SCHOTT PHARMA

Remuneration Report

for the financial year
from 1 October 2023
to 30 September 2024

Remuneration Report

Introduction

With this Remuneration Report, SCHOTT Pharma AG & Co. KGaA, Mainz, Germany ("SCHOTT Pharma KGaA"), discloses the remuneration granted and owed to the members of the Management Board of SCHOTT Pharma Management AG, also Mainz ("SCHOTT Pharma Management AG"), the general partner of SCHOTT Pharma KGaA.

In addition, the Remuneration Report also provides details on the remuneration granted and owed to members of the Supervisory Boards of SCHOTT Pharma KGaA and SCHOTT Pharma Management AG.

The Remuneration Report outlines the fundamental principles of the remuneration system for members of the Management Board and the Supervisory Boards and provides a transparent insight into the link between remuneration and performance. The Remuneration Report was prepared in collaboration between the Supervisory Board and the Management Board in accordance with section 162 AktG and the recommendations set out in the German Corporate Governance Code (GCGC), as amended. It is audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in both formal (in accordance with section 162(3) AktG) and substantive terms.

The presentation of remuneration granted and owed in the Remuneration Report is in accordance with the provisions of section 162(1) AktG. Accordingly, the report comprises all remuneration components actually paid to members of the Management Board and the Supervisory Boards in the reporting year (granted remuneration) and all remuneration components legally due but not yet paid (owed remuneration). This means that remuneration granted and owed is allocated to the correct period, even though payout may occur at a later date.

The legislation and regulations governing remuneration reports are geared towards the situation at public limited companies and do not take account of the special features of partnerships limited by shares. There are major differences between the two legal forms in terms of liability and management. As a result, some of the recommendations set out in the GCGC can only be applied in a modified form due to the structural differences between public limited companies and partnerships limited by shares.

The corporate structure is such that the Management Board members of SCHOTT Pharma Management AG indirectly manage the business of SCHOTT Pharma KGaA. As SCHOTT Pharma Management AG is not a listed company, sections 87a and 120a AktG generally do not apply directly to it or to the Management Board members. In the interests of good corporate governance and transparency, however, the remuneration system for the Management Board members is voluntarily based on sections 87a and 120a AktG and takes into account the recommendations set out in the GCGC as amended.

Detailed information on the remuneration system for the members of the Management Board of the general partner and on the remuneration system for the members of the Supervisory Board can also be found on the website at Management & bodies – SCHOTT Pharma (schott-pharma.com).

The Remuneration Report for the financial year 2022/2023 was approved by the Annual General Meeting held on 14 March 2024 with a majority of 96.97%.

Remuneration for Management Board members

New remuneration system from the financial year 2023/2024

Principles of the remuneration system

The remuneration system for the members of the Management Board of SCHOTT Pharma Management AG, the general partner of SCHOTT Pharma KGaA, was approved by the Annual General Meeting held on 14 March 2024 with a majority of 98.44%. Since 1 October 2023, it has applied (or will apply) to all existing Management Board service contracts, extensions as well as to new service contracts being entered into.

In the context of the defined corporate strategy, the remuneration system is designed to contribute to the continuation of the profitable growth achieved by the Company to date and, in particular, to increase the value of the Company in the long run.

In order to support these objectives, the remuneration system for Management Board members sets out principles and formulates incentives that can be summarised as follows:

Implement the corporate strategy	The remuneration of Management Board members creates incentives for the implementation of SCHOTT Pharma Group's worldwide corporate strategy.
Generate profitable growth	Management Board members' variable remuneration depends upon SCHOTT Pharma Group's growth and profitability to a significant extent.
Create long-term value	Key factors for Management Board remuneration are value creation and sustainability, especially over the long term.
Remuneration linked to performance	Remuneration is directly linked to Management Board members' performance. A high share of variable components means that remuneration is geared towards the Company's success.
Foster sustainable action	Remuneration of Management Board members underscores SCHOTT Pharma Group's commitment to environmental, social and governance (ESG) aspects.
Safeguard regulatory compliance	The remuneration of Management Board members is designed to comply with legal provisions for listed companies as well as with the recommendations of the GCGC as amended.

Appropriateness of Management Board remuneration

In accordance with the requirements of the Stock Corporation Act and the GCGC, the Supervisory Board takes care to ensure that the remuneration to be paid to Management Board members is set appropriately, reflecting each member's responsibilities and performance. When defining this remuneration, the Supervisory Board also takes into account SCHOTT Pharma's overall situation as well as its sustainable and long-term development. Both external (horizontal) and internal (vertical) comparisons are used to assess appropriateness.

The horizontal (external) analysis looks at a group of companies with a similar market position (in particular sector, size, country) to assess whether the amount and structure of the remuneration granted are appropriate and usual. This peer group consists of SDAX and MDAX companies with a comparable market capitalisation, headcount and revenue.

The vertical (internal) analysis examines the relationship between Management Board remuneration and (i) the remuneration paid to the Company's top management reporting directly to the Management Board members of SCHOTT Pharma (Global Management Team and first management level below the Management Board), as well as to (ii) the employees of SCHOTT Pharma working in Germany, both overall and over time.

Structure and components of Management Board remuneration

The remuneration system for the Management Board includes both fixed and variable components which together constitute the total remuneration paid to a Management Board member.

The fixed remuneration components make up the "fixed remuneration" which is paid irrespective of how the company performs. The fixed remuneration consists of a fixed annual salary, non-cash and other fringe benefits, and an annual pension benefit.

The variable remuneration components are tied to the achievement of pre-defined performance targets and together constitute the “variable remuneration”. The variable remuneration consists of short-term, one-year remuneration and long-term, multi-year remuneration. The short-term variable remuneration for the financial year concerned centres on incentives for profitable growth (“STI programme”). The long-term variable remuneration is geared towards the Company’s long-term development (“LTI programme”). The Supervisory Board sets the annual performance targets for the individual Management Board members before or at the beginning of the financial year.

The LTI programme is a remuneration component that provides incentives for long-term value generation and sustainable action over a period of four financial years. Alongside defined performance targets, the long-term share price performance of SCHOTT Pharma is also considered. This is reflected through virtual shares (“performance shares”).

