

Sustainability Report of the WACKER Group

General information

Principles for preparing the Sustainability Report

The Group's Sustainability Report is prepared on a consolidated basis for the WACKER Group. This Sustainability Report (sustainability statement as per ESRS) simultaneously meets the requirements that apply to the non-financial (Group) statement defined in Sections 289b et seq. of the German Commercial Code (HGB) and 315b to 315c HGB and therefore constitutes the combined non-financial statement for the WACKER Group and Wacker Chemie AG. The European Sustainability Reporting Standards (ESRS) are being used in their entirety for the first time as a framework for the Group declaration in accordance with Section 315c (3) in conjunction with Section 289d HGB due to the importance of ESRS as reporting standards adopted by the European Commission for sustainability reporting. We have not used a framework for our non-financial statement in relation to Wacker Chemie AG in accordance with Section 289b HGB because the relevant document for our stakeholders is an ESRS-compliant sustainability statement for the Group. This Sustainability Report comprises the combined non-financial statement for the WACKER Group and Wacker Chemie AG. Unless otherwise stated, all information relates to both the Group and Wacker Chemie AG.

In accordance with the joint statement of interoperability published by EFRAG and GRI on August 31, 2023, entities reporting under ESRS are considered as reporting with reference to GRI Standards as well. The audit only covered ESRS-compliant reporting.

To fulfill our reporting obligations under commercial law, we declare the following: We have no specific policy for social issues, as only immaterial risks, opportunities and impacts relating to such issues were identified. We monitor social issues on an ongoing basis and will introduce a policy if materiality becomes apparent. There are no material risks from our own operations or from business relationships, products and services that are very likely to have severe adverse impacts on the non-financial aspects in accordance with Section 289c HGB.

WACKER uses the "incorporated by reference option" and refers to other passages in the Group Management Report and Consolidated Financial Statements for disclosures on its strategy, business model and value chain. A list of the references can be found in the "General disclosures, strategy, business model and value chain" chapter. The disclosures in the Group Management Report and Consolidated Financial Statements indicate the corresponding specific ESRS requirements and are an integral component of this Sustainability Report. Links and references to further information do not form part of this Sustainability Report.

The German version of this report was audited by the Supervisory Board of Wacker Chemie AG and, on its behalf, by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. Auditing complied with the International Standard of Assurance Engagements (ISAE) 3000 (Revised): "Assurance engagement other than audits or reviews of historical financial information" for the purpose of obtaining limited assurance with regard to the disclosures required by law pursuant to Section 315c in conjunction with Section 289e of the German Commercial Code (HGB). The audit certificate with an unqualified auditor's opinion is reproduced after the independent auditor's report in the consolidated financial statements.

Scope of consolidation and value chain

The scope of consolidation corresponds to that of the consolidated financial statements and includes all fully consolidated subsidiaries. Associated companies are not included in the scope of consolidation, but are taken into account in reporting as they are part of the upstream and downstream value chains.

The materiality assessment defined the upstream and downstream value chains as follows:

- Upstream value chain: material key suppliers and their subcontractors.
- Downstream value chain: essentially direct customers. Our products are used in numerous end applications, but are not sold directly to end consumers.

Our policies, actions and targets are geared toward the needs of our customers. We require our suppliers to comply with our principles of corporate ethics and sustainable corporate governance and to demonstrate a positive sustainability performance. We focus in particular on our key suppliers, who account for almost 80 percent of our procurement volume.

Time horizons and estimates

The reporting period extends from January 1, 2024 to December 31, 2024 and corresponds to the period covered by the consolidated financial statements.

The ESRS-compliant preparation of the Sustainability Report requires assumptions to be made and estimates to be used that affect the information on sustainability topics. These are based on the circumstances and estimates at the time of preparation and influence the information presented for the reporting year.

The material assumptions and estimates are disclosed in the respective chapters or in the corresponding disclosures.

Actual developments may differ from the assumptions and estimates that were made. Changes are taken into account whenever more detailed information becomes available and will affect information provided in future reporting periods.

All metrics and data used and listed in the report were audited by the appointed auditor and not by any other external quality assurance body.

No use was made of the option to omit classified and confidential information. The exemption provided in Articles 19a(3) and 29a(3) of directive 2013/34/EU was not exercised.

Changes in the presentation of sustainability information compared to the previous year

Due to the first-time preparation of the Sustainability Report in accordance with ESRS, WACKER has decided not to disclose prior-year data if this data has not previously been reported. If changes need to be made to the basis of calculation or if other relevant changes become necessary, WACKER explains the reasons and ascertains adjusted comparative figures, wherever possible.

Governance

Composition of the Executive and Supervisory Boards

In accordance with the German Stock Corporation Act (AktG), Wacker Chemie AG has a dual management system with a four-member Executive Board and a 16-member Supervisory Board. In accordance with the German Co-Determination Act (MitbestG), the Supervisory Board is made up of equal numbers of shareholder and employee representatives. Details on the composition of the Executive and Supervisory Boards in 2024, including the Executive Board's areas of responsibility and the positions held by members of the Supervisory Board, can be found in the annex to the Sustainability Report.

Executive Board's diversity and expertise

Wacker Chemie AG's diversity strategy ensures that the Executive Board has the necessary knowledge, skills and experience to manage an international chemical group.

- Educational and professional backgrounds: Scientific expertise and/or experience in the chemical industry as well as knowledge of accounting, financial management, corporate management, planning and strategy.
- An international outlook: Different cultural backgrounds or extensive intercultural and international experience.
- Age: An age-balanced structure. The standard retirement age for members of the Executive Board is 67.
- Gender diversity: Mixed teams achieve better results. Actions have been taken to increase the proportion of women in management positions.

The Executive Board's current composition is in line with the diversity strategy adopted by the Supervisory Board and complies with the applicable statutory requirement of Section 76 (3a) of the German Stock Corporation Act for publicly listed companies subject to co-determination, namely that an executive board with more than three members must include at least one woman and at least one man. 25 percent of the Executive Board is female.

Supervisory Board's diversity and expertise

In accordance with Wacker Chemie AG's diversity strategy, the Supervisory Board shall be composed in such a way that all its members have the knowledge, skills and professional experience required to properly perform their duties.

- International expertise: At least one member of the Supervisory Board ought to have international experience.
- Prevention and handling of conflicts of interest: The Supervisory Board's rules of procedure contain regulations on avoiding and dealing with conflicts of interest. Conflicts of interest that are material and not merely temporary ought to have been avoided whenever election nominations are submitted to the Annual Shareholders' Meeting.
- Retirement age for Supervisory Board members: The standard retirement age for Supervisory Board members is 80.
- Diversity: The Supervisory Board strives for a diverse composition that takes into account different professional experience, expertise and educational backgrounds. In accordance with Section 96 (2) of the German Stock Corporation Act (AktG), at least 30 percent of the members of a supervisory board are supposed to be women and at least 30 percent men. In 2024, women accounted for 30 percent of our Supervisory Board.

When filling the positions on our Supervisory Board, we strive to achieve a mix of young and old, industry insiders and those from other sectors, as well different professional backgrounds and diverse international experience. The Supervisory Board as a whole must have the necessary skills, knowledge and experience that are relevant to the WACKER Group's business activities and that enable it to properly oversee, and provide professional advice to, the Executive Board. This includes the following:

- The Supervisory Board should, overall, have sufficient members with the necessary expertise in corporate management, accounting, financial controlling, risk management, corporate governance, compliance and the main sustainability issues that are relevant to the company.
- The Supervisory Board in its entirety must be familiar with the chemical industry (Section 100 (5) of the German Stock Corporation Act).
- At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other in the field of auditing (Section 100 (5) of the German Stock Corporation Act).

The Supervisory Board takes into account the objectives it has set as well as its skills profile when making its nomination proposals to the Annual Shareholders' Meeting. The current composition of the Supervisory Board complies with the objectives set and with the skills profile.

The Supervisory Board has four independent members among its shareholder representatives. Supervisory Board members who have been in their post for more than twelve years are not considered independent. The employee representatives are considered independent overall. This means that independent members account for 75 percent of the Supervisory Board.

Tasks and responsibilities

Executive Board

The Executive Board oversees the Group's strategies, resources, infrastructure and organizational structure. Key tasks include the refinement and monitoring of corporate governance practices, including compliance, corporate ethics and the Responsible Care® and Global Compact initiatives.

The Executive Board is supported by committees consisting of members from various organizational units and legal entities. These committees ensure the implementation of groupwide strategies, including the strategic sustainability targets. The Executive Board monitors the results of the materiality assessment and its integration into risk management. Our sustainability targets reflect WACKER's material impacts on people, nature and the environment, and take account of risks and opportunities. Responsibility for implementing the sustainability targets lies with the respective Executive Board member with specific responsibility.

Coordinating sustainability at WACKER



The Group Leadership Team (GLT) discusses strategically important topics, analyzes market trends and competitors as well as key topics, including health and safety issues. Group strategy is reviewed once a year as part of a strategy meeting and the assumptions for financial planning are defined. The GLT comprises the Executive Board, business-division presidents and certain corporate-department heads.

The Executive Board has convened a Sustainability Council, which is chaired by the CEO, to monitor and coordinate the sustainability strategy. Committee members from our business divisions and corporate departments coordinate the assessment of sustainability performance. The Sustainability Council coordinates cross-divisional measures, reviews progress and target achievement, and discusses WACKER's impact on people, nature and the environment, as well as the

resulting risks and opportunities. Experts report on the progress of individual projects and the latest regulatory requirements. In the reporting year, topics such as reducing emissions in production processes, data transparency requirements along the value chain and the calculation of product carbon footprints were discussed.

The following are key to coordinating and monitoring issues related to the environment, health, safety and product safety: the Corporate EHS & PS committee, which meets once a year, and the EHS & PS strategy meetings, headed by the Executive Board member responsible for EHS & PS.

HR policy is discussed monthly in the HR strategy meeting; employee health is dealt with annually in the health promotion steering group headed by the Executive Board member responsible for HR issues. Productivity projects and targets are discussed at our raw materials workshop and the WOS conference. The Group Innovation Meeting deals with innovation strategies and projects.

Sustainability issues are coordinated and monitored at an operational level by special-purpose units such as the Corporate and divisional departments for sustainability, the HR department, and Corporate Procurement. There are special functions for coordinating individual topics such as compliance, EHS & PS, and human rights. Sustainability targets are, where appropriate, part of the personal goals of the employees responsible.

Our compliance organization monitors adherence to legal requirements and internal company regulations. The compliance officer coordinates a network of regional compliance officers.

Responsibility for the environment, health, safety, trade compliance, dangerous goods and product safety lies with the Group coordinators, who report directly to the Executive Board and define groupwide standards. Officers required by law take on defined tasks in the respective regions.

Occupational safety and plant safety are of paramount importance to WACKER. Annual safety targets are set for senior executives and management employees in Germany. These targets are included in the performance appraisal.

The Executive Board has appointed a human rights officer who is instrumental in shaping the company's human rights policy, risk management system, General Declaration and reporting system. This officer advises affected areas and proposes remedial measures. As regards their duties, the Human Rights Officer is independent and not bound by any instructions. They chair the Human Rights Committee, which consists of representatives from the Legal department, Procurement, Human Resources and Corporate Sustainability.

Supervisory Board

The Supervisory Board appoints, monitors and advises the Executive Board and is involved in key decisions, including sustainability issues. Fundamental decisions on the company's development require Supervisory Board approval.

The Audit Committee monitors sustainability reporting. The Executive Board informs the Supervisory Board regularly and comprehensively about corporate planning, strategic development, operational business, the risk situation, risk management as well as compliance and sustainability issues. The Executive Committee deals with Executive Board compensation, including sustainability-related performance criteria.

