



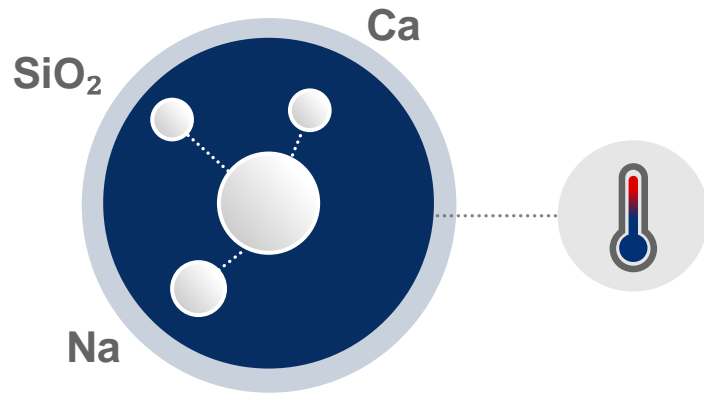
# Transition Plans in Corporate Strategy

SCHOTT's strategic focus on climate transformation



# Specialty glass – a high-tech material

Glass is made by melting quartz sand and other raw materials

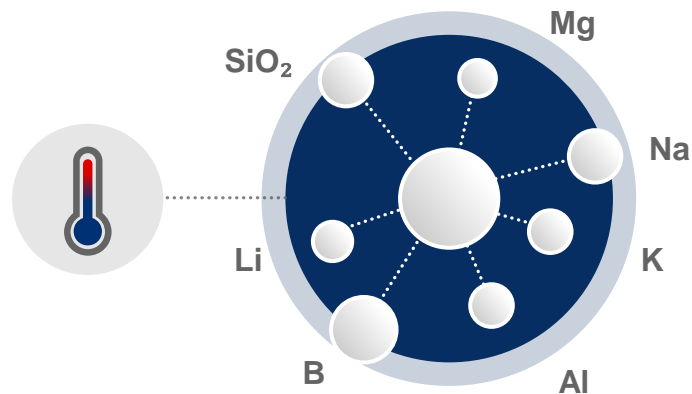


## Sodalime glass

Melting point up to 1,400 °C

## Specialty glass and glass ceramics

Application designed melting point up to 1,700 °C



# Our goal is sustainable growth

FY 2023

**2,9** billion  
EUR

Global sales 


**413** million  
EUR

EBIT 

**277** million  
EUR

Net income 

**451** million  
EUR

Investments in  
property, plant  
& equipment 

**63%**

Equity ratio 

**17,100**

Employees 





# Our success stories

Turning seemingly impossible visions into reality



## Ultra-thin glass

Can glass be bent around your finger?  
**Yes!**



## mRNA deep-cold storage

Can drug containers withstand temperatures of  $-100\text{ }^{\circ}\text{C}$ ? **Yes!**