Structure of total Management Board remuneration				
Maximum remuneration pursuant to section 87a AktG				
Malus and clawback rules				
	30%	LTI	Term: 4 years	Focus: · create long-term value · foster sustainable action
Variable remuneration	20%	STI	Term: 1 year	Focus: · generate profitable growth
Fixed remuneration	50%	· fixed annual salary · fringe benefits · pension benefits		

Fixed remuneration

Fixed annual salary

Each member of the Management Board receives a fixed annual salary for their work, paid in twelve monthly instalments.

Fringe benefits

Each member of the Management Board receives fringe benefits in line with common market practice, such as a company car (including for private use), accident and private liability insurance cover, payment of costs for a health check, as well as subsidies for health and long-term care insurance.

The Management Board members are also covered by directors’ and officers’ (D&O) liability insurance, which provides for a deductible corresponding to 10% of the damage, up to a maximum of 150% of the annual fixed remuneration, in accordance with section 93(2) sentence 2 AktG.

As a general rule, all members of the Management Board have an equal entitlement to the fringe benefits. These benefits may, however, vary on a case-by-case basis, particularly in terms of their amount, depending on a member’s personal situation and the extent to which the benefits are used.

Pension benefits

Management Board members also receive an annual amount to pay towards a private pension (“pension benefit”). This amount is paid in twelve equal monthly instalments together with the member’s fixed annual salary. The pension benefit does not constitute a company pension scheme as defined by the Occupational Pensions Act (Betriebsrentengesetz, BetrAVG).

Variable remuneration

Short-term variable remuneration (STI)

Management Board members are entitled to variable remuneration with a performance period spanning one financial year (short-term incentive, STI). The STI programme is structured as a target bonus system and is tied to the extent to which the targets set by the Supervisory Board are achieved. The service contract concluded with each Management Board member sets out an individual target amount that matches the STI in the event of 100% target achievement. The disbursement amount is calculated at the end of the relevant financial year, based on the achievement of financial performance criteria.

The financial performance criteria are as follows:

- Revenue growth (40% weighting)
- ROCE (return on capital employed) (30% weighting)
- EBITDA margin (earnings before interest, taxes, depreciation and amortisation margin) (30% weighting)

The financial performance criteria of revenue growth, ROCE and EBITDA margin are based on an ambitious target achievement system. The Supervisory Board sets an annual target value, as well as a threshold value and a cap, for all of the performance criteria. These values are based on the business development that is expected over a period spanning several years. If the target value defined for a given financial performance criterion is achieved, the target achievement level is 100%. If the value achieved for a financial performance criterion is equal to or lower than the threshold value, the target achievement level is 0%. If the value achieved for a financial performance criterion equals or exceeds the cap, the target achievement level is 200%. Where the value achieved falls between the threshold value and the target value, or between the target value and the cap, the target achievement level is determined by way of linear interpolation in each case.

For the purposes of calculating the target achievement level, the Supervisory Board can opt to make adjustments to reflect any non-recurring effects (for example after a company is acquired or sold).

The target achievement level for each performance criterion is weighted, and the sum of the weighted individual target achievement levels produces the overall target achievement level for a financial year. The STI amount is calculated based on the overall target achievement level and the annual target amount set out in the service contract. The disbursement amount is always limited to 150% of the annual target amount ("STI cap").

The STI is paid out as part of the payroll run in the month following the adoption of the annual financial statements of SCHOTT Pharma KGaA.

Overview of the STI plan		
Category	Performance criterion	Weighting
Growth	Revenue growth	40%
	ROCE	30%
Profitability	EBITDA	30%
Disbursement	✓ Target achievement capped at 200% for individual targets ✓ Disbursement capped at 150% of target amount	
Malus & Clawback	✓ Malus and clawback rules have been defined	

Long-term variable remuneration (LTI)

In addition to the STI, the Management Board members are granted virtual shares linked to the price of shares in SCHOTT Pharma KGaA ("performance shares"). This annual, share-based remuneration component sets a long-term incentive (LTI) by tying the performance shares allocated to Management Board members to the Company's share price performance over a four-year period.

The service contract concluded with each Management Board member includes an individual annual target amount. Based on the target amount and depending on the price of shares in SCHOTT Pharma KGaA, a specific number of performance shares are allocated to each Management Board member at the beginning of each performance period.

The number of individual performance shares at the beginning of the relevant performance period corresponds to the individual annual target amount divided by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the beginning of the performance period ("starting share price"). The resulting number of performance shares is rounded commercially to the nearest whole number.

Deviating from the calculation of the starting share price described above, a different procedure was agreed for the first performance period, which runs from 1 October 2023 to 30 September 2027. As a result of the IPO and the initial listing of SCHOTT Pharma KGaA on 28 September 2023, the starting share price for the first tranche was calculated based on the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the first 90 exchange trading days from the time of the IPO.

The Supervisory Board sets performance criteria for the relevant performance period in defined categories.

The value creation category (60% weighting) is measured based on economic value added (EVA). To emphasise the long-term incentive effect, a cumulative target value is defined for the entire performance period.

Non-financial environmental, social and governance (ESG) performance criteria are defined for the sustainability category (30% weighting). The LTI programme places particular emphasis on environmental and social targets, which can vary from one performance period to the next. The Supervisory Board defines performance criteria with a view to the sustainability topics that are important to the Company and pays particular attention to defining transparent and measurable targets.

The strategy category (10% weighting) supports the implementation of the corporate strategy. The Supervisory Board sets specific targets for each performance period in alignment with the corporate strategy, placing particular emphasis on the future success of major investment projects.

At the beginning of each performance period, the Supervisory Board defines a target value for each target. If this target value is met, the target achievement level is 100%. The Supervisory Board also sets a threshold value for each target as the lower end of the target corridor. Results that are equal to, or lower than, this "threshold value" produce a target achievement level of 0%. A cap is also set as the upper end of the target corridor. Results that are equal to, or higher than, this "cap" produce a target achievement level of 180%.

The target achievement level is calculated once the performance period has ended. If the corresponding value is equal to or lower than the threshold value, the target achievement level is 0%. If the value achieved exceeds the threshold value but remains below the target value, the target achievement level for the target concerned is determined by way of linear interpolation between the threshold value and the target value. If the value achieved exceeds the target value but remains below the cap, the target achievement level for the target concerned is determined by way of linear interpolation between the target value and the cap. If the value achieved is equal to or higher than the cap at the end of a performance period, the target achievement level is 180%.