The Audit Committee prepares the Supervisory Board's decision on the annual and consolidated financial statements, reviews them in advance and discusses the audit strategy and results with the auditor. The chair of the Audit Committee regularly discusses the progress of the audit with the auditors and reports back to the Audit Committee. The Audit Committee also monitors the accounting process, the preparation of the Sustainability Report and the effectiveness of the internal control, risk management and auditing system, and deals with compliance issues.

The members of the Audit Committee are familiar with the field. At least one member must have expertise in accounting and another must have expertise in auditing.

Information provided to, and sustainability matters addressed by, the Executive and Supervisory Boards

At the annual strategy and planning conference, the Executive Board discusses the company's long-term strategy and the key related projects over the next five years, together with their financing, including the approval of the annual budget for sustainability projects. The sustainability targets are integrated into the corporate vision and strategic planning and are regularly reviewed and coordinated. The main projects are checked for compatibility with the long-term sustainability targets, and risks and opportunities are assessed. All sustainability information and the target-achievement status are made available to the Executive Board via the Corporate Sustainability department. Information is provided regularly by the head of Corporate Sustainability and by the Sustainability Council, which meets five times a year.

The Supervisory Board is informed, at regular intervals, at least once a year, about sustainability issues at its meetings.

In the reporting year, the sustainability issues and their risks and opportunities that the Executive and Supervisory Boards dealt with included:

- Reporting in accordance with CSRD and materiality assessment
- Status of sustainability-target achievement and associated measures
- Safety culture
- New regulatory requirements
- External sustainability assessments

Integration in incentive schemes

Sustainability targets relating to Executive Board compensation

Compensation for the members of WACKER's Executive Board comprises both fixed and variable components. The variable components are in turn divided into short-term incentives (STIs) and a long-term incentive (LTI). The sustainability targets are part of the long-term compensation component.

The LTI encourages a sustainable corporate policy, promoting profitable growth and a positive development of the company's value. It provides for a three-year assessment period and for a subsequent requirement to acquire shares coupled with a three-year holding period. The overall target-achievement factor for the LTI is based on strategically relevant financial and non-financial performance targets. These relate to the Group's financial and non-financial targets and are determined by the Supervisory Board for the respective compensation year.

In 2024, two sustainability targets were selected as part of the non-financial performance criteria. In terms of strategy, these targets are of particular importance: a reduction in absolute CO₂ emissions (Scopes 1 and 2), and our accident rate (in line with the WACKER Process Safety Incident Rate, WPSIR). Both criteria are weighted at 5 percent each. Relative to total compensation, they each account for around 1.5 percent.

Further information can be found in Wacker Chemie AG's compensation report.

» **Compensation Report**

Due diligence statement

Due diligence refers to the company's procedures and processes for dealing with, preventing, mitigating or accounting for actual and potential adverse impacts on the environment and people in connection with its operations (due diligence process). The following overview provides a map of the information on this due diligence process contained in the Sustainability Report.

Core elements of due diligence		Paragraphs in the sustainability statement
a) Integration of due diligence into governance, strategy and business model	<ul style="list-style-type: none"> - ESRS 2 GOV 2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - ESRS 2 GOV 3: Integration of sustainability-related performance in incentive schemes, and - ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model 	<p>Information provided to, and sustainability aspects addressed by, the Executive and Supervisory Boards</p> <p>Integration in incentive schemes</p> <p>Material impacts, risks and opportunities and their interaction with strategy and business model</p>
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> - ESRS 2 GOV 2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - ESRS 2 SBM 2: Interests and views of stakeholders - ESRS 2 IRO 1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities - ESRS 2 MDR P: Policies adopted to manage material sustainability matters - Topic-related ESRSs : Consideration of the various stages and aims of including stakeholders throughout the entire process to comply with due diligence - ESRS 2 GOV 3: Integration of sustainability-related performance in incentive schemes, and - ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model 	<p>Information provided to, and sustainability aspects addressed by, the Executive and Supervisory Boards</p> <p>Interests and views of stakeholders</p> <p>Management of the impacts, risks and opportunities</p> <p>Policies in thematic standards on environmental, social and governance-related information</p> <p>Integration of sustainability-related performance in incentive schemes</p> <p>Material impacts, risks and opportunities and their interaction with strategy and business model</p>
c) Identifying and assessing adverse impacts on people and the environment	<ul style="list-style-type: none"> - ESRS 2 IRO 1 including application requirements in relation to specific sustainability matters in the relevant ESRSs - ESRS 2 SBM 3 Material impacts, risks and opportunities and their interaction with strategy and business model 	<p>Process and assessment of materiality</p> <p>Material impacts, risks and opportunities and their interaction with strategy and business model</p>
d) Taking actions to address those adverse impacts on people and the environment	<ul style="list-style-type: none"> - ESRS MDR A: Actions and resources in relation to material sustainability matters - Topic-related ESRSs Consideration of the range of actions including transition plans whose use is intended to tackle the impacts 	<p>Actions in thematic standards on environmental, social and governance-related information</p>
e) Tracking effectiveness of these efforts and communicating	<ul style="list-style-type: none"> - ESRS 2 MDR M: Metrics in relation to material sustainability matters - ESRS 2 MDR T: Tracking effectiveness of policies and actions through targets - Topic-related ESRSs: in relation to metrics and targets 	<p>Metrics in thematic standards on environmental, social and governance-related information</p>

Risk management and internal controls

As a rule, sustainability aspects are embedded in the Group's overarching risk management and internal control system.

In 2024, risk identification was linked to the results of the double materiality assessment as part of risk management. The risks identified during the double materiality assessment were included in Group risk management.

The accounting-related internal control system that has been put into effect was expanded to include an internal control system for sustainability reporting. This system is in the process of being set up. Key processes relate to data collection, the preparation of the Sustainability Report, and the double materiality assessment. Corresponding process risks have been identified and key controls defined for the material non-financial data. The internal control system for sustainability reporting is being continuously enhanced. It has already made good progress as regards environmental issues, and there are plans to add social issues.

The separation of functions between Corporate Sustainability (implementation at an operational level) and Corporate Accounting (specification and review of ESRS requirements), together with defined internal controls, ensures consistent implementation of Sustainability Reporting. A standardized groupwide reporting manual is intended to formulate binding rules for mapping ESRS requirements in the future. In addition, the internal controls for sustainability reporting will be subject to an audit by our internal Auditing department in the future.

The Sustainability Report and the results of the double materiality assessment were submitted to the Executive Board and the Audit Committee for review. The Group Employee Council was informed of the results and had an opportunity to comment on the Sustainability Report. As part of their reporting to the Executive Board and Audit Committee, the auditors report on their inspection of the process, the results of the double materiality assessment and on the impacts, risks and opportunities identified. The Supervisory Board is integrated into the internal control system through its Audit Committee.

For further information on the Group's general risk management system and the groupwide internal control system, please refer to the risk management report.

» [Risk management report](#)

Integrated management system

The integrated management system, including its groupwide regulations, and external certifications are important management tools for ensuring the uniform implementation of our sustainability strategy throughout the Group.

Our Integrated Management System (IMS) regulates operational processes and defines uniform groupwide standards for quality, safety, energy, and environmental and health protection. The Group management system is certified to ISO 9001 (quality), ISO 14001 (environment) and ISO 50001 (energy). An overview of all those production sites covered by this certification, together with other product certificates, can be found on the WACKER website.

We record environmentally relevant and safety-related incidents, plan and document internal and external audits and reviews, and coordinate the implementation of actions as part of our Integrated Management System (IMS).

» www.wacker.com/certificates

» For more details about resource-efficient production and sustainable products, please refer to the section in the combined management report entitled **Further information on R&D, employees, procurement and logistics**.

Strategy

Strategy, business model and value chain

About WACKER

WACKER is a global company with state-of-the-art specialty chemical products. The business model, legal structure, key products, services, business processes and our raw-material base are described in the combined management report's sections on "Group business fundamentals¹" and "Governance²." The main sales markets and competitive positions are depicted, too. The "Segment data by region⁴" shows the distribution of sales, investments and employees in our most important sales regions. Our divisions correspond to the main product categories and reflect the position in the value chain, including the differences in chemical products and the various market and customer groups (downstream value chain)^{1,2}. Our suppliers of silicon, ethylene, acetic acid, methanol and energy form the other side of the value chain (upstream value chain)^{1,3,5}. The "Business report³" section describes the most important customer industries and their current trends as well as developments in our key raw materials and energy. Risks are explained in the risk management report⁵.

¹ Group business fundamentals; Silicon is WACKER's most important raw material (ESRS 2.42a, b, c); Four business divisions (ESRS 2.40i,ii; ESRS 2.42b, c); Strategy at each business division (ESRS 2.42, a, b, c).

² Governance: Key products, services and business processes (ESRS 2.40a i; ESRS 2.42a, b, c).

³ Business report: Sector-specific conditions (ESRS 2.40a ii, ESRS 2.42 c); Raw-material prices remain largely unchanged year over year (ESRS 2.42a, c; Energy prices still at a high level (ESRS 2.42 a, c).

⁴ Segment information by region; Employees (ESRS 2.40c).

⁵ Risk management report: Sales-market risks (ESRS 2.42b, c); Procurement-market risks (ESRS 2.42a, c); Production and environmental risks (ESRS 2.42 a).

Principles and strategic corporate goals

Sustainability has been firmly anchored in our business processes for years. At WACKER, we aim to balance economic, ecological and social factors in everything we do. The importance of sustainability is shown by the fact that the topic lies at the heart of two of our five strategic targets.

In line with its purpose as an innovative chemical company – Our solutions make a better world for generations – WACKER makes an important contribution to improving the quality of life of people all around the world. In the future, we want to continue developing and supplying solutions that meet our rigorous demands – creating added value for our customers, shareholders, employees and society, and growing sustainably.

Voluntary commitments

Our actions are guided by voluntary initiatives, which form the basis for sustainable corporate management at WACKER.

Responsible Care®

WACKER has been an active member of the Responsible Care® initiative since 1991. As a program participant, we must act to continually improve health, safety and environmental performance on a voluntary basis – even in the absence of statutory requirements. This explains our strong focus on environmental protection, the safe operation of plants (for both employees and neighbors), a high level of in-plant occupational safety, and product safety (for customers and end users).

» <https://www.vci.de/themen/nachhaltigkeit/responsible-care/rc-initiative/uebersicht.jsp> [German-language link only]

The UN Global Compact

As a member of the UN Global Compact, we support the goals of this initiative for responsible corporate management. The Global Compact addresses the protection of human rights, adherence to social and environmental standards, and the fight against corruption. We have undertaken to implement the Global Compact's Ten Principles, which are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development. Our progress report is available on the UN Global Compact website.

As part of the UN Global Compact’s Forward Faster initiative, WACKER is committed to doing its part in the fight against climate change, as well as to ensuring gender equality and paying living wages by 2030. WACKER is thus making a significant contribution to achieving the UN’s Sustainable Development Goals.

We also publish our latest progress report on the WACKER website:

- » <https://www.unglobalcompact.org/what-is-gc/participants/10060-Wacker-Chemie-AG>
- » <https://www.wacker.com/cms/en-de/sustainability/global-compact/detail.html>

UN “Race To Zero”

When it comes to climate change mitigation, WACKER has set itself ambitious, science-based targets. This means they contribute to the goal of limiting the global rise in temperature to a maximum of 1.5 degrees Celsius and therefore comply with the Paris Agreement. Our targets were validated by the independent Science Based Targets initiative (SBTi). WACKER is also part of the UN’s Race to Zero initiative. This means that we voluntarily commit to complying with the 1.5-degree Celsius goal and to documenting our course toward net zero with transparent progress reports.

