

UK / AUSTRALIAN MODERN SLAVERY (AND HUMAN TRAFFICKING) STATEMENT

This is the WACKER CHEMIE GROUP modern slavery (and human trafficking) statement for the financial year ending 31 December 2023 pursuant to section 54 of the UK Modern Slavery Act 2015 and pursuant to the Australian Modern Slavery Act 2018 (No. 153, 2018). This Statement sets out the steps WACKER has taken to address the risk of slavery and human trafficking taking place in any of its supply chains, and in any part of its own business. It has been approved by the board of directors of Wacker Chemie AG on behalf of the Group.

Identification of the reporting entity

Our business, structure, and supply chains

WACKER is a global company with state-of-the-art specialty chemical products and annual sales of around €6.2 billion (2023). With four business divisions (WACKER Silicones, WACKER Polymers, WACKER Biosolutions and WACKER Polysilicon) we employ around 16,400 people.

With sales sites in 31 countries WACKER operates all over the world. Our products are found in countless everyday items, ranging from cosmetics to solar cells. Our sales organization is supplemented not only by a network of technical competence centres, where customers learn about WACKER's product portfolio, but also by WACKER ACADEMY, where we offer technical training sessions on our product and their application fields. WACKER's integrated global production system consists of 27 production sites. Ten are in Europe, eight in the Americas and nine in Asia. The Group's key production location is Burghausen (Germany).

In 2023, we procured more than 2,000 different raw materials as well as numerous technical goods and services for plant engineering and for maintenance. Our suppliers' number was more than 10,000. In Germany, which remains our largest procurement market, we work with some 5,000 suppliers.

Further details can be found here: [Link](#).

Our policies on slavery and human trafficking

We will not tolerate modern slavery or human trafficking in our supply chains or in any part of our business. We are committed to ensuring that there is transparency in our own business and to tackling any modern slavery and human trafficking in our supply chains. We expect the same standards from our suppliers and contractors.

We have summarized our policy in the declaration of principles according to the German Act on Corporate Due Diligence Obligations in Supply Chains which can be found [here](#). Our business principles are laid down in a recently revised Code of Conduct which governs how the WACKER Group should achieve its objectives. The [code](#) is supplemented by a body of regulations and directives.

The WACKER Group is a signatory to the UN Global Compact, an initiative by which companies voluntarily commit themselves to ten principles of human rights and to social and environmental standards. We are guided by the OECD Guidelines for Multinational Enterprises, the ILO core labor standards and the UN Guiding Principles for Business and Human Rights.

WACKER is a member of the "Together for Sustainability" (TfS) procurement initiative, which is based on the established principles as those subscribed to by GLOBAL Compact and Responsible Care®.

The goal of TfS is to establish a standardized, global program for responsible procurement of goods and services in the chemical industry and to raise the ecological and social standards of suppliers.

Further details can be found [here](#).

WACKER has undertaken the [last company's rating](#) by EcoVadis in 2023 and has reached a rating of 73 points. It ranks among the top 4 percent of the assessed companies. The new scorecard for 2024 will be released in the second half of 2024.

In 2018, WACKER founded a Human Rights Committee comprising experts in sustainability, compliance, law, human resources, procurement, logistics and sales, as well as human rights specialists. This committee is tasked with prioritizing potential impacts on human rights at WACKER and throughout the supply chain. It is also responsible for checking existing management approaches in terms of mechanisms that fulfil a protective and monitoring function, as well as for identifying weak points and meeting the need for information.

Risks of modern slavery practices

We continuously examine our own business operations and our supply chain for modern slavery risks. In doing so, we start from a risk mapping based on generally accessible information and research tools, such as the Global Slavery Index (Walk Free). According to this, it can be stated that our industry does not belong to the risk industries. However, attention is paid to the fact that we conduct some of our business in a few countries, which are to be considered high-risk areas according to the Global Slavery Index. Regarding our suppliers, we see risks in particular stemming from their sub-suppliers and mainly in the areas of transportation, construction, and cleaning services.

Actions taken, due Diligence processes & steps to assess and manage risks, performance indicators

To identify and mitigate modern slavery and human trafficking risks, we adopt a risk-based approach. Systematic review of supplier risks is an important tool used by WACKER for properly evaluating our supplier relationships. Together, the "Together for Sustainability" members organize supplier evaluations using questionnaire analysis and audits, whereby the suppliers' sustainability performance is assessed by independent auditing bodies. Aspects that are assessed range from environment, health and safety, labour, and human rights to ethical company management. The audits include on-site checks, particularly in high-risk regions. We sometimes attend supplier audits to monitor the quality of the auditing process and bodies. We also carry out audits within our own Group and enquire about potential risks at our locations.

By this means we

- identify and assess potential risk areas in our business and supply chains,
- monitor potential risk areas in our business and supply chains with focus on human rights, and
- mitigate the risk of modern slavery and human trafficking occurring in our business and supply chains.

In addition to the aforementioned, in our General Terms and Conditions we share the rules of the Global Compact with our suppliers.

In 2020, WACKER has created the **Supplier Code of Conduct** summarizing our expectations on one single page. With the help of the Supplier Code of Conduct, buyers can explain our expectations to our suppliers and help to create awareness for our values within the supplier organization.

As part of our sustainability evaluations, we particularly watch out for potential modern slavery or human trafficking issues. In case of identified compliance issues, we discuss with our supplier and expect corrective actions to be developed and implemented. We also request re-assessments or renewed audits in order to verify that corrective actions haven been implemented. Repeated serious non-compliance could lead to termination of the supplier relationship.

By end of 2023, 90% percent of our current key suppliers provided a valid assessment (reflecting more than 95% key supplier spend coverage) with an average score of 57 globally. These key suppliers cover more than 80 percent of our total purchasing volume globally. Additionally, we are continuously re-evaluating assessment results and work on improvements with our suppliers.

We report every year about the progress in our own operations as well as in our supply chain in the Global Compact Communication on Progress: [Link](#).

Process of Consultation

WACKER is deeply involved in dialogue with its subsidiaries regarding the human rights guidelines that span across the group. Managing directors and site managers participate in annual training where they are expected to submit a written report yearly. Not only this, but they are also responsible for reporting any potential risks or breaches throughout the year as they occur. The purchasing process and its safeguarding measures are generally centralized, demanding compliance with the global risk management system. Our central HR business division operations also uphold these requirements. With a largely centralized HR department, the principles of human rights are monitored and implemented throughout all subsidiary companies.

Training, Whistleblowing

WACKER's ethical principles of corporate management go above and beyond the legal requirements. The compliance management department is responsible for ensuring that these principles and all related legal provisions are observed throughout the company.

Training courses on compliance raise employees' awareness of the relevant risks and convey binding rules of behaviour for daily work routines. Employees are instructed to inform their supervisors, the compliance officers, the employee council or their designated HR contacts if they notice any risks or violations. Alternatively, they can use a professional digital whistleblowing system which provides anonymous communication and protection of the whistle-blowers.

Signed



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Dr. Christian Hartel
President & CEO of Wacker Chemie AG
June 2024