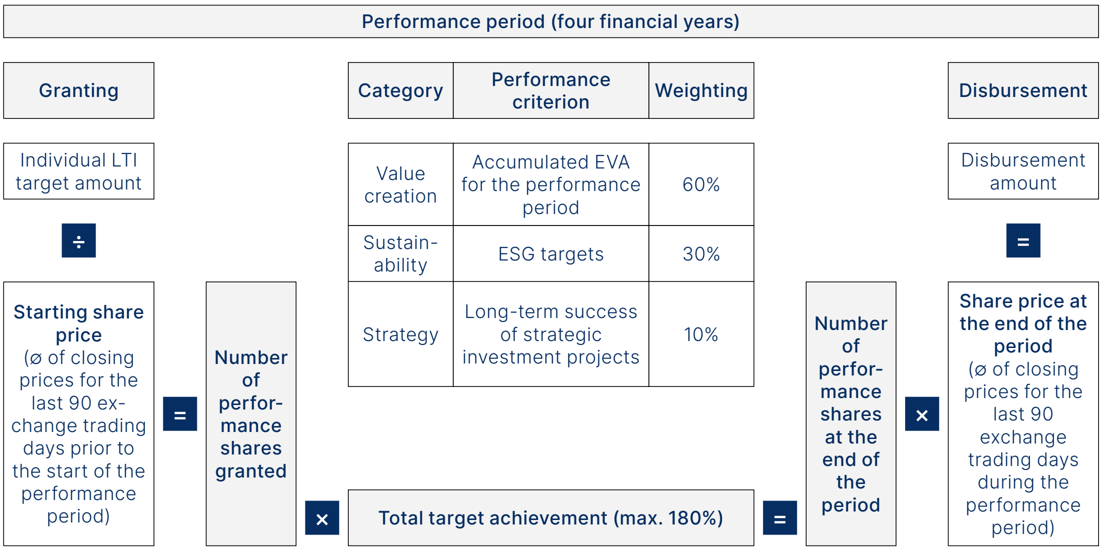
An overall target achievement level is calculated at the end of the performance period by adding up the weighted target achievement levels. This sum is then multiplied by the number of individual performance shares allocated at the beginning of the performance period. The number of performance shares resulting from this multiplication at the end of the performance period is rounded commercially to the nearest whole number.

In order to calculate the disbursement amount, the number of performance shares at the end of the performance period is multiplied by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the end of the performance period in question. The resulting amount to be disbursed can never exceed 180% of the original individual target amount (“LTI cap”).

The disbursement amount is due for payment in the month following the adoption of the annual financial statements of SCHOTT Pharma KGaA for the last year in the relevant performance period.

In the event of a change of control, the LTI programme can be adjusted at the discretion of the Supervisory Board or replaced by a new form of long-term variable remuneration that is comparable in terms of its value and from an economic perspective.

Overview of the LTI plan



Disbursement	✓ Total target achievement capped at 180% ✓ Disbursement capped at 180% of target amount
Malus/clawbacks	✓ Malus and clawback rules have been defined

Maximum remuneration

The amount of each variable remuneration component is capped. The STI payment is limited to 150% of the corresponding target amount, while the LTI payment cannot exceed 180% of the corresponding target amount.

In addition and in line with the provisions of the GCGC, the Supervisory Board has set an upper limit for the total amount of all remuneration elements that a Management Board member can receive for their work on the Management Board over a one-year period, i.e. currently consisting of the fixed and variable remuneration (“maximum remuneration”). In order to calculate the maximum remuneration, fringe benefits are recognised based on the amount of the non-cash benefit for tax purposes. LTI payments are allocated to the year in which the underlying performance shares are granted.

The maximum remuneration limits the total remuneration that an individual can earn, i.e. the sum of all individual components based on the maximum target achievement level and other payments or bonuses. The maximum annual remuneration is EUR 2,000,000 gross for the Chief Executive Officer and EUR 1,500,000 gross for ordinary Management Board members.

Any severance payments made when a Management Board member’s contract is terminated prematurely, or other ad-hoc bonuses that were not granted by SCHOTT Pharma Management AG in return for work performed by the Management Board member, do not count towards and are not limited by the maximum remuneration.

If the relevant payments made to a Management Board member exceed the relevant maximum remuneration, the amounts received as part of the long-term variable remuneration are reduced accordingly until the maximum remuneration is no longer exceeded. This means that the Supervisory Board of SCHOTT Pharma Management AG will review the final payment amount against the maximum remuneration for 2023/2024 (the financial year of grant) for the first time in the financial year 2027/2028, i.e. after the end of the first performance period for the LTI programme.

Malus and clawback

The service contracts concluded with the Management Board members feature malus and clawback provisions which allow for a reduction in (malus), or clawback of, variable remuneration components at the Supervisory Board's due discretion in certain cases. This option can be used if there is proof that a Management Board member has committed a breach of duty justifying legally effective termination for cause, or has violated the major due diligence obligations incumbent upon them in accordance with section 93 AktG with wilful intent or gross negligence.

If variable remuneration components are calculated or disbursed based on incorrect data, the Supervisory Board can correct the calculation or claim back remuneration components that have already been disbursed.

Amounts can be reduced or clawed back for up to two years after the date of payment of the variable remuneration component. The malus and clawback regulations do not affect any potential liability for damages on the part of the Management Board member vis-à-vis SCHOTT Pharma Management AG.

In the reporting year, the Supervisory Board of SCHOTT Pharma Management AG saw no need to reduce variable remuneration that had not yet been disbursed (malus) or to claim back variable remuneration that had already been paid out (clawback).

Other contractual provisions

The Management Board service contracts provide for a compensation payment in the event that an individual's appointment ends prematurely and the service contract is terminated for convenience with effect from the end of the period set out in section 622(1) and (2) of the Civil Code (Bürgerliches Gesetzbuch, BGB).