- » <https://sciencebasedtargets.org>
- » <https://racetozero.unfccc.int>

Sustainability strategy: SustainaBalance®

SustainaBalance® is WACKER’s holistic sustainability strategy to achieve its medium- and long-term sustainability targets. This strategy is based on three pillars designed to promote the balance between ecological, social and economic factors: Value Up, Footprint Down and Collaboration Beyond.

SustainaBalance® is directly related to the 17 goals of the UN’s 2030 Agenda for Sustainable Development.

WACKER’s SustainaBalance® is a commitment to responsible stewardship and contributes to the implementation, in particular, of seven UN Sustainable Development Goals (SDGs).

The three pillars of SustainaBalance®



- » More information can be found in our fact sheets: Strategy and Roadmap, Sustainable Development Goals (SDGs)

Major challenges for the future and planned key solutions

The main challenges lie in the implementation of numerous legal requirements and intelligent, automated data management in order to meet future transparency requirements. In the year under review, WACKER began to create suitable organizational conditions and to launch projects to meet these requirements.

WACKER's sustainability targets

Global warming is a socially and economically relevant environmental factor due to the rise in greenhouse gas emissions. We want to lead the way as a company, use our products to help in the fight against climate change, and reduce both our own emissions as a company and those of our products. The sustainability targets we have therefore set are ambitious. For example, WACKER intends to cut its absolute greenhouse gas emissions (Scopes 1 and 2) by 50 percent by 2030 relative to 2020 and to achieve net zero by 2045.

WACKER is striving to ensure that its entire product portfolio meets defined sustainability criteria by 2030. We also expect all our key suppliers to meet defined sustainability standards by 2030. During the same period, we aim to reduce by 25 percent the emissions from our upstream products (Scope 3, categories 1 and 3) that we use. In addition, we have set targets for specific water withdrawal and specific energy consumption: in each case, WACKER aims to achieve a 15-percent reduction by 2030 compared to the 2020 base year.

The targets to cut greenhouse gases are science-based targets, which means that they contribute to the 1.5 °C target set out in the Paris Agreement. Not only the targets for 2030 but also our aim of achieving net zero by 2045 have been validated by the independent Science Based Targets initiative (SBTi).

We have also set ourselves diversity targets: By 2030, we would like about one in three management positions to be held by a woman and around one in two management positions to be located outside of Germany.

Safety is of the utmost priority for WACKER. We aim every year, for example, to fully avoid chemical accidents with missed workdays and severe plant-safety incidents.

WACKER's sustainability targets

SustainaBalance®	Sustainable Development Goals (SDGs)	Sustainability indicator ¹	Base year	Target year	Target ² (%)	Status 2024
Footprint Down	12, 13, 17	Net Zero	2020	2045	-100	-24
Value Up	7, 9	Products meeting defined sustainability criteria ³	2020	2030	100	94
Value Up	8	Management positions held by women	-	2030	33	23
Value Up	8	Management positions outside of Germany	-	2030	50	33
Footprint Down	12, 13	Absolute greenhouse gas emissions ⁴	2020	2030	-50	-30
Footprint Down	12, 13	Specific energy consumption (per metric ton of net production)	2020	2030	-15	+5
Footprint Down	12	Specific water withdrawal (per metric ton of net production)	2020	2030	-15	+7
Footprint Down	8,12	Chemical accidents with missed workdays ⁵	Annual target	Annual target	0	5
Footprint Down	8,12	Severe process safety incidents ^{5, 6}	Annual target	Annual target	0	0
Collaboration Beyond	4, 17	Key suppliers ⁷ meeting sustainability criteria	2020	2030	100	84
Collaboration Beyond	13, 17	Absolute greenhouse gas emissions in upstream supply chains ⁸	2020	2030	-25	-30

¹ Gross production corresponds to the total production (target products and byproducts) of a plant or site. Net production is calculated by subtracting the internal reuse of products from the gross production of a plant or site.

² The target-related success level is not based on linear progression, but on individual projects that are implemented at different stages throughout the target period.

³ In accordance with WACKER Sustainable Solutions.

⁴ Scopes 1 and 2 in accordance with GHG Protocol, science-based target.

⁵ Absolute target.

⁶ In accordance with WACKER Process Safety Incidents, Severity Levels 1 and 2.

⁷ Corresponds to almost 80 percent of the volume procured.

⁸ In accordance with Scope 3 GHG emissions from purchased goods and services (Cat. 1) and fuel- and energy-related emissions (Cat. 3), science-based target.

Suitable dialogue formats were used to engage both internal and external stakeholders in the target-setting process.

Sustainability targets in relation to key products and customer industries

WACKER's portfolio comprises more than 3,000 products. Customers come from virtually every major sector worldwide. In line with our corporate purpose, we develop intelligent solutions and trailblazing technologies with the aim of improving people's quality of life around the world. Our target to achieve net zero by 2045 plays an important role here. Responsible stewardship is one of the ways we contribute to the United Nations' Sustainable Development Goals (SDGs) and we use our products to support, in particular, SDG 7 "Affordable and Clean Energy," SDG 9 "Industry, Innovation and Infrastructure," SDG 12 "Responsible Consumption and Production" and SDG 13 "Climate Action."

Sustainable products

WACKER has a variety of products that contribute to conserving natural resources and cutting greenhouse gases. We develop not only modern products for the world of tomorrow, but also forward-looking solutions to ensure that these products make a positive contribution to sustainability throughout their entire life cycle. In doing so, we are supporting the global issues of the future such as renewable energy sources, smart construction, digitalization, e-mobility, nutrition and health, as well as quality of life. Our products can be found in solar modules, cars and building materials, not to mention a great many everyday objects and consumer goods. Through our contribution, we enable our customers to offer even more sustainable solutions on the market, allowing us to join forces to advance the transformation to a more sustainable economy and society.

The transformation of the value-creation chain into a circular economy will play an increasing role. We have used the mass balance approach to begin the transformation toward a climate-neutral circular economy. This method enables us to save fossil resources while preserving the quality of our products. Collaboration with customers and partners is vital for the development of recyclable products.

A selection of our sustainable products can be found along with additional information in our online app WACKER City.

» <https://www.wacker.com/cms/en-de/sustainability/sustainable-products/wacker-city.html>

We have described our vision and strategic goals in detail in the Group management report.

» [Vision/Goals LINK](#)

Product assessment based on sustainability criteria

When assessing the sustainability of our products, we take account of economic, environmental and social aspects throughout the entire product life cycle. Our product portfolio evaluation tool takes the form of the WACKER Sustainable Solutions program. We also make use of the WACKER ECOWHEEL® and perform life cycle assessments. These enable us to track the progress of a product from its manufacture through to when it leaves the factory gate.

- We use the WACKER ECOWHEEL® to identify key sustainability topics at a qualitative level and, together with our stakeholders, set priorities for research projects. Our evaluations factor in a product's material, water and energy consumption, as well as its ecotoxicity, over the entire life cycle.
- The WACKER Sustainable Solutions program allows us to assess the sustainability assessments of our product portfolio, in line with the standards set by the World Business Council for Sustainable Development (WBCSD). We study the life cycles of products and their usage under specific regional requirements. As a basis for these assessments, we compile products in what are called PARCs (Product/Product group in one Application in one Region in Combination). We examine toxicological classification, regulatory and social criteria, controversial industries and raw materials, as well as sustainability-related aspects across the entire product life cycle. Every assessed PARC unit is assigned to one of five sustainability categories.

WACKER aims to have 100 percent of its products meet defined sustainability criteria by 2030. In the reporting period, sustainable products accounted for 94 percent of WACKER's total sales. For the majority of the remaining products, we have defined measures to either improve sustainability performance or replace the product.

» <https://www.wbcd.org/Programs/Circular-Economy/Resources/Chemical-Industry-Methodology-for-Portfolio-Sustainability-Assessments>

2030 target: 100% of products meet sustainability criteria

%	2024	2023	2022
Percentage of sales from products meeting defined sustainability criteria	94	94	90

- Our life cycle assessments (LCAs) quantify the environmental impact of our products from their manufacture through to the moment they leave the factory gate. Cradle-to-gate analyses such as these allow us to evaluate the sustainability of our products and production processes, and to improve them accordingly. When preparing an LCA, we take account of all relevant, potentially harmful effects on soil, air and water, as well as all material flows associated with the system in question. That includes raw-material consumption and emissions from supply and disposal processes, from power generation and from transport.

To this end, we concluded a groupwide project in 2024 to enable WACKER to automatically calculate the carbon footprint of all of its products and to update this information annually. The calculation complies with the rules of the Product Carbon Footprint Standard set by the Together for Sustainability (TfS) initiative.

» https://www.tfs-initiative.com/app/uploads/2022/11/TfS_PCF_guidelines_2022-interactive-pages.pdf

Management of the impacts, risks and opportunities

Interests and views of stakeholders

The interests and views of our stakeholders play a crucial role in our strategy and business policy. Open communication with them encourages mutual understanding and enables our decisions to be accepted by society, while allowing WACKER to receive valuable input and feedback. In order to identify material sustainability topics, we continuously analyze the interests, expectations and demands of our stakeholders and take these into account in our materiality assessment. No explicit external questionnaire was conducted for this. The Executive and Supervisory Boards are regularly informed about sustainability topics and the views of our stakeholders are incorporated into our reporting.

The following table shows our main stakeholder groups and the respective forms of exchange.

Stakeholders	Dialogue formats and interests and views for stakeholders
Customers	<p>Dialogue formats: Continuous personal exchange with sales and marketing employees Market studies, customer surveys Attendance of international tradeshows</p> <p>Interests and views: Product safety, current and future product compliance, products for future market requirements, future-oriented business relationships</p>
Employees, labor unions	<p>Dialogue formats: Employee events attended by the Executive Board and senior management Circulars and presentations specific to particular occasions, company intranet, social media, internal campaigns, employee surveys</p> <p>Interests and views: Corporate values, training and upskilling, corporate benefits, employee satisfaction</p>
Suppliers	<p>Dialogue formats: "Together for Sustainability" initiative Sustainability-related events and workshops for suppliers Continuous exchange via the employees responsible for procurement assignments</p> <p>Interests and views: Future-oriented business relationships, product buyers, employment conditions</p>
Associations	<p>Dialogue formats: Active membership of national and international associations, such as the German Chemical Industry Association (VCI), European Chemical Industry Council (Cefic), Plastics Europe, American Chemistry Council (ACC) and China Petroleum and Chemical Industry Federation (CPCIF)</p> <p>Interests and views: Pre-competitive exchange of thoughts and ideas,, joint representation of interests, elaboration and compilation of common positions</p>
Investors, lenders and analysts	<p>Dialogue formats: Annual shareholders' meeting Continuous exchange with major investors via the Supervisory Board Annual report, half-yearly financial report and quarterly reports Various events for investors and analysts that focus on specific topics (Capital Market Days) Range of online information Continuous personal exchange with banks via Treasury employees</p> <p>Interests and views: Forward-looking investments, transparency with regard to sustainability performance and strategic direction</p>
Official bodies	<p>Dialogue formats: Regular exchange with authorities, ministries and policymakers</p> <p>Interests and views: Compliance with minimum legal requirements, transparency with regard to business activities</p>
The general public, neighbors, NGOs	<p>Dialogue formats: Dialogue specific to particular occasions, e.g. investment projects/meetings in the local community, open house days, regular exchange via site management at the various production plants</p> <p>Interests and views: Transparency on sustainability performance, environmental and social impacts, on surroundings</p>
Media	<p>Dialogue formats: Press releases, press conferences, behind-the-scene talks, one-on-one interviews Communication via social media, channels such as LinkedIn, X, Facebook and YouTube Annual report, half-yearly financial report and quarterly reports, as well as presentations and speeches given at conferences and symposiums</p> <p>Interests and views: Transparency with regard to business activities and sustainability performance</p>

The individual topic and its relevance will determine how we identify and prioritize our stakeholders; we then choose the suitable forms of exchange and relevant frequency. We have various channels at our disposal for our exchanges.