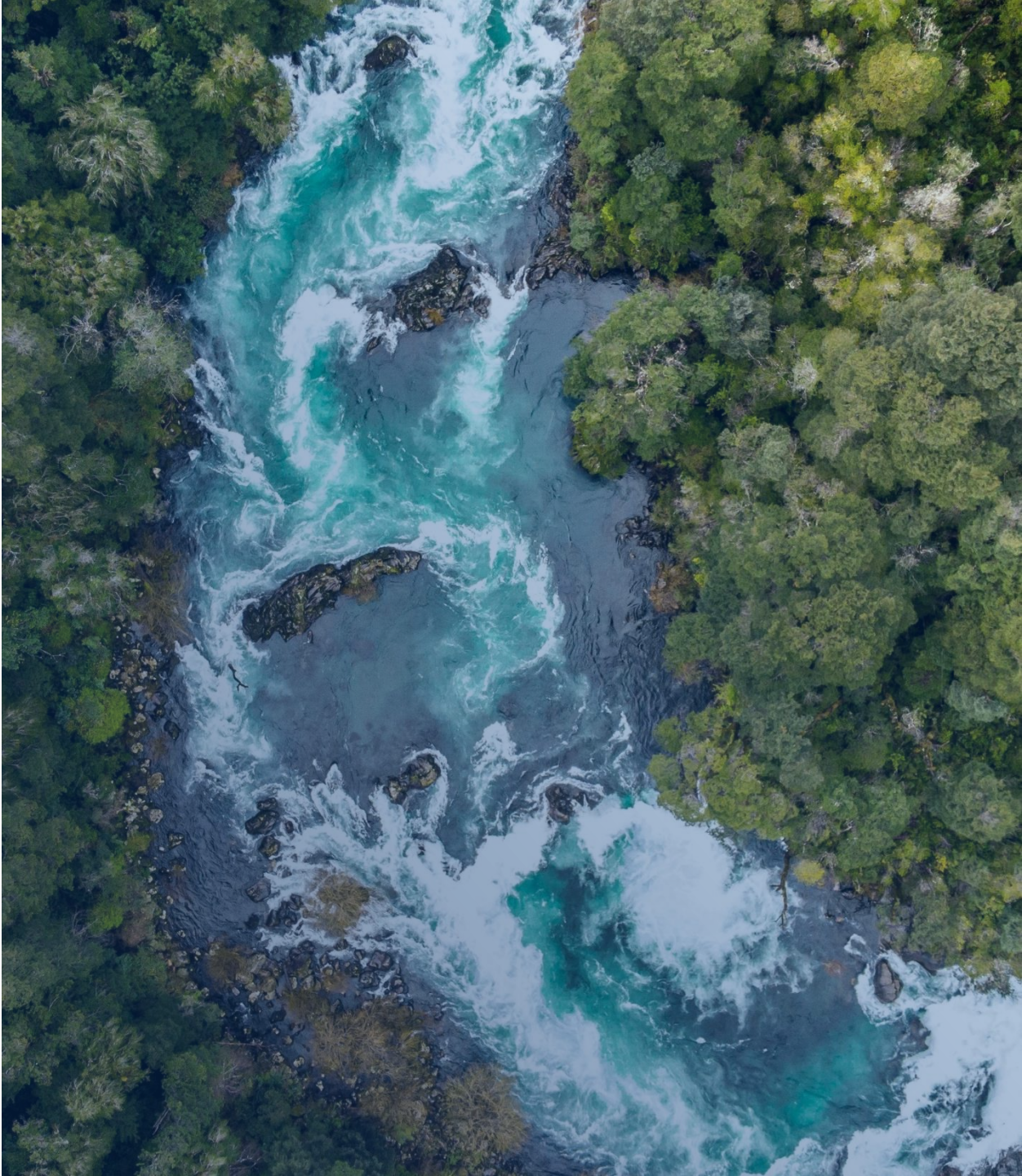
## Glass-ceramic cooktop panels

Can we re-invent home cooking?  
**Yes!**

“

**Reality doesn't  
care if you  
believe it.**

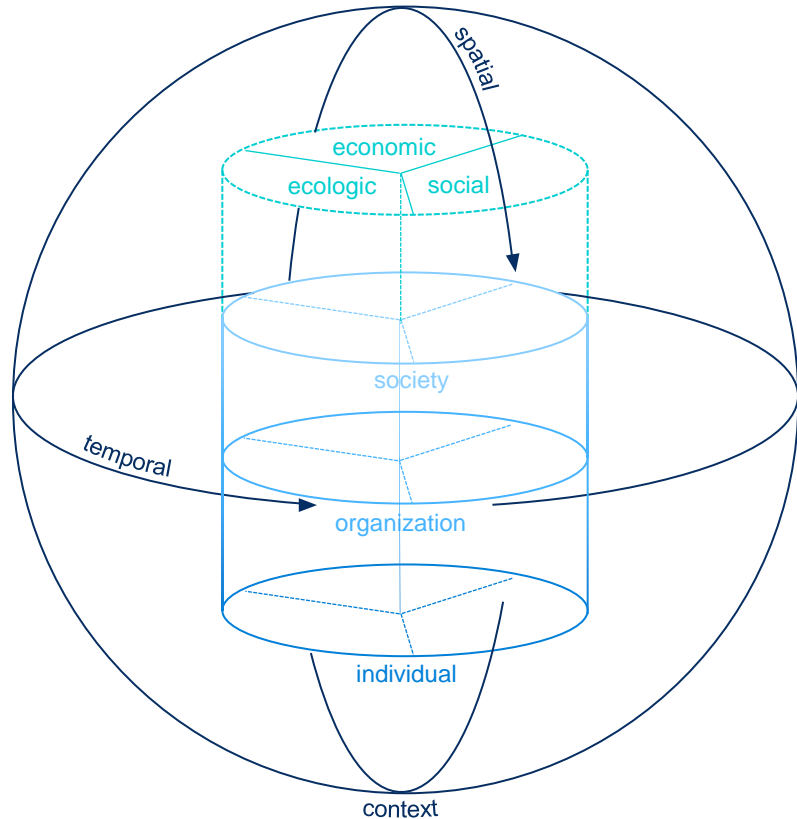
- Boba Fett  
*legendary Bounty Hunter*





# Sustainability: It's ~~complicated~~ *awesome*...

We are embracing a holistic view of impacts, risks, opportunities and tensions in corporate sustainability