In line with the recommendations set out in the GCGC, this payment is limited to twice the annual remuneration ("severance cap") and must never constitute remuneration for more than the remaining term of the contract. For the purposes of calculating severance pay, annual remuneration is determined as the total remuneration for the past financial year or, in the Supervisory Board's reasonable discretion, as the expected total remuneration for the current financial year – in each case excluding pension benefits, non-cash benefits and other fringe benefits.

If service contracts are terminated for cause in a legally effective manner by SCHOTT Pharma Management AG, no severance payment is made.

This provision was not applied in the reporting period.

If the service contract concluded with a Management Board member or the latter's mandate as a Management Board member of SCHOTT Pharma Management AG ends during a financial year, rules regarding pro rata temporis reduction have been defined for the STI and LTI programmes.

In the event of temporary incapacity to work due to illness, an accident or for other reasons for which the Management Board member is not responsible, SCHOTT Pharma Management AG continues to pay the member's fixed remuneration as well as the short-term and long-term variable remuneration for a period of six months, but until the service contract ends at the very latest.

Non-compete clause and secondary employment

During their mandate as Management Board members, members are subject to a comprehensive non-compete clause. Post-contractual non-compete clauses can also be agreed with Management Board members. These apply for a maximum term of two years. If a post-contractual non-compete clause is agreed in a service contract, an appropriate allowance is granted based on the provisions set out in section 74(2) HGB.

If Management Board members assume supervisory board or other mandates at subsidiaries of SCHOTT Pharma KGaA or companies affiliated with these subsidiaries, no separate remuneration is granted for these activities. This work is generally covered by the fixed remuneration. When supervisory board or other mandates are accepted outside the group, the Supervisory Board decides on a case-by-case basis whether or not, and to what extent, the remuneration is to be offset.

Management Board remuneration in the financial year 2023/2024

Both the CEO, Andreas Reisse, and Dr. Almuth Steinkühler, member of the Management Board (CFO), were appointed as members of the Management Board of SCHOTT Pharma Management AG throughout the reporting period.

Fixed remuneration

Fixed annual salary

The fixed annual salary paid to Andreas Reisse totalled EUR 396,507 in the financial year 2023/2024 (previous year: EUR 355,839), while that paid to Dr. Almuth Steinkühler came to EUR 254,007 (previous year: EUR 207,400).

Fringe benefits

The above-mentioned fringe benefits paid to Andreas Reisse totalled EUR 14,918 in the financial year 2023/2024 (previous year: EUR 12,295), while those paid to Dr. Almuth Steinkühler came to EUR 23,220 (previous year: EUR 22,415).

Pension benefits

Both Andreas Reisse and Dr. Almuth Steinkühler were entitled to a pension benefit in the reporting period, which was paid as a monthly cash payment. Andreas Reisse received a pension benefit of EUR 106,632 in the reporting period (previous year: EUR 0) and Dr. Almuth Steinkühler received EUR 71,007 (previous year: EUR 9,000).

For periods prior to the reporting period, Andreas Reisse has two defined plans structured as a direct commitment granted by SCHOTT Pharma KGaA, which have been maintained by this Company as statutory non-forfeitable entitlements since 30 September 2023. There are no further entitlements under these plans, and no further entitlements have been earned since 30 September 2023. Provisions stood at EUR 2,216k as of 30 September 2024 (previous year: EUR 2,012k).

Variable remuneration

Short-term variable remuneration (STI)

The short-term variable remuneration (STI) is based on the financial performance criteria defined in greater detail below:

The revenue growth of SCHOTT Pharma Group is defined as the increase in the revenue reported for a given financial year, compared to the prior-year period. The revenue expected for the financial year 2022/2023 at the time the target was set, namely EUR 878.2m, was applied as the value for the prior-year period. Based on reported revenue of EUR 957.1m for the financial year 2023/2024, this resulted in revenue growth of 9.0%. Revenue growth is reflected in the STI programme with a weighting of 40%.

The return of capital employed (ROCE) of SCHOTT Pharma Group is defined as the ratio (expressed as a percentage) of operating income (EBIT) to average capital employed, i.e. the capital tied up in operations to achieve the Company's objectives. It largely comprises current and non-current assets, less trade payables and advance payments received on orders. The average is determined as the arithmetic mean of the twelve monthly values during the reporting period. Based on reported EBIT of EUR 192.6m and average capital employed of EUR 979.8m, the ROCE for the financial year 2023/2024 was 19.7%. The ROCE is included in the calculation of the STI with a weighting of 30%.

SCHOTT Pharma Group's EBITDA margin is based on the reported operating income (EBIT) before depreciation and amortisation (including impairment losses and reversals of impairment losses) on intangible assets and property, plant and equipment, which is divided by the revenue reported. Reported EBITDA in the reporting period came to EUR 257.6m. Reported revenue in the reporting period amounted to EUR 957.1m. This produces an EBITDA margin of 26.9% in the reporting period. The EBITDA margin weighting is 30%.

Relative to the set target values as well as the threshold values and caps, these actual values yielded the following target achievement levels:

STI (variable remuneration) 2023/2024

Andreas Reisse
Chief Executive Officer (CEO)

						Target Achievement		
Target	Unit	Weighting	Threshold Value	Target Value	Cap	in absolute terms	in relative terms	weighted
Revenue growth	in % YoY	40%	+8.0	+10.0	+12.0	+9.0	49.2%	19.7%
ROCE	in %	30%	18.2	20.2	22.2	19.7	72.7%	21.8%
EBITDA margin	in %	30%	24.1	26.1	28.1	26.9	140.5%	42.2%
Total in %		**100%**						**83.7%**
Total in EUR		**208,000**						**174,096**