Our Sales and Procurement teams closely communicate with our customers and suppliers through various digital and personal channels. Market studies and customer and supplier information are incorporated into product development. At our technical centers, we work together with our customers to provide more efficient solutions. We use this information in our long-term planning to future-proof WACKER.

Our employees are our most important asset and WACKER's success is a team effort. An ongoing exchange with employees and the employee council is crucial. As the German chemical industry is strongly unionized, our HR department and employee council are in constant contact with labor union representatives. This enables employee interests to be taken into account in material decisions. Regular groupwide employee surveys – the most recent being in 2023 – help us to identify potential for improvement. Our Human Rights Committee, including the human rights officer appointed by the Executive Board, holds regular meetings to advise and raise awareness within sensitive departments. WACKER ensures that we do not cause or contribute to any human rights violations in our business operations, either in the upstream or downstream value chains.

WACKER's success and future direction are of material interest to investors, lenders and analysts. The Executive Board and employees in our Investor Relations and Treasury departments communicate closely with these stakeholders. We aim to secure our financing requirements in the long term at good conditions. Keeping in regular contact with our long-term shareholders plays a key role in the stable, long-term direction of our business model.

Site-specific functions attend to local matters at our sites, including contacts with authorities, neighbors, ministries and political representatives. Suspected human rights violations in the supply chain can be reported using our whistleblowing tool and we use information from the media. Our involvement in trade associations enables us to introduce our expertise into the political dialogue and to represent our interests.

As part of the materiality assessment, we have aligned the interests of our key stakeholders with our strategy and our business model. Our long-term goals and strategies are geared toward stakeholder requirements. Our material impacts, risks and opportunities are in line with our Group strategy. Our strategic goals covering the period up to 2030 and published in March 2022 serve to guide our success. No change is currently planned. Further information can be found in the "Goals and strategies" section in the general part of the Group Management Report.

» **Group business fundamentals – Goals and strategies**

Materiality assessment

Process and assessment of materiality

To identify the main areas of focus in our sustainability strategy, it is crucial that we are aware of the material topics for our stakeholder groups. We regularly check the materiality of sustainability topics to align our strategy, our implementation actions and our reporting. Specific goals, actions and management approaches for material sustainability topics can be found in the respective sections of the Sustainability Report.

In 2024, we initiated a comprehensive process to assess double materiality in line with the EU's Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS). This enabled us to deepen our understanding of the material aspects for our stakeholders.

The double materiality assessment under the CSRD is the basis for future reporting and will be reviewed in the third and fourth quarter every year. The assessment confirms the relevance of topics reported in the previous year and served as the basis for introducing additional topics in our 2024 sustainability reporting, particularly due to wider consideration of the impacts in the value chain. In terms of sustainability-related risks, the review does not identify any additional material risks that are highly likely to have severe adverse impacts on WACKER.

The double materiality assessment is conducted along WACKER's value chain and covers our own operations as well as the upstream and downstream value chains. The upstream value chain covers relationships with suppliers of material core feedstock and energy sources. This does not result in any material direct opportunities and risks from steps further up the value chain. The downstream value chain is primarily made up of WACKER's direct customers. Due to the wide range of applications of our products, the impacts in the value chain further downstream are classified as not material. Our customers incorporate our products as specialty chemicals – in some cases only in small quantities – into a large number of their processes and products. The double materiality assessment takes account of important megatrends.

The double materiality assessment is conducted at Group level, since all of WACKER's business divisions are subject to similar materiality topics. As a result of our business model, we focused on issues that are important for the chemical industry. Geographically speaking, we look at all our sites using the same process and place high demands on our suppliers of upstream chemical products.

The double materiality assessment identifies material impacts, risks and opportunities that could occur in the short, medium and long term. It covers both the sustainability aspects of the topical ESRS as well as WACKER-specific sustainability aspects. We were guided by the list of topics under ESRS 1 and have not identified any material WACKER-specific topics.

Our materiality assessment takes into account both positive and adverse actual and potential impacts that are caused by WACKER, to which the Group contributes or with which it is connected. They are assessed according to scale, scope, unchangeability and likelihood. In the case of financial materiality, we examine the likelihood and the scale of the potential financial impacts, including our dependency on natural or social resources. Risks may, moreover, arise from actions relating to the identified impacts. Identifying impacts, risks and opportunities is part of our strategy.

Our double materiality assessment involved a multi-step decision-making process and was checked internally several times. The steps of the double materiality assessment are: identify, assess, validate and implement.



Identify

The double materiality assessment is based on desktop research and internal expert opinions, with internal and external data along the value chain being taken into account. We analyzed where in the value chain impacts, risks and opportunities occur, how they are linked to WACKER’s business operations, business model and products, and which stakeholder groups could be affected. These results are collected in a long list. Climate risks at our sites were assessed using, for example, data collected by our insurers. When assessing impacts on water and biodiversity, we include expert opinions on environmental impacts at our sites.

Assess

The long-list topics identified are assessed by suitable experts. The final results are aligned with the Group’s sustainability targets and presented to the head of Corporate Sustainability for review. After approval, the bodies described in the following also provide further validation.

When assessing the materiality of the impacts, we use absolute, quantitative thresholds. WACKER defines the gross impacts based on the intended operation of its plants and on the use of its products. We assess the impacts of improper operation as potential impacts with corresponding likelihood. Potential adverse impacts are weighted more strongly than positive ones since unchangeability is included as a criterion in the assessment. Impact is material if at least half of the scoring values are achieved.

In 2024, a profound risk assessment was conducted along with our well-established top risk assessment process; this assessment covered the CSRD topics along the value chain. Until this assessment is concluded, we essentially consider those CSRD topics identified as material using internal appraisals and the risk thresholds in the risk management report as material due to potential risks. When assessing the materiality of risks and opportunities, we likewise use absolute, quantitative thresholds. Potential risks are assessed conservatively in the current materiality review, which means that we report on a broad range of topics that are classified as low risk in our risk management system. Risks and opportunities are material if at least half of the scoring values are achieved.

Validate

The process, the methodology and the outcome of the double materiality assessment were reviewed and confirmed by our Sustainability Council, our Executive Board, and the Audit Committee of Wacker Chemie AG’s Supervisory Board. In addition, the outcome of the double materiality assessment is discussed with the Employee Council in its capacity as a material stakeholder representative, and its feedback is taken on board.

Implement

The material sustainability topics are processed and managed by the topic owners from the respective corporate functions in line with the need for action and the possible impacts on people and the environment. This also includes the financial and non-financial opportunities and risks concerned as well as any measures required that are mapped in the groupwide risk management system.

Disclosure requirements covered

Details that relate to the disclosure requirements identified in the double materiality assessment and on which WACKER has material impacts and/or from which material risks and opportunities arise for WACKER can be found in the individual topic sections of this Sustainability Report. In line with the process of determining materiality, we may decide on a case-by-case basis that an individual datapoint is not relevant. In general, all disclosure requirements for which WACKER has set corporate targets or that involve human rights concerns are material. A list of the disclosure requirements can be found in the annex to this report.

Standards ESRS E4 Biodiversity and ecosystems, ESRS S3 Affected communities and ESRS S4 Consumers and end-users were assessed as not material.

The biodiversity risk analysis we performed in the year under review identified and assessed the material impacts, risks and opportunities in WACKER's own operations at site level. Using the WWF biodiversity risk filter as a basis, we analyzed physical risks and reputational risks using geolocations and assessed them based on local conditions at the sites, taking account of the requirements of communities and regulatory authorities. Even if some of our sites are in the immediate vicinity of areas with biodiversity in need of protection, we did not identify any material negative impacts or risks. As a result, we do not consider specific measures to be necessary. Impacts, risks and opportunities relating to biodiversity and ecosystems in connection with climate, pollution, water and circular economy are covered by the respective reporting standards. Possible impacts and/or risks in terms of our upstream value chain involve those renewable raw materials used at WACKER which are currently classified as immaterial due to the low volume. We do not currently see any transition or systemic risks.

This evaluation may change in the future, especially as a result of adapting the business model to future developments and technologies.

The WACKER Group's material sustainability topics

The following overview shows WACKER's material impacts on people and the environment as well as the resulting risks and opportunities for WACKER. Further information on the interaction of the impacts, risks and opportunities with our strategy and business model is provided in the relevant topic-specific section of this report.

Statement on our material impacts, risks and opportunities:

Material impacts		Explanations
Climate change	Sustainable products and solutions (positive)	The transition to net zero requires new technologies and materials to which WACKER makes positive contributions in the form of its many products in areas such as renewable energy, smart construction, digitalization and e-mobility. (upstream and downstream value chains, own operations, short-term)
	Release of fossil greenhouse gas emissions through chemical products (negative)	Due to its energy intensity and the use of fossil raw materials, the manufacturing of chemical products involves the release of greenhouse gases. WACKER's production processes, too, release greenhouse gases that impact climate change. (upstream and downstream value chains, own operations, short-term)
Pollution	Emissions to air and water (negative)	Chemical-product manufacturing involves the release of substances into the environment that negatively impact people and the environment. WACKER's emissions also influence the quality of air and water. (own operations, short-term)
	Use of critical substances (substances of concern / substances of very high concern) (negative)	Manufacturing specialty chemical products often requires the use of critical substances that negatively impact people and the environment. WACKER too uses critical substances to manufacture its specialty chemical products and, as a result, also exerts a potential influence. (own operations, short-term)
Water resources	Water consumption, water withdrawal and water backflow (negative)	Water plays a material role in our chemical production processes. Water withdrawal, water consumption and water backflow can impact the availability and quality of water as a resource. WACKER uses water as a resource, which means it also influences water as a resource. (own operations, short-term)
Resource use and circular economy	Use of petrochemical raw materials (negative)	Circular economy is a topic of strategic importance to us due to the consumption of petrochemical raw materials and other raw materials but also due to waste incurred in our production but that cannot be returned to our material loops. The procurement of alternative raw materials and the recyclability of our products are highly relevant to achieving a circular economy. (upstream value chain and own operations, short-term)
	Waste generation (negative)	The chemical production methods used to manufacture actual products result in hazardous waste as well, improper handling of which can adversely impact people's health and damage ecosystems. Along with its large number of specialty products, WACKER too produces waste, improper handling of which can adversely impact people's health and damage ecosystems. (own operations, short-term)

Material impacts		Explanations
Our own workforce	Working conditions and social benefits (positive)	Fair wages, flexibility and innovative working-time models and active support of social partnership and freedom of assembly have a positive impact on our employees and provide them with an adequate standard of living. (own operations, short-term)
	Equal treatment and opportunity for all (positive)	Granting all employees equal opportunity is one of WACKER's material objectives. We consider fair wages to be part of our duty just as much as training and upskilling/reskilling. Our corporate culture does not tolerate violence or harassment in the workplace. (own operations, short-term)
	Health promotion (positive)	WACKER encourages a healthy lifestyle with various health-related programs for its employees and additional health benefits. (own operations, short-term)
	Equality (negative)	WACKER is an advocate of equal opportunity for men and women. However, women are not represented on all management levels to the same extent due to the historical patterns of gender distribution. As a result, we seek to increase the proportion of women in management positions. (own operations, short-term)
	Occupational health and safety (negative)	Chemical production means having to deal with hazardous substances and putting suitable practices into place. This involves an increased risk of workplace accidents and damage to health. (own operations, short-term)
Workers in the value chain	Working conditions and health and safety at our supplier sites (positive)	We have designed our procurement practices to help promote fair and adequate working conditions for our suppliers' employees in the long run. (upstream value chain, short-term)
	Human rights violations (negative)	In some sectors and regions, however, particularly in risk areas, supply chain employees might encounter challenges such as a lack of equal opportunity, unfair wages, unstable jobs, a lack of work-life balance, and insufficient safeguards to ensure occupational health and safety. We tackle severe human rights violations such as child labor or forced labor at our supplier sites with appropriate measures. (upstream value chain, short-, mid- and long-term)
Governance	Our corporate culture (positive)	Through our Code of Conduct, WACKER and all employees throughout the Group are committed to living WACKER's corporate values. As a result, WACKER has a positive impact on people and the environment. The Code of Conduct also includes our value chain. (upstream value chain, short-term)
	Environmental damage and human rights violations by suppliers (negative)	WACKER is dependent on certain minerals that are considered conflict minerals. We also need raw materials for our products whose cultivation has a negative impact on the environment. WACKER could therefore indirectly violate human rights or damage the environment through our suppliers. Suppliers may also supply or provide raw materials and services using forced labor, discrimination and from war zones. (upstream value chain and own operations, short-, mid- and long-term)