## Dimensions of Sustainability:

- **Ecological / Environment:**  
Treating our ecosystems with care to preserve future function
- **Economical / Financial:**  
Conducting business in a resilient manner to enable continuous growth
- **Social / Society:**  
Treating humans with care by promoting human rights and wellbeing
  
- **Level:**  
effects on personal, organizational and societal levels
- **Temporal:**  
effects on present and (mid-term or long-term) future value creation
- **Spatial:**  
effects in different geographical (and cultural) contexts

# Climate-neutral production



Specialty glasses and glass-ceramics are melted in large melting tanks at temperatures of up to **1,700 degrees Celsius**.



We want to make an active contribution to climate protection and transform our energy-intensive processes. This requires a **massive technical conversion** of glass production.



Our goal is the most ambitious in our industry. We have set sail and are ambitiously developing **technical solutions**. But we don't know all the answers yet.





# Our SBTi targets at a glance



**- 46.2%**

of our Scope 1+2 emissions by 2030\*



**- 27.5%**

in our energy and fuel-related emissions and emissions from investments in the supply chain by 2030\*



**74.23%**

of selected Scope 3 emissions are to be covered by the respective suppliers by 2027 through scientific reduction targets\*\*

\* The base year is 2019.

\*\* Targets are related to three categories: Purchased goods and services, capital goods and upstream transportation and distribution.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Partner Organisationen





# Our path towards climate neutrality

We want to avoid, reduce or offset emissions that are harmful to the climate.



## Technological change

We will **avoid** emissions by using new technologies, but this change will take time.



## Energy efficiency

We **reduce** emissions by continuously increasing our energy efficiency.



## Green electricity

We **avoid** emissions by purchasing 100 percent green electricity.



# Award-winning sustainability



Our strategy is **recognized.**



DENA Energy Award  
2022



EcoVadis Gold Rating  
2023



2x German  
Sustainability Award  
2024



# Main challenges from a corporate perspective

Aligning available guidance and corporate reality



## CDP Technical Note on Climate Transition Plans

Transition Plan Element	Description	TCFD Pillar
GOVERNANCE	This demonstrates that an organization has board-level oversight of the climate transition plan and that there are defined governance mechanisms in place, to ensure implementation of the plan.	Governance
SCENARIO ANALYSIS	A climate transition plan should be underpinned by robust scenario analysis <sup>4</sup> used to identify potential substantive climate-related risks and opportunities.	Strategy
FINANCIAL PLANNING	As part of its strategy to achieve net zero, an organization should outline time-bound financial planning details of its transition. For example, Capital Expenditure (CAPEX), Operating Expenditure (OPEX), Revenue, etc.	
VALUE CHAIN ENGAGEMENT & LOW-CARBON INITIATIVES	A climate transition plan should include time-bound actions to decarbonize business processes (and those of its value chain), with time-bound KPIs. This includes three distinct elements <sup>5</sup> : (1) value chain engagement; (2) increasing the share of revenue from low-carbon products and services; and (3) implementing emissions reduction initiatives for both its direct and indirect operations.	
POLICY ENGAGEMENT	A climate transition plan should demonstrate that an organization's public policy engagement <sup>6</sup> aligns with its climate commitments and strategy.	
RISKS & OPPORTUNITIES	A climate transition plan should outline an organization's process for addressing identified climate-related risks and maximizing substantive climate-related opportunities.	Risk Management
TARGETS	A climate transition plan should contain time-bound, verified science-based targets which are in line with the latest climate science. Organizations should set near-term SBTs to halve emissions by 2030 and should also set a net zero long-term target – by 2050 at the latest.	Metrics & Targets
SCOPE 1, 2 & 3 ACCOUNTING WITH VERIFICATION <sup>7</sup>	A climate transition plan should be accompanied by an annual Scope 1, 2 & 3 emissions inventory that is complete, accurate, transparent, consistent, relevant, and verified by a third-party.	