STI (variable remuneration) 2023/2024

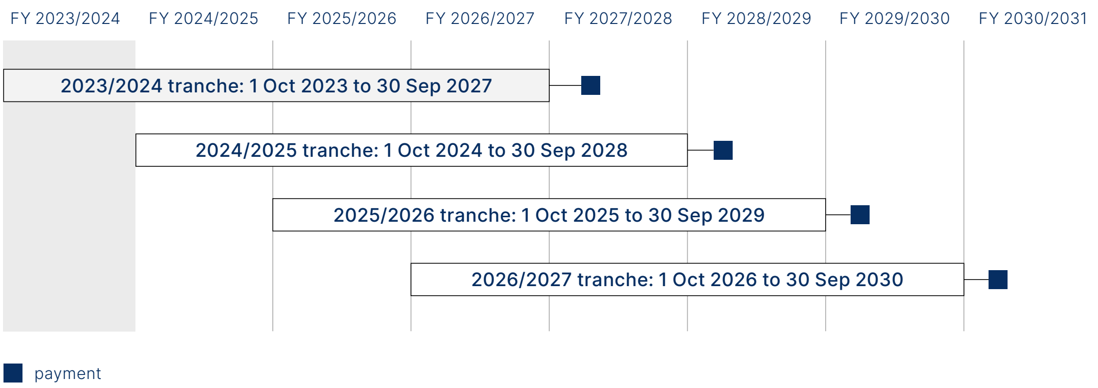
Dr. Almuth Steinkühler
Member of the Management Board (CFO)

						Target Achievement		
Target	Unit	Weighting	Threshold Value	Target Value	Cap	in absolute terms	in relative terms	weighted
Revenue growth	in % YoY	40%	+8.0	+10.0	+12.0	+9.0	49.2%	19.7%
ROCE	in %	30%	18.2	20.2	22.2	19.7	72.7%	21.8%
EBITDA margin	in %	30%	24.1	26.1	28.1	26.9	140.5%	42.2%
Total in %		**100%**						**83.7%**
Total in EUR		**130,000**						**108,810**

Long-term variable remuneration (LTI)

The Management Board members were granted a tranche as part of the new LTI programme for the first time in the financial year 2023/2024.

Schedule of granted LTI tranches



For the first 2023/2024 tranche, which covers the performance period from 1 October 2023 to 30 September 2027, specific target amounts were defined in the individual service contracts: EUR 312,000 for Andreas Reisse and EUR 195,000 for Dr. Almuth Steinkühler.

The number of individual performance shares was determined by calculating the arithmetic starting share price, rounded to two decimal places, which corresponds to the XETRA closing prices of shares in SCHOTT Pharma KGaA on the first 90 exchange trading days. The resulting starting share price for the 2023/2024 tranche is EUR 31.09.

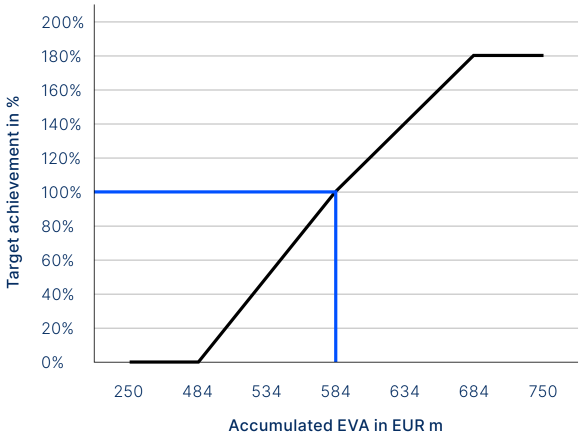
As a result, Andreas Reisse was allocated a total of 10,035 performance shares by dividing his individual target amount by the starting share price and rounding this number to the nearest whole number in line with standard commercial practice. Dr. Almuth Steinkühler was allocated 6,272 performance shares.

The following performance criteria, which are set out in greater detail below, were defined for the performance period from 1 October 2023 to 30 September 2027:

The value creation category is measured based on EVA. SCHOTT Pharma Group's EVA is defined as its operating income (EBIT) less the costs used to employ the average capital tied up, i.e. the capital tied up in operations to achieve the company's objectives. It largely comprises current and non-current assets, less trade payables and advance payments received on orders. The average is determined as the arithmetic mean of the twelve monthly values during the reporting period. This average is then multiplied by the cost of capital.

The target value corresponds to the total EVA over the entire performance period and was set at EUR 584m. The Supervisory Board has set a threshold value of EUR 484m, i.e. actual results that are equal to or below this amount result in a target achievement level of 0%. The cap which, if reached or exceeded, leads to the maximum possible target achievement level of 180%, is EUR 684m. The value creation category is included in the calculation of the overall target achievement level with a weighting of 60%.

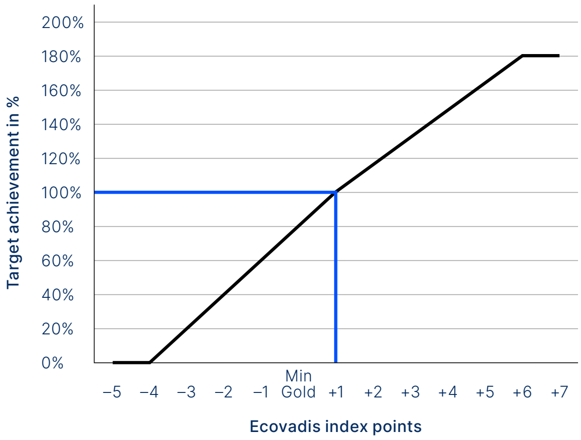
Target value: **EUR 584m**; interval: ± EUR 100m



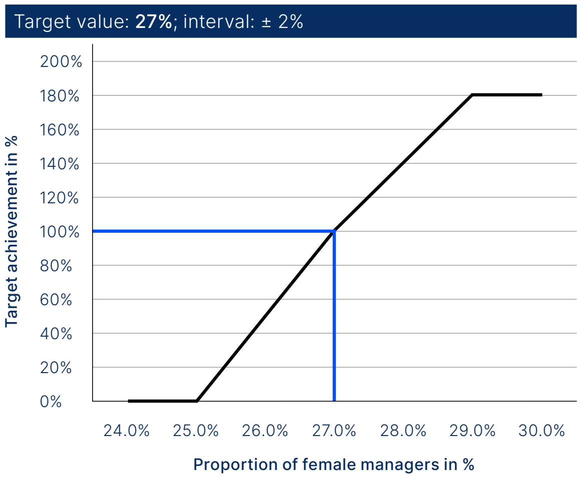
The sustainability category is assigned a weighting of 30% for the overall target achievement level and, in the 2023/2024 tranche, comprises two environment and social performance targets, each with an equal weighting of 15%.