Material risks and opportunities		Explanations
Climate change	Sustainable products and solutions (opportunity)	A number of products that WACKER manufactures contribute to the transition to climate-preserving technologies and products. This increases the competitiveness of our products and allows us to set ourselves apart from the competition. (long-term)
	Ever more regulations (transition risk)	As climate change progresses, we expect increasing regulatory measures in the medium term, particularly in Europe, that have the potential to considerably influence the competitiveness and product portfolio of WACKER and those of its customers. This can lead to risks for WACKER as a chemical producer. (mid-term)
	Availability of energy at competitive costs (transition risk)	Climate change is driving the energy transition toward renewable energy. Subject to the initial energy system, speed of implementation and the political framework, this transition may incur considerable additional cost, which can have an adverse impact on an energy-intensive company like WACKER and so constitutes a risk. (mid- to long-term)
	Loss of business due to customer demands (transition risk)	In the long term, greater customer requirements could lead to a loss of business if WACKER were unable to fulfill them, which can have a negative impact on WACKER and so constitutes a risk. (long-term)
Pollution	Increase in regulatory requirements for our production processes and products (risk)	The rise in regulations related to emissions may lead to significant restrictions and higher costs as regards our production lines, which can have an adverse impact on WACKER and so constitutes a risk. What is more, new legal requirements in the production and use of chemical substances constitute a further risk in terms of restrictions or prohibitions of groups of substances and stricter critical limits. (mid-term)
Circular economy	Availability, cost and acceptance of petrochemical raw materials (risk)	An increase in regulatory requirements relating to the procurement of raw materials can lead to significant cost increases in our production. We especially consider the availability of fossil raw materials at reasonable costs to be a risk. (mid-term)
Our own workforce	Secure employment (risk)	Structural changes and the chemical industry's general move away from Germany could potentially result in less demand for labor in this region. At the same time, skilled workers are highly sought after worldwide, which may lead to bottlenecks. (mid- to long-term)
	Pension commitments (risk)	As a result of rising life expectancy of those entitled to a pension, of pay and pension adjustments, and of falling discount rates, we see a potential reduction in the plan assets in our company pension fund due to our pension commitments to employees as a financial risk in the medium term. (mid-term)
	Occupational and plant safety (risk)	As a chemical producer, we also have a higher risk of workplace accidents with additional consequences for employee health. This also involves a financial risk of high health expenses due to the potential loss of labor or production. (mid-term)

Material impacts		Explanations
Workers in the value chain	Human rights (risk)	Potential human rights violations such as child labor or forced labor in the supply chain involve financial risk from reputational damage, potential fines or the cost of lawsuits. (mid-term)
	Working conditions and secure employment (opportunity)	Our customers want to work with suppliers that are reliable and show integrity. A sustainable supply chain allows us to be a preferred partner for our customers and other business partners. (mid-term)
Governance	Political engagement (opportunity)	WACKER is actively involved in shaping energy, climate and industrial policy to provide a framework that offers investment and planning certainty for the transition of energy-intensive companies toward net zero by 2045. (mid-term)
	Conflict minerals and critical raw materials (risk)	WACKER depends on certain minerals that are considered conflict minerals. Our products, moreover, require raw materials, extraction of which negatively impacts the environment. (mid-term)
	Guarantees of origin and customer ratings (opportunity)	Guarantees of origin and ratings allow us to set ourselves apart from other manufacturers. (mid-term)
	Bribery and corruption (risk)	In particular, bribery and corruption incidents might occur in our supply chain as well. (mid-term)

The risks and opportunities identified in the materiality assessment currently have no significant financial impacts on the financial position, financial performance and cash flows in the next reporting period. There is no need to adjust the carrying amounts of assets and liabilities reported in the consolidated financial statements.

WACKER has not identified any additional company-specific impacts, risks and opportunities. First-time adoption of ESRS means that there are no changes to report in 2024 compared with the previous year. In addition, there were no changes to our targets and strategies compared with prior reporting either.

For a detailed description of the processes to identify material impacts, risks and opportunities regarding climate change, pollution, water and marine resources, and resource use and circular economy, please refer to the specific topic section. The same applies to information on our own workforce, workers in the value chain and business conduct.

Qualitative resilience

WACKER is prepared for future environmental, social and corporate policy challenges.

The environmental challenges include emissions, the use of critical substances, water use, use of raw materials, and waste handling. We regularly analyze the long-term competitiveness of our products and sites, which includes assessment of customer demands, market conditions, regulatory requirements and technological developments. We aim to develop sustainable solutions to further reduce any adverse impacts on the environment both in our own operations environment and also in the case of our customers. We take preventative action regarding risks so that we can assess them at an early stage and initiate corresponding actions. What is more, we believe that our international positioning and diversification of our upstream and downstream value chains leave us well placed to be able to respond flexibly to future legal developments.

In terms of our own workforce, we can use our working conditions and social benefits, equal treatment and opportunity, and health promotion measures to create an attractive working environment for our employees and new talents. We are taking systematic action to improve gender equality for women and occupational safety for our employees. We conduct regular external and internal analyses to determine how competitive our working conditions are so we can pinpoint any risks early on, take appropriate action and, in doing so, ensure our company's success in the long run.

Workers in the upstream value chain may be negatively affected by human rights violations. WACKER addresses this impact and the associated risks by imposing specific requirements on its suppliers via the Supplier Code of Conduct and conducting regular supplier reviews, particularly when suppliers are based in high-risk areas. It also maintains a diversified procurement portfolio to avoid becoming reliant on individual suppliers. Taking the measures described above, moreover, presents us with an opportunity to have a positive impact on working conditions for workers in the upstream value chain.

As far as our corporate policy is concerned, we have identified potential impacts and risks associated with critical raw materials and conflict materials, as well as with bribery and corruption in the supply chain. We address these potential impacts and risks by imposing clear requirements on our suppliers and conducting regular reviews. We also use a range of communication channels in an attempt to pick up on any possible incidents early on and take appropriate countermeasures.

We see this as an opportunity to use our own actions to make a positive impact. We also have our own performance in this area evaluated at regular intervals. At the same time, our lobbying activities are our way of helping to make the transformation process commercially viable.

General disclosures on environmental standards

In this section, we describe cross-standard disclosures on the standards associated with pollution, water and marine resources, and resource use and circular economy.

Disclosures on the EU Taxonomy can be found in the “EU Taxonomy Regulation” section.

» [EU Taxonomy Regulation](#)

Management of our material impacts, risks and opportunities

WACKER's environmental management system involves taking a comprehensive approach to steer any potential environmental impacts. This includes air and water emissions, the use of water, and waste management.

WACKER has implemented a standardized process across the Group (known as an ABC assessment) to regularly identify environment-, water- and waste-related impacts, risks and opportunities and to derive any measures and targets necessary. This analysis includes the individual phases of product life cycles and fulfills the main requirements of the ISO 14001 (environmental management systems) standard.

We identify direct and indirect environmental aspects in our ABC assessment. The first step involves determining site-specific impacts and then assessing the risks and opportunities using standard criteria across the Group. In the event of a significant environmental impact that can be influenced, our environmental management system allows site-specific targets and measures to be derived and implemented.

What is more, we identify water-related aspects as part of the WACKER Water Stewardship (WaWaS) program with the aim of using predefined, groupwide criteria to identify relevant impacts on water as a resource and establishing possible fields of action.

Our risk management system involves systematically assessing procurement and logistics risks and, if necessary, defining remedy procedures. This includes bottlenecks in the case of resource inflows such as renewable resources.

In addition, WACKER monitors regulations on an ongoing basis in order to be able to act early if its products or production processes are affected. We discuss new technologies with scientific experts and policymakers.

Our upstream value chain sees similar environmental impacts, risks and opportunities. Through our Supplier Code of Conduct, we ask our suppliers to comply with all applicable environmental provisions, to cut emissions and waste, to use resources efficiently, and to use energy-efficient and environmentally friendly technologies. We check that our key suppliers conform by conducting audits and assessments.

We primarily tackle the impacts, risks and opportunities associated with our downstream value chain by holding discussions with customers, by offering training on how to handle our products (e.g. WACKER Academy), and by providing safety information in our product safety data sheets. Market intelligence and our close exchanges with our customers allow us to identify new requirements in good time and work together to develop new solutions.

Pollution, water and marine resources, and resource use and a circular economy are material issues for all of WACKER's business divisions and sites as a result of being part of a global chemical company. For this reason, impacts, risks and opportunities are examined at Group level.

Our business divisions operate worldwide. They are often localized at joint sites, at which they make use of shared material loops. At our major integrated sites in Burghausen, Nünchritz, and Zhangjiagang in particular, our efficient use of resources enables us to minimize and largely avoid air and water emissions, waste, and resource consumption.

These highly integrated material loops, moreover, enable us to use water several times, and as a result reduce withdrawal.

» **Group business fundamentals – WACKER's production and sales sites**

In terms of pollution, we see a regulatory risk for our German and other European sites first and foremost, due especially to potential tightening of the European REACH legislation for chemicals. This affects both WACKER and our customers and suppliers alike.

We exchange openly with our employees, customers and suppliers, authorities, neighbors and the public, creating transparency and encouraging mutual trust. Our open house days offer residents around our sites the chance to find out more about WACKER.

Strategy and governance

WACKER specifically focuses on integrated environmental protection and seeks to take a comprehensive approach when examining environment-related impacts, risks and opportunities. This integrated approach is part of our corporate policy applicable groupwide.

Details can be found in the topic-specific sections E2 (Pollution), E3 (Water and Marine Resources) and E5 (Resource Use and Circular Economy).

Strategy

It goes without saying that the protection and welfare of our employees, neighbors and the environment are our responsibility as a company. True to our purpose – “Our solutions make a better world for generations” – we pay particular attention to integrated environmental protection and a circular economy by taking the entire value chain and the demands of our stakeholders into account.

Our approach is based on four pillars:

- State-of-the-art operation of facilities that ensures legal certainty
- Identification and avoidance of any potential environmental risks
- Continual improvement in environmental protection

Our environmental protection measures often surpass statutory requirements – in the spirit of the central idea behind the Responsible Care® initiative. We contribute to the United Nations' Sustainable Development Goals (SDGs) by embodying responsible stewardship. We use our production to support SDG 12 "Responsible consumption and production." We also partner with our suppliers and customers worldwide in the case of SDG 17 "Partnerships for the goals" by encouraging sustainable business practices. When it comes to water, we contribute to SDG 6 "Clean water and sanitation."

The group coordinators for environmental protection, product safety, and safety are responsible for implementing and refining our strategy.