- Scenario analysis (solely focused on climate change) on a macro level sometimes has limited perceived benefit for top management
- Tool landscape is heterogenous and not yet mature enough to provide full-fledged solutions for climate-risk assessments
- “Consultancy-fearmongering” pushes high-level transitional analysis with little depth into the market
- View of transition plans is mostly risk-driven and does not sufficiently incorporate opportunities
- Sustainable Transformation is a process that is always associated with a fear of “overcommitment” while some answers remain unknown
- Full transparency on financial implications of transformative efforts can be considered a competitive disadvantage
- There is a fine line between an actual plan and fancy marketing babble



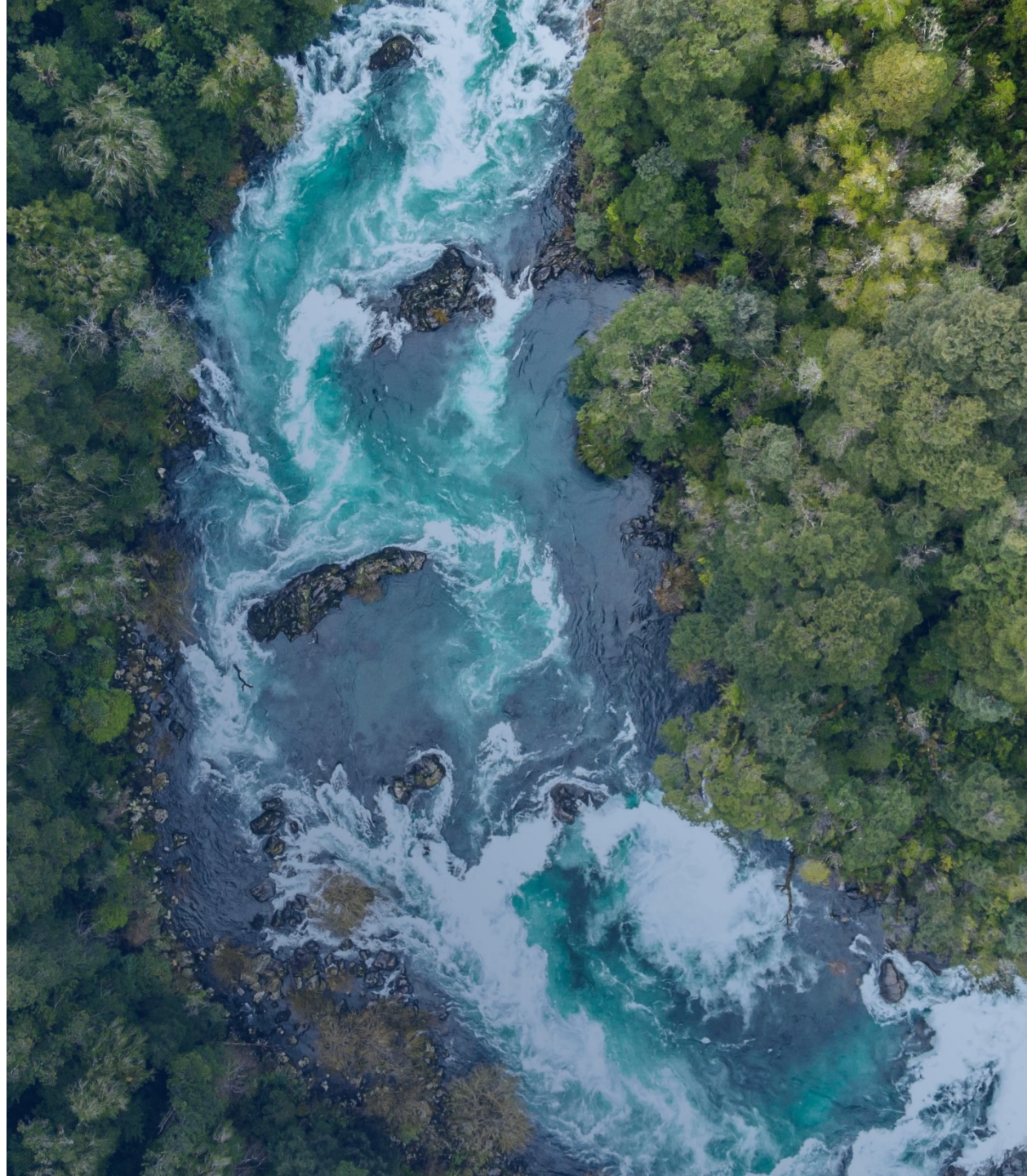
# Key Points

## The good

- Transition plans can be a powerful propellant for a robust & future-proof corporate strategy
- Scenario-based risk management is a crucial component of transition plans to support management decisions
- Meaningful transition plans are created cross-functionally, embracing their integrative nature

## The bad

- (Perceived) lack of accessible guidance and tools to craft meaningful plans
- Regulatory requirements can undermine the perceived value due to heavy bureaucratization
- Deterioration of plans to corporate promotional tools, rather than value-adding strategic instruments







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