As far as the environmental target is concerned, SCHOTT Group's successful certification by the external and independent rating agency Ecovadis has been defined as the performance target for the financial year 2025/2026. The target value is based on the index points awarded by Ecovadis and is one (1) index point above the minimum required for "gold" category certification. The threshold value and cap are defined based on an interval of ± 5 index points.

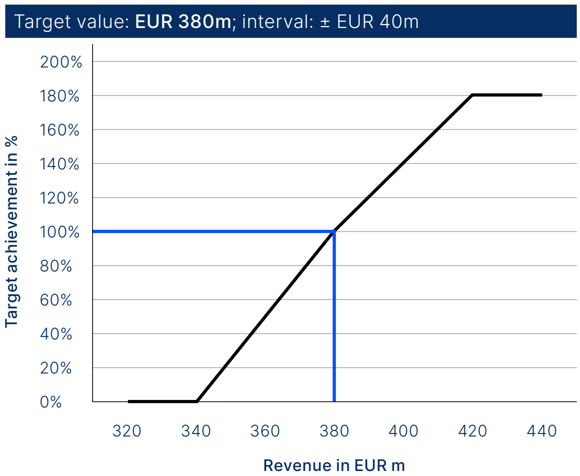
Target value: **1 index point above minimum for gold**
Interval: ± 5 index points



The focus of the social target is on the proportion of female managers with disciplinary management responsibility within SCHOTT Pharma Group. The performance target has been defined as the ratio (in percentage terms) of female managers to the total number of managers not covered by the collectively agreed system or its international equivalent at the end of the performance period, i.e. on 30 September 2027. The target value is 27.0%, the threshold value is 25.0% and the cap is 29.0%.



The strategy category is operationalised in the 2023/2024 tranche through strategic investment projects in Germany, Switzerland, Serbia and Hungary, which will make a key contribution to the successful development of SCHOTT Pharma Group in the long run. The Supervisory Board has set the revenue generated from these projects in the financial year 2026/2027 as the performance target. A target value of EUR 380m has been defined in this regard. The corresponding threshold value is EUR 340m and the cap is EUR 420m. The strategy category is included in the calculation of the overall target achievement level with a weighting of 10%.



Other remuneration

IPO Incentive Programme

Agreements were entered into with both members of the Management Board that provide for bonus payments in the event of a successful IPO. The agreements comprise two elements: an IPO bonus, which incentivises a successful IPO execution, and a retention bonus, which creates incentives to remain with the Company after the IPO. These agreements commenced on 1 March 2022 and will terminate at the end of the month that is twelve months after the first exchange trading day, i.e. on 30 September 2024.

Bonus payments are based on a defined plan amount of EUR 200,000 for Andreas Reisse and EUR 100,000 for Dr. Almuth Steinkühler.

IPO bonus

Under the IPO bonus, the members of the Management Board may receive a bonus amounting to up to three plan amounts (i.e. a maximum of EUR 600,000 for Andreas Reisse and EUR 300,000 for Dr. Almuth Steinkühler). A bonus payment equivalent to a plan amount was agreed for execution of the IPO, irrespective of its success. Depending on the success of the IPO, the IPO bonus may increase by up to two further plan amounts.

The enterprise value of SCHOTT Pharma KGaA was chosen as the reference for determining the success of the IPO, with a multiplier used to determine the number of plan amounts resulting from enterprise value achieved. This multiplier defines the ratio of enterprise value to an agreed EBITDA figure of EUR 200m.

The target value for a successful IPO was set at an enterprise value of EUR 4bn, translating into a multiplier of 20x. In this case, the IPO bonus would increase by a further plan amount for IPO success, on top of the plan amount for IPO execution, bringing the bonus to a total of two plan amounts. A multiplier of 10x was set as the threshold value for IPO success, with a cap at a multiplier of 30x, with multiplier values of more than 10 and less than 30 being rounded commercially, to one decimal place.

The enterprise value at the time of the IPO was EUR 4.2bn, yielding a multiplier of 21 and 1.1 plan amounts respectively. Together with the plan amount for IPO execution, the total IPO bonus thus amounts to 2.1 plan amounts, equivalent to a bonus amount of EUR 420,000 for Andreas Reisse and EUR 210,000 for Dr. Almuth Steinkühler.

The agreements provide for 50% of the IPO bonus to be paid out with the payroll date following the IPO, i.e. October 2023. The remaining 50% will be disbursed with the payroll twelve months after the IPO, i.e. September 2024. Disbursement is subject, however, to both individuals being duly appointed as members of the Management Board of SCHOTT Pharma Management AG on the last day of the respective payment months, and that their respective service contracts are still in force.

Taking these conditions into account, EUR 210,000 were paid to Andreas Reisse and EUR 105,000 to Dr. Almuth Steinkühler in October 2023. For the purposes of the Remuneration Report for the financial year 2022/2023, these payments were considered as remuneration owed for the reporting period.

Given that the Management Board members were duly appointed members of the Management Board of SCHOTT Pharma Management AG on 30 September 2024 and their respective service contracts were still in force, the remaining 50% of the IPO bonus were paid out in September 2024 as agreed. Andreas Reisse received a payment of EUR 210,000, with Dr. Almuth Steinkühler receiving EUR 105,000. These payments are considered as remuneration granted for the reporting period.

Retention bonus

As the second element of the agreement, the retention bonus is focused on retaining the Management Board members for the Company. It will be disbursed with the payroll twelve months after the IPO, i.e. September 2024. The retention bonus provides for one additional payment equivalent to the plan amount set out above. Likewise, disbursement is subject to both individuals being duly appointed as members of the Management Board of SCHOTT Pharma Management AG on the last day of the respective payment month, and that their respective service contracts are still in force.

Given that the Management Board members were duly appointed members of the Management Board of SCHOTT Pharma Management AG on 30 September 2024 and their respective service contracts were still in force, the retention bonus was paid out in September 2024 as agreed. Andreas Reisse received a payment of EUR 200,000, with Dr. Almuth Steinkühler receiving EUR 100,000. These payments are considered as remuneration granted for the reporting period.