Policies

Environmental management is part of our integrated management system, which governs environment, health, safety and product safety groupwide. Responsibility lies with the respective Executive Board member responsible for the topic (see ESRS 2).

The Group regulation governing environmental protection, health protection, safety and product safety and the Group directives governing environmental protection are intended to protect people, their surroundings and nature from harmful environmental effects and also to take preventative action against harmful environmental effects. This also includes sustainable handling of water as a resource as well as legally compliant and environmentally compatible disposal of waste. The group coordinators for environment, product safety, and safety are responsible for implementation.

These groupwide standards for environmental protection apply to all production sites and technical competence centers. Site managers ensure that legal requirements and WACKER standards for environmental protection, water use and waste management are complied with. Water includes both surface water from rivers and oceans as well as groundwater.

The Group regulations and directives relating to Procurement & Logistics lay down requirements for strategy, planning and risk management for resource procurement and related supplier management. The head of Procurement & Logistics is responsible for this.

Adherence to all the relevant legislation, regulations and commitments form the basis of our compliance regulation. The respective specialist teams are responsible for monitoring and assessing the relevant requirements under environmental law.

Directives relating to topic-specific impacts, risks and opportunities are described in greater detail in the individual standards on the topics.

Actions and resources

Individual concrete actions can be found in the topic-specific sections E2 (Pollution), E3 (Water and Marine Resources) and E5 (Resource Use and Circular Economy).

Own operations

Environment-related actions are often implemented in ongoing production processes. Information on operating expenses (OpEx), capital expenditures (CapEx) and timeframes is provided if any major individual actions (action plans) are involved.

To be able to operate sites and facilities safely, continuously reduce emissions, and dispose of waste/waste gas, the following operating expenses and capital expenditures listed were made specifically for environmental protection in the year under review:

Environmental protection costs

	2024	2023
Operating expenses in € million	108.3	98.2
Capital expenditures in € million	26.4	24.0

Areas covered by capital expenditures and operating expenses for environmental protection include water-pollution control, waste management, emissions control, climate change mitigation, noise reduction, soil remediation and preservation of the natural landscape.

A significant amount of our capital expenditures on environmental protection was allocated to our central disposal facilities with the aim of reducing water and air emissions through improved plant engineering in the long term and of ensuring the availability of our disposal facilities.

Key projects in the year under review were expansions of wastewater treatment facilities at our sites in Burghausen, Zhangjiagang and León.

Upstream value chain

With production sites in Europe, the Americas and Asia, WACKER procures goods and services from numerous countries. As a member of the United Nations Global Compact and the chemical industry's Responsible Care® initiative, we have long required that our suppliers comply with generally accepted sustainability principles. This involves topics such as environmental protection, conscious handling of local resources such as water and energy, and safety standards. These principles are anchored in our general terms and conditions and our Supplier Code of Conduct. Furthermore, we ask all new suppliers whether they use a management system that meets the requirements of ISO 9001 (quality) and ISO 14001 (environmental protection) or those of certifications that exceed these standards, such as GMP (Good Manufacturing Practice).

» https://www.wacker.com/cms/media/asset/about_wacker/procurement_and_logistics_1/suppliers/supplier_code_of_conduct.pdf

As part of the Together for Sustainability (TfS) initiative, WACKER assesses its direct suppliers in audits and assessments on the basis of uniform and transparent standards (see ESRS S2 for details). During the reporting year, WACKER was actively involved in implementing a common TfS standard for calculating product carbon footprints and specifically collected product carbon data from our suppliers in line with this standard.

» <https://tfs-initiative.com/>

Downstream value chain

As part of our environmental management system, WACKER provides regular and transparent information to its stakeholders, such as customers and investors, on its progress.

To this end, during the year under review, we once again forwarded our emissions data to CDP (formerly the Carbon Disclosure Project), which WACKER joined in 2007. Registered CDP users can download the details.

In CDP's Climate Change Report for the chemical sector, WACKER achieved a score of A in 2024 (previous year: A, on a scale from A to D, representing the levels Leadership (A), Management (B), Awareness (C) and Disclosure (D)).

We have been disclosing our water data as part of the CDP since 2018. As in the previous year, we scored an A- in CDP's Water Security Report.

We took part in CDP Forest for the first time in 2023, and once again achieved a score of C in the reporting year.

» <https://cdp.net/en/data>

ESRS – E1 Climate Change

Global warming is a socially and economically relevant environmental factor due to the rise in greenhouse gas emissions. We want to be at the vanguard in the fight against climate change and reduce both our own greenhouse gas emissions as a company and those of our products.

Material impacts, risks and opportunities

Process for identification and assessment

A climate-related risk analysis carried out in the year under review examined impacts on climate change, particularly those caused by WACKER's current and future greenhouse gas emissions, and acute and chronic physical climate risks in terms of WACKER's own operations as well as its upstream and downstream value chains.

Assessment of the impacts on climate change, particularly due to greenhouse gases, is covered by the materiality assessment under ESRS 2 – General Disclosures and described in the following in greater detail.

The **physical climate risk scenario analysis** was conducted based on the IPCC's RCP/SSP scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5). The underlying assumptions are consistent with those applied to our financial statement. The IPCC's RCP 8.5 negative scenario (business-as-usual/worst-case scenario, increase in temperature of between 2.0 and 5.0 degrees Celsius in 2100) maps the maximum risk in terms of acute and chronic physical climate risks. The analysis examines possible risks (including those that fall under the categories of temperature, water, wind and soil) at site level in each case, taking into account various climate scenarios and timeframes (short, medium and long term) that match the useful lives of our facilities. The risks identified here were then assessed by comparing them with the actual local circumstances. In addition to production outages and related losses of earnings, the assessment took account of any precautionary measures already implemented and the likelihood of such events occurring.

WACKER has not identified any material physical climate risk at present.

To **assess transition risks**, WACKER uses the International Renewable Energy Agency (IRENA) 1.5 degrees Celsius scenario since this scenario primarily focuses on the energy transition and the increased use of renewable energy sources. Due to WACKER's high energy use, its success depends very heavily on the availability of electricity at competitive prices. The IRENA scenario used (target path < 2 degrees Celsius by 2050) remains an ambitious path in the process of transformation toward renewable energy sources, linking it directly to the company's economic success. Transition risks and opportunities generally arise from evolving market conditions, new climate-friendly technologies, additional political requirements and changes in social expectations. Since these factors have a global impact in a globalized economy and for an international company, the scenario analysis of the transition climate risks was not from a site perspective, but instead from a global one.

A timeframe up to 2050 was defined for the detailed analysis in line with the IRENA scenario. An analysis conducted by experts defined the “Market and Technology Shifts,” “Reputation” and “Policy and Legal” categories in line with guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD) as areas with climate impact to be taken into account. The following subtopics were identified:

- Market and technology shifts: Growing demand for carbon-efficient management, adapting the product portfolio, changing the energy supply over to renewable sources and transitioning toward new climate-friendly technologies
- Reputation: Increase in stakeholder expectations
- Policy and legal: Impacts of an increase in national and international regulatory requirements

The risks and opportunities identified in the process were then assessed for materiality. They are described in detail below, or we refer to our risk management report as well.

» [Risk management report - link to follow](#)

Material impacts

WACKER is associated with the following climate-related impacts:

Sustainable products and solutions

The transition to climate neutrality requires new technologies and materials to be able to put global megatrends such as renewable energy, smart construction, digitalization and e-mobility into practice. By providing versatile products in these fields, WACKER helps to cut greenhouse gases. We make polysilicon available for photovoltaics and semiconductors, for example, playing a role in the energy transition and digitalization. Furthermore, we use our products to address efficient construction techniques. We support the mobility transition with various products like silicones, which support the thermal management of electric motors. Our aim is to tailor our product portfolio to the above megatrends to facilitate the transition to climate neutrality by working together with our upstream and downstream value chains.

Release of fossil greenhouse gas emissions through chemical production

Due to its energy intensity and the use of fossil raw materials, the manufacturing of chemical products involves the release of greenhouse gases. This contributes to climate change. As WACKER is a chemicals manufacturer, its production sites emit greenhouse gases, which have an impact on climate change. This includes both direct emissions from our production processes (Scope 1) as well as indirect emissions from the consumption of purchased energy (Scope 2) and the upstream and downstream value chains (Scope 3). This also applies to other companies along our value chain. We have set ourselves the target of constantly reducing our impacts on climate change and achieving net zero in 2045.

Material risks

As an integral part of our analysis of physical and transition climate risks, we review the short-, medium- and long-term resilience of our strategy and our business model once a year against climate risks, taking IRENA's 1.5 °C scenario into account. If necessary, we devise policies, actions and any required investment plans to tackle the implications identified. The description below of material climate risks includes specific resilience assessments and measures.

Physical climate risks

A climate-related risk analysis carried out in the year under review examined acute and chronic physical climate risks in terms of WACKER's own operations as well as its upstream and downstream value chains. WACKER has not identified any material physical climate risk at present.

Transition climate risks

Transition climate risks arise from the transition to a low-carbon and climate-resilient economy. They include political, legal and technological risks as well as market and reputational risks. The following material transition risks were identified:

— Ever more regulations

As climate change progresses, we expect increasing regulatory measures in the medium term, particularly in Europe, that have the potential to considerably influence the competitiveness and product portfolio of WACKER and of its customers. In the long term, they could have a medium to large impact on WACKER's earnings.

Because of the risk, we pay attention to climate-related influencing factors when monitoring the regulatory environment. We also take account of prospective climate-related regulations in our choice of actions and when making key business decisions.

— Availability of energy at competitive prices

Climate change is driving the transition toward renewable energy. Subject to the initial energy system, speed of implementation and the political framework, this transition may incur considerable additional cost. For an energy-intensive and global company like WACKER, energy costs are a significant competitive factor. In the medium to long term, they could have a large impact on WACKER's earnings. WACKER tackles this risk by continuously improving the energy efficiency of its processes and by procuring energy from a variety of sources.

— Loss of business due to customer demands

In the long term, greater customer requirements could lead to a loss of business if WACKER were unable to fulfill them. In the medium to long term, they could have a medium to large impact on WACKER's earnings. WACKER counters this risk by staying in regular contact with its customers to identify corresponding trends in good time, while also working on continuously improving the climate impacts of its products to fulfill future customer requirements.

In light of the resilience measures described above, we believe that we are well prepared, with regard to the transition risks that have been identified, for the transition to a low-carbon and climate-resilient economy.

Material opportunities

Sustainable products and solutions

WACKER has a variety of products that contribute positively to conserving natural resources and cutting greenhouse gases. We see the potential for higher market share and sales through products that contribute to the transition toward an economy with low levels of greenhouse gases. As a result of the energy transition in particular, we anticipate a growing need for polysilicon as a raw material for photovoltaic modules to support the increased expansion of renewable energy.

WACKER is working intensively on continuously improving the climate impacts of its products. This enables us to fulfill growing customer requirements, enabling us to ensure our own competitiveness in the long term.

Please also see the risk management report for details of the impacts and actions as well as our risk analysis in relation to our strategy.

» Risk management report

Strategy and governance

Sustainability strategy

WACKER supports the transition to climate neutrality (net zero) in two respects: Firstly, WACKER products allow greenhouse gas (GHG) emissions to be reduced and its customers to conserve resources. What is more, climate-friendly technologies such as photovoltaics would not be possible without WACKER products like polysilicon. Secondly, WACKER is clearly committed to the Paris Agreement and has developed a transition plan to mitigate the climate impacts of its actions.

SustainaBalance® is WACKER's holistic sustainability strategy to achieve its medium- and long-term sustainability targets. We promote the balance between ecological, social and economic factors based on three pillars: Value Up, Footprint Down, Collaboration Beyond. This is how WACKER is addressing current issues relating to climate change mitigation, energy efficiency and renewable energy.

