report	
	2-4 Restatements of information	About this report	
	2-5 External assurance	About this report	
	2-6 Activities, value chain and other business relationships	About SCHOTT Pharma	
	2-7 Employees*	Diversity, equality and inclusion	
General disclosures			
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	Diversity, equality and inclusion	
	2-9 Governance structure and composition	About SCHOTT Pharma Our sustainability management	
	2-10 Nomination and selection of the highest governance body	About SCHOTT Pharma	
	2-11 Chair of the highest governance body	About SCHOTT Pharma	
	2-12 Role of the highest governance body in overseeing the management of impacts	Our sustainability management	

* All disclosures marked with an asterisk were also included in the non-financial declaration in the anual report and were subject to an external limited assurance audit. More information can be found in the annual report section containing the non-financial declaration.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
General disclosures			
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Our sustainability management	
	2-14 Role of the highest governance body in sustainability reporting	Our sustainability management	
	2-15 Conflicts of interest	About SCHOTT Pharma	
	2-16 Communication of critical concerns	Fair business practices	
	2-17 Collective knowledge of the highest governance body	Our sustainability management	
	2-18 Evaluation of the performance of the highest governance body	About SCHOTT Pharma	
	2-19 Remuneration policies	About SCHOTT Pharma	
	2-20 Process to determine remuneration	About SCHOTT Pharma	
	2-21 Annual total compensation ratio	Diversity, equality and inclusion	As this is SCHOTT Pharma's first sustainability report and respective information on several indicators was generated for the first time, no historical comparisons are possible. They will be provided in future reports.
	2-22 Statement on sustainable development strategy	Letter to the stakeholders Our sustainability strategy	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
General disclosures			
GRI 2: General Disclosures 2021	2-23 Policy commitments	Our sustainability management Fair business practices Sustainable procurement Cyber security Diversity, equality and inclusion Occupational health and safety Product quality Greenhouse gas emissions and energy consumption Waste along the value chain Water management	
	2-24 Embedding policy commitments	Our sustainability management Fair business practices Sustainable procurement Cyber security Diversity, equality and inclusion Occupational health and safety Product quality Greenhouse gas emissions and energy consumption Waste along the value chain Water management	
	2-25 Processes to remediate negative impacts	Our sustainability management	
	2-26 Mechanisms for seeking advice and raising concerns	Our sustainability strategy	
	2-27 Compliance with laws and regulations	Fair business practices Our sustainability management	
	2-28 Membership associations	Our sustainability management	
	2-29 Approach to stakeholder engagement	Our sustainability management Our sustainability strategy	
	2-30 Collective bargaining agreements	Diversity, equality and inclusion	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
General disclosures			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	About this report Our sustainability management Our sustainability strategy	
	3-2 List of material topics	Our sustainability strategy	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our sustainability strategy	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SCHOTT Pharma Annual Report 2022/2023	
	201-2 Financial implications and other risks and opportunities due to climate change	Our sustainability strategy Greenhouse gas emissions and energy consumption SCHOTT Pharma Annual Report 2022/2023	
	201-3 Defined benefit plan obligations and other retirement plans	SCHOTT Pharma Annual Report 2022/2023	
	201-4 Financial assistance received from government	SCHOTT Pharma Annual Report 2022/2023	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Due to SCHOTT Pharma's procurement approach, we do not regard the proportion of spending on local suppliers material for assessing our support for local suppliers.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Fair business practices	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Fair business practices	
	205-2 Communication and training about anti-corruption policies and procedures	Fair business practices	
	205-3 Confirmed incidents of corruption and actions taken	Fair business practices	
Anti-competitive behaviour			
GRI 3: Material Topics 2021	3-3 Management of material topics	Fair business practices	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Fair business practices	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Greenhouse gas emissions and energy consumption	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation*	Greenhouse gas emissions and energy consumption	
	302-2 Energy consumption outside the organisation		Energy consumption in our upstream and downstream value chain is currently out of scope, but will be part of our evolving efforts to measure and report our Scope 3 emissions in the future.

* All disclosures marked with an asterisk were also included in the non-financial declaration in the anual report and were subject to an external limited assurance audit. More information can be found in the annual report section containing the non-financial declaration.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Energy			
GRI 302: Energy 2016	302-3 Energy intensity*	Greenhouse gas emissions and energy consumption	
	302-4 Reduction of energy consumption	Greenhouse gas emissions and energy consumption	
	302-5 Reduction in energy requirements of products and services	Fair business practices	As the usage of SCHOTT Pharma's products or services is not energy intensive, we do not consider this aspect to be materia in the context of our energy consumption and related impacts.
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Water management	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water management	
	303-2 Management of water discharge-related impacts	Water management	
	303-3 Water withdrawal*	Water management	
	303-4 Water discharge	Water management	
	303-5 Water consumption	Water management	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Greenhouse gas emissions and energy consumption	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions*	Greenhouse gas emissions and energy consumption	
	305-2 Energy indirect (Scope 2) GHG emissions*	Greenhouse gas emissions and energy consumption	
	305-3 Other indirect (Scope 3) GHG emissions[1]	Greenhouse gas emissions and energy consumption	
	305-4 GHG emissions intensity	Greenhouse gas emissions and energy consumption	
	305-5 Reduction of GHG emissions	Greenhouse gas emissions and energy consumption	
	305-6 Emissions of ozone-depleting substances (ODS)	Greenhouse gas emissions and energy consumption	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Greenhouse gas emissions and energy consumption	