Third-party remuneration

Both Management Board members received a bonus from SCHOTT AG, Mainz, Germany, the largest indirect shareholder of SCHOTT Pharma KGaA, during the reporting period. SCHOTT Pharma Group's EBITDA target for the purposes of the STI for the financial year 2022/2023 did not result in a payout. However, both Management Board members demonstrated strong commitment and made a key contribution to SCHOTT Pharma's development, ultimately leading to a successful IPO on 28 September 2023. In recognition of their efforts, SCHOTT AG granted Andreas Reisse a bonus of EUR 40,000 and Dr. Almuth Steinkühler a bonus of EUR 15,000 in March 2024.

In accordance with section 87a(2) sentence 2 AktG, the payments represent a deviation from the remuneration system for Management Board members. The circumstances and the need for the one-off deviation were disclosed to and approved by the Supervisory Board of SCHOTT Pharma Management AG on 12 March 2024.

Total remuneration

The following tables provide an overview of remuneration granted and owed to the members of the Management Board in the reporting year. They also show the maximum remuneration pursuant to section 87a AktG.

Total Remuneration 2023/2024

Andreas Reisse Chief Executive Officer (CEO) since 8/2022	2023/2024			2022/2023	
	in EUR	in %		in EUR	in %
Fixed remuneration					
Fixed annual salary	396,507	34.7		355,839	48.8
Fringe benefits	14,918	1.3		12,295	1.7
Pension benefits	106,632	9.3		0	0.0
Total	**518,057**	**45.4**		**368,134**	**50.5**
Variable remuneration					
STI (variable remuneration)	174,096	15.2		149,422	20.5
Other remuneration					
IPO Incentive Programme	410,000	35.9		210,000	28.8
Third-party remuneration	40,000	3.5		0	0.0
Inflation adjustment	0	0.0		1,500	0.2
			Maximum remuneration		
Remuneration granted and owed	**1,142,153**	**100.0**	**2,000,000**	**729,056**	**100.0**
Pension expenses	0			109,555	
Total Remuneration	**1,142,153**			**838,611**	

Dr. Almuth Steinkühler Member of the Management Board (CFO) since 8/2022	2023/2024			2022/2023	
	in EUR	in %		in EUR	in %
Fixed remuneration					
Fixed annual salary	254,007	37.5		207,400	50.5
Fringe benefits	23,220	3.4		22,415	5.5
Pension benefits	71,007	10.5		9,000	2.2
Total	**348,234**	**51.4**		**238,815**	**58.1**
Variable remuneration					
STI (variable remuneration)	108,810	16.1		65,380	15.9
Other remuneration					
IPO Incentive Programme	205,000	30.3		105,000	25.6
Third-party remuneration	15,000	2.2		0	0.0
Inflation adjustment	0	0.0		1,500	0.4
			Maximum remuneration		
Remuneration granted and owed	**677,044**	**100.0**	**1,500,000**	**410,695**	**100.0**
Pension expenses	0				
Total Remuneration	**677,044**			**410,695**	

Supervisory Board remuneration

The Annual General Meeting of SCHOTT Pharma KGaA held on 14 March 2024 approved the remuneration system for the members of the Supervisory Board of SCHOTT Pharma Management AG, the general partner of SCHOTT Pharma KGaA, and the remuneration system for the members of the Supervisory Board of SCHOTT Pharma KGaA with a majority of 99.77%.

Considering the responsibilities of members of both boards, due care was taken when determining the remuneration system to ensure that remuneration adequately reflects the demands placed upon Supervisory Board members, both in terms of requirements and the time spent, and that it is deemed appropriate relative to prevailing market terms.

In line with this objective, Supervisory Board members receive fixed remuneration, plus additional remuneration for membership of a Supervisory Board committee.

In addition, all Supervisory Board members are reimbursed for expenses incurred in connection with exercising their mandate, as well as any value-added tax that may be payable on their fees.

Fixed remuneration amounts to EUR 40,000 per financial year for each member of the Supervisory Board; the Chair of the Supervisory Board receives twice this amount, the Deputy Chair one and a half times.

Each member of the Audit Committee of SCHOTT Pharma KGaA's Supervisory Board receives additional committee remuneration of EUR 10,000 for each financial year. The Chair of the Audit Committee of SCHOTT Pharma KGaA's Supervisory Board receives a further EUR 10,000 per financial year.

All amounts apply to a full financial year; where a member has not served for the full financial year, the amounts are reduced pro rata temporis (in full months).

Payment of committee remuneration is subject to the respective committee having fulfilled its duties at a meeting during the respective reporting period.

As of 30 September 2024, the members of the Supervisory Board of SCHOTT Pharma Management AG are Dr. Frank Heinricht (Chairman), Kai Olbricht (Deputy Chairman), Peter Goldschmidt and Dr. Wolfgang Wienand. Dr. Frank Heinricht, Peter Goldschmidt and Dr. Wolfgang Wienand served as members throughout the entire reporting period. Dr. Jens Schulte resigned from the Supervisory Board with effect from 30 April 2024, and Kai Olbricht joined the Supervisory Board on 1 May 2024.

As of 30 September 2024, the members of the Supervisory Board of SCHOTT Pharma KGaA are Peter Goldschmidt (Chairman), Dr. Wolfgang Wienand (Deputy Chairman), Ann-Kristin Erkens, Eva Kienle, Christine Wening (employee representative) and Mario Just (employee representative). All of these individuals served as members of the Supervisory Board throughout the entire reporting period. Peter Goldschmidt and Dr. Wolfgang Wienand are also members of the Supervisory Board of SCHOTT Pharma Management AG.