Under **Value Up**, WACKER addresses the positive impacts and opportunities that arise from climate change. We actively support the transition to climate neutrality by systematically improving the sustainability of our products. Further details can be found in ESRS 2 – General Disclosures.

Under **Footprint Down**, WACKER addresses the impacts and risks related to its direct greenhouse gas emissions (Scope 1) and indirect emissions from the consumption of purchased energy (Scope 2). This includes identifying the material emission sources as well as the corresponding actions to cut emissions, such as projects to increase energy and process efficiency as well as bring about process transformation.

The **Collaboration Beyond** pillar focuses on upstream and downstream greenhouse gas emissions. WACKER is committed to improving sustainability along the entire value chain by working closely with its suppliers and customers. WACKER is part of the Together for Sustainability initiative (see ESRS 2 – General Disclosures) to set standards together with other companies in the chemical industry, e.g. to calculate carbon footprints. Our exchanges with customers enable us to identify new requirements early on and/or develop plans to reduce the climate impacts of our products together with our customers.

A program with clearly defined responsibilities implements our sustainability strategy operationally.

Transition plan for climate change mitigation

We have set ourselves the target of achieving net zero by 2045. By 2030, we are aiming to have cut our absolute GHG emissions (Scopes 1 and 2) throughout the Group to half of our 2020 figure and to have lowered our absolute GHG emissions from purchased feedstocks and fuel- and energy-related activities (Scope 3, categories 1 and 3) by 25 percent compared with 2020.

The targets to cut greenhouse gases are science-based ones, meaning they are consistent with the 1.5 degrees Celsius target set out in the Paris Agreement. Not only the targets for 2030 but also our aim of achieving net zero by 2045 have been validated by the independent Science Based Targets initiative (SBTi).

We have defined the key levers for reducing direct and indirect greenhouse gas emissions under Scopes 1 and 2, and indirect emissions along the value chain (Scope 3), on the basis of the relevant sources of emissions as part of our transition plan. This includes cutting greenhouse gas emissions in our silicon-production lines, the transition to climate-friendly processes, and the purchase of renewable energy (Scopes 1 and 2), as well as the acquisition of low GHG feedstocks and primary energy resources (Scope 3).

Material Scope 1 and Scope 2 actions

— Green silicon production

In the production of metallurgical-grade silicon, energy with coal, usually in the form of bituminous coal, is used to reduce quartz to silicon. The fossil coal used emits CO₂ in the process. Using biogenic reducing agents instead of bituminous coal emits bio-based CO₂ instead of fossil-based CO₂ and, as a result, cuts Scope 1 emissions. Going forward, moreover, the intention is for the CO₂ being emitted to be captured and recycled (Carbon Capture and Utilization, CCU) or stored in suitable geological layers (Carbon Capture and Sequestration, CCS).

— Transforming our production processes

Our production processes generally result in greenhouse gases through the use of thermal energy (steam), through CO₂ as a process emission, or through the use of refrigerants. We are working on making our steam fossil-free going forward (e.g. using high-temperature heat pumps), using any CO₂ generated as a byproduct as feedstock, and replacing climate-relevant refrigerants with natural ones.

— Procuring renewable energy

At WACKER, over 70 percent of the energy that we use for our processes is already electricity-based. Procuring renewable energy therefore enables our Scope 2 emissions to be reduced significantly. Over the past few years, the majority of WACKER sites have been powered by renewable electricity. The coming years will see us change more sites over to green electricity. At some WACKER sites, moreover, we intend to source our purchased thermal energy from renewable sources over the next few years.

Material Scope 3 actions

— Purchasing feedstocks and primary energy resources with low-GHG production practices

As a company in the chemical industry, WACKER purchases a variety of chemical feedstocks, particularly petrochemically-manufactured and silicon-based feedstocks. These are increasingly purchased from sources with low-GHG production practices and, as a result, reduce Scope 3 emissions (category 1).

— Purchase of renewable energy

In most cases, electricity and thermal energy from renewable sources produce lower GHG emissions along the upstream value chain compared with fossil-based energy. By increasingly purchasing renewable energy, WACKER is reducing its GHG emissions in the upstream energy chain (Scope 3, category 3).

— Changing over to a renewable feedstock basis

Chemical feedstocks today are primarily based on crude oil and natural gas. In the long term, WACKER is planning to procure renewable feedstocks, i.e. ones that have been produced on the basis of CO₂, biomass or recycled materials. This allows end-of-life emissions in particular to be greatly reduced.

Capital expenditures under the transition plan

In 2022, WACKER introduced a dedicated budget to enable sustainability projects to be executed quickly. In the year under review, around €6.7 million of this budget was invested in the form of pure capital expenditures (CapEx) in projects with a positive impact on achieving our climate and environmental targets.

The changeover to renewable feedstocks means that we will increase our sales of taxonomy-aligned products, too. In line with higher sales, the operating expenses and capital expenditures for these activities will increase as well (see “EU Taxonomy Regulation”).

WACKER has no plants or products in which greenhouse gas emissions are tied permanently. Carbon- or oil-based activities do not apply to WACKER and natural gas-based activities and their capital expenditures are not material.

As a company operating in the chemical sector, Wacker Chemie AG is subject to the EU's Paris-aligned Benchmarks.

Management

The four members of WACKER's Executive Board, led by the president and CEO, are responsible for managing the Group's sustainability strategy, which is an integral part of the WACKER Group strategy. Strategic dependencies, impacts, risks and opportunities related to climate change are identified, monitored, and presented to both the Supervisory and Executive Boards for a decision as part of a materiality assessment. The planning of capital expenditures related to the transition plan is part of the Group's investment planning.

The transition plan is monitored and coordinated five times a year as part of our Sustainability Council's activities. The Sustainability Council measures the progress made in reaching the Group's climate targets and checks the status of specific and planned actions (for details, please refer to Goals and actions below).

Furthermore, progress in attaining Group targets is presented at least once a year to the entire Executive Board and the Supervisory Board for approval.

Targets

Greenhouse gas targets

WACKER is firmly committed to the Paris Agreement. Our voluntary targets to cut greenhouse gases are science-based ones (business ambition of 1.5 °C) consistent with the "1.5 °C" target set out in the Paris Agreement. Not only the targets for 2030 but also our aim of achieving net zero by 2045 have been validated by the independent Science Based Targets initiative (SBTi). Targets include biogenic emissions from land use and biomass.

An increase in GHG emissions due to growth and future market trends was taken into account when the target was set. To be compliant with the SBTi, significant changes (> 5 percent), for example due to acquisitions, require a recalculation of the basic target value.

The basic target value did not change in the year under review since there was no significant change to the greenhouse gas inventory or calculation method.

Medium-term Group target: 50-percent reduction in absolute greenhouse gas emissions (Scopes 1 and 2) by 2030

On our journey to net zero, we are striving to cut absolute greenhouse gas emissions (Scopes 1 and 2) within the Group to half of our 2020 value by 2030. The target includes 100 percent of Scope 1 and 2 emissions (market-based). The target cannot be broken down into Scope 1 and Scope 2 emissions due to the large number of production processes and potential portfolio shifts.

Medium-term Group target: 25-percent reduction in absolute greenhouse gas emissions (Scope 3, cat. 1 + 3) by 2030

WACKER is also committed to reducing its absolute greenhouse gas emissions from purchased goods and services, as well as fuel- and energy-related activities (Scope 3, categories 1 and 3), by 25 percent between 2020 and 2030. In line with SBTi requirements, 87 percent of category 1 emissions and 75 percent of category 3 emissions have been included for the purposes of the target.

Long-term Group target: Net zero by 2045

In line with the SBTi's Corporate Net-Zero Standard, WACKER has undertaken to cut its absolute greenhouse gas emissions (benchmark value: 100 percent Scope 1 and 2 emissions, market-based) by 95 percent by 2045 compared with 2020. Furthermore, WACKER has undertaken to cut its absolute greenhouse gas emissions (benchmark value: 100 percent Scope 3 emissions) in the same period by 90 percent. It will then neutralize any remaining emissions to achieve net zero.

Target achievement status

The WACKER Group's greenhouse gas emissions (Scopes 1-3) are calculated on a yearly basis and the results then compared with the yearly targets specified in our SBTi target setting.

The target setting of the GHG reduction targets for Scopes 1 and 2 and for Scope 3 in the year under review and compared with the previous year are presented in the following table.

GHG reduction targets

	Retrospective				Milestone and target years			
	Base year (2020)	2023	2024	% 2024/2023	2025	2030	2045	Annual % of target / 2020
Scope 1 and Scope 2								
GHG gross emissions (kt CO ₂ e) ¹	3,626	2,755	2,529	-8	2,719	1,813	-	5.0
Scope 3 (cat. 1 + 3) -								
GHG gross emissions (kt CO ₂ e) ^{1,2}	5,291	3,288	3,713	13	4,630	3,969	-	2.5
Net zero - Scope 1 and Scope 2 -								
GHG gross emissions (kt CO ₂ e) ¹	3,626	2,755	2,529	-8	-	-	182	3.8
Net zero - Scope 3 -								
GHG gross emissions (kt CO ₂ e) ^{1,2}	7,713	5,358	6,052	13	-	-	771	3.6

¹ Calculation details in accordance with SBTi, see chapter E1 - Targets

² In the calculation of emissions from T&D losses in Scope 3, Category 3, there were changes compared to the figures stated in the 2022 Annual Report; as part of the target validation for net zero, the factors were changed from market-based to location-based.

Scopes 1 and 2 reduction target

During the year under review, emissions were down 30 percent, so that reductions in emissions were well above the linear trajectory that had been mapped out for a 20-percent reduction in 2024 relative to 2020. This was achieved mainly by the decrease in purchased energy and reduced refrigerant losses compared with the prior year.

Scope 3 (cat. 1 and 3) reduction target

In the reporting year, despite an increase of 13 percent year over year, we have exceeded both the 10-percent reduction announced as against 2020 and, once again, the target for 2030 with just under 30 percent of emissions saved (Scope 3) as against 2020.

This marked reduction as against 2020 is due primarily to the use of much lower quantities of raw materials and energy, as well as to the purchase of raw materials with a lower carbon footprint and a lower-carbon electricity mix compared with the base year. We do not yet rate the substantial reduction as against the base year as a final target achievement, because this particular year was not representative in terms of the quantities procured.

Compared with the previous year, CO₂ emissions from the purchase of raw materials were up, mainly due to larger quantities of raw materials, whereas emissions from the upstream purchased-energy chain continued to fall due to the use of renewable energy sources.

Energy target

As an energy-intensive company, efficient use of energy is a top priority for us. Such use is also indirectly tied to the release of greenhouse gases.

Medium-term Group target: 15-percent reduction in specific energy consumption by 2030

To further cut our specific energy consumption (energy volume per net production output), we have voluntarily set ourselves the target of reducing it by 15 percent by 2030 compared with the 2020 base year. The calculation is based on the standardized energy consumption values and net production amounts of the production sites. We report the value as an index value. This target is not science-based.

Energy reduction target

	2024	2023	2022
Specific energy consumption per net production output* (%)	105.0	102.9	100.0
Change in % (vs. 2020)	5.0	2.9	—

* Gross production corresponds to the total production (target products and byproducts) of a plant or site. Net production is calculated by subtracting the internal reuse of products from the gross production of a plant or site.

With specific energy consumption 5 percent up relative to 2020, reductions in the reporting year were above the trajectory that had been mapped out. Despite declining energy consumption overall, portfolio shifts and lower plant-utilization rates, and hence the lower net production output as against the base year, have an adverse impact on the target value.