* All disclosures marked with an asterisk were also included in the non-financial declaration in the anual report and were subject to an external limited assurance audit. More information can be found in the annual report section containing the non-financial declaration.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste along the value chain	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste along the value chain	
	306-2 Management of significant waste-related impacts	Waste along the value chain	
	306-3 Waste generated*	Waste along the value chain	
	306-4 Waste diverted from disposal	Waste along the value chain	
	306-5 Waste directed to disposal	Waste along the value chain	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable procurement	
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable procurement	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, equality and inclusion	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover[1]	Diversity, equality and inclusion	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity, equality and inclusion	
	401-3 Parental leave	Diversity, equality and inclusion	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational health and safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational health and safety	
	403-2 Hazard identification, risk assessment and incident investigation	Occupational health and safety	
	403-3 Occupational health services	Occupational health and safety	
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational health and safety	
	403-5 Worker training on occupational health and safety	Occupational health and safety	
	403-6 Promotion of worker health	Occupational health and safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety	

* All disclosures marked with an asterisk were also included in the non-financial declaration in the anual report and were subject to an external limited assurance audit. More information can be found in the annual report section containing the non-financial declaration.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	Occupational health and safety	
	403-9 Work-related injuries*	Occupational health and safety	
	403-10 Work-related ill health	Occupational health and safety	Disclosures on work-related ill health are omitted due to the complexity resulting from different classifications and definitions of work-related ill health provided by national professional associations at our locations of operation globally. We are working on further systematic alignment.
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce attraction, development and retention	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Workforce attraction, development and retention	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Workforce attraction, development and retention	
	404-3 Percentage of employees receiving regular performance and career development reviews	Workforce attraction, development and retention	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, equality and inclusion	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees*	Diversity, equality and inclusion About SCHOTT Pharma	
	405-2 Ratio of basic salary and remuneration of women to men	Diversity, equality and inclusion	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, equality and inclusion	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, equality and inclusion	
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement Diversity, equality and inclusion	SCHOTT Pharma regards the freedom of association and collective bargaining as essential workers' rights across its entire value chain. At our own locations of operation, we seek to ensure these rights through tarif agreements/collective bargaining agreements. Based on our supplier code of conduct and our committment to the United Nations Global Compact, we demand the same respect for workers' rights from our suppliers.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable procurement Diversity, equality & inclusion	

* All disclosures marked with an asterisk were also included in the non-financial declaration in the anual report and were subject to an external limited assurance audit. More information can be found in the annual report section containing the non-financial declaration.

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Child labour			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement	At SCHOTT Pharma's locations of operation, the risk of child labour is minimal due to our own strict code of conduct, applied policies and enforced national regulations, which is why we focus our efforts on suppliers with high risks regarding child labour.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Sustainable procurement	
Forced or compulsory labour			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement	At SCHOTT Pharma's locations of operation, the risk of forced or compulsory labour is minimal due to our own strict code of conduct, applied policies and enforced national regulations, which is why we focus our efforts on suppliers with high risks regarding forced or compulsory labour.
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainable procurement	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable procurement	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable procurement	
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable procurement	

GRI Standard	Disclosure	Reference	Additional information and reasons for omission
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product quality	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product quality	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Cyber security	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber security	

Imprint

Publisher

SCHOTT Pharma AG & Co. KGaA
Hattenbergstrasse 10
55122 Mainz
Germany

Concept and text
SCHOTT Pharma AG & Co. KGaA
Prof. Dr. Matthias Fifka

Graphic concept and design
SHE Kommunikationsagentur GmbH

Photography
SCHOTT/Oana Szekely (p. 1, 3, 4, 7, 12, 17, 18, 22, 23, 24, 25, 27, 28, 31, 32, 35, 37, 39, 40, 41, 48, 49, 50, 52, 53, 58, 59, 61, 67, 73, 74, 83, 84)
SCHOTT (p. 17, 21, 43, 47, 56, 62, 63, 70, 71, 79, 81)
SCHOTT/Alexander Sell (p. 55)
SCHOTT Pharma (17, 18, 38, 45, 65)
SCHOTT Pharma/T. Hauser (p. 54, 82)
Adobe Stock (p. 18, 26, 36, 72)
Getty Images (p. 13, 14, 15, 16, 30, 34, 45, 49, 60, 64, 76, 78, 80)
iStock (p. 51)
Nils Hendrik Müller (p. 6, 39, 62)
StudioVier (p. 8)

Additional information

If you have any questions or comments about our sustainability reporting, please do not hesitate to contact our sustainability management team.

Dr. Arne Kloke
Head of Sustainability
SCHOTT Pharma

David Klein
Head of Corporate Sustainability
SCHOTT AG (Group)

sustainability.pharma@schott.com