Overview of remuneration for Supervisory Board members in the financial year 2023/2024:

(in EUR)		Financial year	Period of appointment	Fixed remuneration	Remuneration for committee membership	Total remuneration
SCHOTT Pharma Management AG						
Dr. Frank Heinricht[1]	Chairman	2023/2024	entire year	–	–	–
		2022/2023	entire year	–	–	–
Dr. Jens Schulte[1]	Deputy Chairman	2023/2024	until April 2024	–	–	–
		2022/2023	entire year	–	–	–
Kai Olbricht[1]	Deputy Chairman	2023/2024	since May 2024	–	–	–
		2022/2023	–	–	–	–
Peter Goldschmidt		2023/2024	entire year	40,000	–	40,000
		2022/2023	since April 2023	16,667	–	16,667
Dr. Wolfgang Wienand		2023/2024	entire year	40,000	–	40,000
		2022/2023	since April 2023	16,667	–	16,667
SCHOTT Pharma AG & Co. KGaA						
Peter Goldschmidt	Chairman	2023/2024	entire year	80,000	–	80,000
		2022/2023	since April 2023	33,333	–	33,333
Dr. Wolfgang Wienand	Deputy Chairman	2023/2024	entire year	60,000	–	60,000
		2022/2023	since April 2023	25,000	–	25,000
Eva Kienle		2023/2024	entire year	40,000	20,000	60,000
		2022/2023	since April 2023	16,667	3,333	20,000
Ann-Kristin Erkens		2023/2024	entire year	40,000	10,000	50,000
		2022/2023	since April 2023	16,667	1,667	18,334
Christine Wening		2023/2024	entire year	40,000	10,000	50,000
		2022/2023	since April 2023	16,667	1,667	18,334
Mario Just		2023/2024	entire year	40,000	–	40,000
		2022/2023	since April 2023	16,667	–	16,667

[1] Dr. Frank Heinricht and Dr. Jens Schulte, members of the Management Board of SCHOTT AG, and SCHOTT AG senior executive Kai Olbricht did not receive any remuneration for their work on the Supervisory Board of SCHOTT Pharma Management AG.

Change in remuneration for the Management Board, compared to remuneration for employees and the Supervisory Board

Pursuant to section 162(1) sentence 2 no. 2 AktG, the table below provides an overview of the annual change in the remuneration granted and owed to members of the Management Board and the Supervisory Boards, as well as the development of average remuneration paid to employees and the earnings development of the Company and SCHOTT Pharma Group.

Employee remuneration is based on SCHOTT Pharma KGaA's total workforce comprising all employees in Germany below the Management Board. Total workforce includes all employees regardless of whether they are covered by the collectively agreed system as well as senior executives ("leitende Angestellte"); it does not include apprentices. For employees who did not work for SCHOTT Pharma KGaA in Germany throughout the financial year, remuneration is extrapolated to twelve months. Remuneration is determined based on full-time equivalents.

The limitation to only include staff employed in Germany is due to different salary levels worldwide; it also reflects the fact that the two members of the Management Board have their place of work in Germany and are resident there.

Besides the base salary, average remuneration of the total workforce includes fringe benefits, add-on payments, bonuses and variable remuneration, which may fluctuate due to their very nature, depending on actual target achievement.

Earnings development is presented based on revenue and EBITDA of SCHOTT Pharma Group as well as profit for the period (in accordance with the HGB) of SCHOTT Pharma KGaA – key performance indicators for SCHOTT Pharma KGaA and SCHOTT Pharma Group. Furthermore, revenue and EBITDA form part of financial targets to determine variable remuneration for members of the Management Board and numerous employees within the overall workforce. These indicators therefore have a material impact on the level of remuneration. The earnings development of SCHOTT Pharma Group for the financial year 2023/2024 is shown below:

Change in earnings performance, compared to remuneration for the Management Board, employees and the Supervisory Board

	2023/2024		2022/2023	
		Change in %		Change in %
Earnings performance (in EURm)				
SCHOTT Pharma Group revenue	957.1	6.5	898.6	9.4
SCHOTT Pharma Group EBITDA	257.6	7.7	239.0	8.8
SCHOTT Pharma KGaA profit for the period (HGB)	39.9	–8.4	43.5	71.3
Average employee remuneration (in EUR)				
Total workforce in Germany (excluding the Management Board)	71,322	4.6	68,194	7.3
Current members of the Management Board (in EUR)				
Andreas Reisse	1,142,153	56.7	729,056	10.1
Dr. Almuth Steinkühler[1]	677,044	64.9	410,695	104.6
Current members of the Supervisory Board (in EUR)				
Dr. Frank Heinricht[2]	–	–	–	–
Dr. Jens Schulte[2]	–	–	–	–
Kai Olbricht[2]	–	–	–	–
Peter Goldschmidt[3]	120,000	140.0	50,000	–
Dr. Wolfgang Wienand[3]	100,000	140.0	41,667	–
Eva Kienle[3]	60,000	200.0	20,000	–
Ann-Kristin Erkens[3]	50,000	172.7	18,334	–
Christine Wening[3]	50,000	172.7	18,334	–
Mario Just[3]	40,000	140.0	16,667	–

[1] Joined SCHOTT Group on 1 Feb 2022.
[2] Dr. Frank Heinricht and Dr. Jens Schulte, members of the Management Board of SCHOTT AG, and SCHOTT AG senior executive Kai Olbricht did not receive any remuneration for their work on the Supervisory Board of SCHOTT Pharma Management AG.
[3] Joined the Supervisory Board as of April 2023; therefore, remuneration for the financial year 2022/2023 was granted on a pro-rata basis.

Liability remuneration for SCHOTT Pharma Management AG/reimbursement of expenses for the financial year 2023/2024

In its capacity as general partner, SCHOTT Pharma Management AG received annual remuneration of EUR 2,000 (= 4% of the share capital), which is independent of profits and losses, for assuming management responsibilities and personal liability.

SCHOTT Pharma Management AG is also entitled to receive compensation from SCHOTT Pharma KGaA for all expenses associated with the management of the Company's business, including the remuneration paid to members of its executive bodies.

Mainz, Germany, 10 December 2024

SCHOTT Pharma AG & Co. KGaA

For the Supervisory Board	For the Management Board	
Peter Goldschmidt	Andreas Reisse	Dr. Almuth Steinkühler

Independent auditor’s report

To SCHOTT Pharma AG & Co. KGaA

We have audited the attached remuneration report of SCHOTT Pharma AG & Co. KGaA, Mainz, prepared to comply with Sec. 162 AktG [“Aktiengesetz”: German Stock Corporation Act] for the fiscal year from October 1, 2023 to September 30, 2024 and the related disclosures.

Responsibilities of the executive directors and the Supervisory Board

The executive directors and Supervisory Board of SCHOTT Pharma AG & Co. KGaA are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from October 1, 2023 to September 30, 2024 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Eschborn/Frankfurt am Main, December 10, 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Baur	Behr
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]