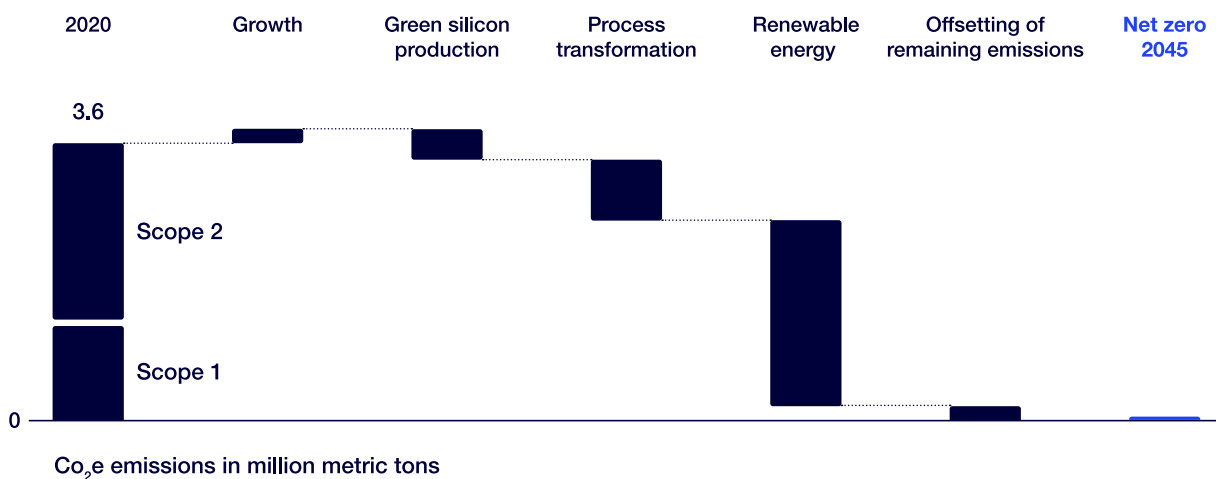
Actions

We report our general actions in relation to our climate change policy as part of our transition plan and as part of the resilience analysis of our material climate risks.

In the year under review, the following key actions were implemented in relation to our climate change policy.

Actions to reduce greenhouse gases

In line with our transition plan, the reduction of our greenhouse gas emissions is based on three key levers.



Green silicon production

Replacing fossil bituminous coal with biogenic reducing agents is one key lever we employ to cut greenhouse gas emissions in silicon production. In the year under review, we tested different types of biogenic reducing agents for use in the production process.

We also investigated the capture of CO₂ emissions in a pilot phase, which is required for larger-scale technical implementation at a later date.

Transforming our production processes

We assess our projects using financial and ecological metrics. This enables carbon-savings projects to be sorted by their avoidance efficiency and to be plotted on a carbon avoidance cost curve. Projects are implemented according to decreasing efficiency and have been covered by our sustainability budget since 2022.

In 2024, the individual projects implemented accounted for an expected aggregate CO₂ saving of more than 20 kt a year. One such example was the installation of a waste-heat utilization facility at the Nünchritz site to use reaction heat from an exothermic process to create steam. The resulting carbon-emission saving is expected to come to around 3 kt/year.

Purchase of renewable energy

Another key lever under our transition plan is the purchase of renewable energy. In the year under review, we switched our Jandira (Brazil) site over to renewable electricity.

Our transition plan and implementation of the resulting actions is based on the assumption that resources are available. This includes sufficient availability of electricity and thermal energy from renewable sources at all WACKER sites. Alternative feedstocks with low fossil CO₂e footprints and low-GHG transportation options need to be available, too. To this end, WACKER works with energy and feedstock suppliers as well as logistics partners to secure the future availability of resources.

Energy-efficiency actions

We use our WACKER Operating System (WOS) to manage energy-efficiency actions. Our actions are designed to reduce feedstock consumption and to increase process and energy efficiency at our sites with the aim of further cutting specific operating expenses and GHG emissions.

In 2024, more than 900 actions were executed. They focused on increasing productivity and reducing specific energy consumption.

Many of our chemical reactions create heat, which can be used in other production processes. In addition to the recovery of heat from these reactions, we operate integrated heat-recovery systems that we continually enhance. In 2024, for example, we installed a new adsorber station in Burghausen which enables us to reduce standardized energy consumption by around 27,000 MWh per year and accordingly to cut the related CO₂e emissions by around 11 kt per year.

Execution of our actions derived from WOS is managed by a committee made up of representatives from Corporate Sustainability, Engineering and Controlling on the basis of the carbon avoidance cost logic.

Actions for our product portfolio

In terms of our business development, we consider ourselves to be well positioned to tackle future developments. We regularly analyze the long-term competitiveness of our products and sites, which includes assessment of customer demands, market conditions, regulatory requirements and technological developments. We strive to work together with our customers to further develop sustainable solutions and find suitable applications for promising fields.

Metrics

Energy consumption and mix

The following table lists the WACKER Group's energy consumption and mix in 2024. The energy consumption and mix is calculated as a single figure combining all WACKER production sites. As a chemical company, WACKER is allocated to Sector C.

Energy consumption and mix

	Unit	2024
(1) Fuel consumption from coal and coal products	MWh	–
(2) Fuel consumption from crude oil and petroleum products	MWh	15,356
(3) Fuel consumption from natural gas	MWh	3,467,088
(4) Fuel consumption from other fossil sources	MWh	–
(5) Consumption of purchased or otherwise acquired electricity, heat, steam and cooling, and from fossil sources	MWh	1,738,854
(6) Total fossil-energy consumption (sum of lines 1 to 5)	MWh	5,221,298
Share of fossil sources in total energy consumption	(%)	62
(7) Consumption from nuclear sources		317,975
Share of consumption from nuclear sources in total energy consumption	(%)	4
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biological origin; biogas; renewable hydrogen, etc.)	MWh	–
(9) Consumption of purchased or otherwise acquired electricity, heat, steam, and cooling, and from renewable sources	MWh	2,623,724
(10) Consumption of self-generated non-fuel renewable energy	MWh	277,092
(11) Total renewable-energy consumption (sum of lines 8 to 10)	MWh	2,900,816
Share of renewable sources in total energy consumption	(%)	34
Total energy consumption (sum of lines 6, 7 and 11)	MWh	8,440,089

When calculating the Group's energy consumption, we primarily use information from energy suppliers or our own measurements. We obtain information on electricity composition from suppliers or use publicly available sources.

Energy intensity

The energy intensity is calculated as the ratio of total energy consumption of all production sites to net Group sales as shown in the consolidated financial statements.

» Consolidated statement of income – link to follow

Energy intensity

	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh / € million)	1,475.1

Contractual instruments (Scope 2 GHG emissions)

Market instruments for the purchase of electricity, especially renewable electricity (Scope 2, GHG emissions)

	2024	Types of contractual instruments, Scope 2 GHG emissions
Percentage of total purchased WACKER electricity attributable to green market instruments, with the ability to influence Scope 2 GHG emissions	30%	Bundled ¹ : PPA, local "green electricity contracts" and unbundled ² certificates such as REC and GoO
Percentage of total purchased WACKER electricity attributable to (bundled) green market instruments, with the ability to influence Scope 2 GHG emissions	2%	Bundled ¹ : PPA, local "green electricity contracts"
Percentage of total purchased WACKER electricity attributable to (unbundled) green market instruments, with the ability to influence Scope 2 GHG emissions	28%	Unbundled ² certificates such as REC and GoO

¹ Electricity and green electricity proof combined

² The percentages specified using certificates are currently only assumptions since their effectiveness cannot be confirmed until the following year.

Gross Scopes 1, 2, 3 and total GHG emissions

The following table provides the WACKER Group's gross Scope 1, Scope 2 and Scope 3 GHG emissions in the year under review compared with the previous year. The GHG emissions (Scopes 1, 2 and 3) for the consolidated subsidiaries are disclosed to the same extent as in the consolidated financial statements. There were no changes to the methods used to calculate the greenhouse gases as against the previous year.

Total GHG emissions

	Retrospective				Milestones and target years			
	Base year (2020)	2023	2024	% 2024/2023	2025	2030	2045	Annual % of target / 2020
Scope 1 greenhouse gas emissions								
Scope 1 GHG gross emissions (kt CO ₂ e)	1,285	1,368	1,212	-11	-	-	-	-
CO ₂ (carbon dioxide), fossil	1,208	1,177	1,180	0	-	-	-	-
CH ₄ (methane)	0.8	0.7	0.7	0	-	-	-	-
N ₂ O (nitrous oxide)	10.8	10.0	8.2	-18	-	-	-	-
Hydrofluorocarbons (HFCs) ¹	66	180	23	-87	-	-	-	-
Hydrochlorofluorocarbons (HCFCs)	-	-	0.2	-	-	-	-	-
NF ₃ (nitrogen trifluoride)	-	-	-	-	-	-	-	-
SF ₆ (sulfur hexafluoride)	-	0.1	0.1	0	-	-	-	-
Biogenic CO ₂ emissions (not included in Scope 1 GHG)	56	61	65	7	-	-	-	-
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes ² (%)	-	-	88	-	-	-	-	-
Scope 2 greenhouse gas emissions								
Location-based Scope 2								
GHG gross emissions (kt CO ₂ e)	1,579	1,368	1,311	-4	-	-	-	-
Market-based Scope 2								
GHG gross emissions (kt CO ₂ e)	2,340	1,387	1,317	-5	-	-	-	-
Scope 1- and Scope 2 targets								
Scope 1 and Scope 2								
GHG gross emissions (kt CO ₂ e) ³	3,626	2,755	2,529	-8	2,719	1,813	-	5.0
Net zero - Scope 1 and Scope 2								
GHG gross emissions (kt CO ₂ e) ³	3,626	2,755	2,529	-8	-	-	182	3.8

	Retrospective				Milestone and target years			
	Base year (2020)	2023	2024	% 2024/2023	2025	2030	2045	Annual % of target / 2020
Significant Scope 3 greenhouse gas emissions								
Total indirect (Scope 3)								
GHG gross emissions (kt CO ₂ e)	7,713	5,358	6,052	13	–	–	–	–
Category 1 - Purchased goods and services	5,238	3,475	3,991	15	–	–	–	–
Category 2 - Capital goods	17	46	50	8	–	–	–	–
Category 3 - Fuel and energy-related activities (not in Scopes 1 and 2) ⁴	980	354	321	–9	–	–	–	–
Category 4 - Upstream transportation and distribution	94	449	450	0	–	–	–	–
Category 5 - Waste generated in operations	106	8	10	17	–	–	–	–
Category 6 - Business traveling	2	9	11	18	–	–	–	–
Category 7 - Employee commuting	23	29	28	–5	–	–	–	–
Category 8 - Upstream leased assets	39	49	42	–14	–	–	–	–
Category 9 - Downstream transportation and distribution	236	38	27	–28	–	–	–	–
Category 10 - Processing of products sold								Not relevant
Category 11 - Use of sold products								Not relevant
Category 12 - End-of-life treatment of sold products	796	758	976	29	–	–	–	–
Category 13 - Downstream leased assets								Not relevant
Category 14 - Franchises								Not relevant
Category 15 - Investments	182	144	146	2	–	–	–	–
Scope 3 targets								
Scope 3 (category 1 + 3) -								
GHG gross emissions (kt CO₂e)^{3,4}	5,291	3,288	3,713	13	4,630	3,969	–	2.5
Net Zero - Scope 3 -								
GHG gross emissions (kt CO₂e)^{3,4}	7,713	5,358	6,052	13	–	–	771	3.6
Total GHG emissions								
Total GHG gross emissions (location-based) (kt CO ₂ e) ⁴	10,577	8,093	8,575	6				
Total GHG gross emissions (market-based) (kt CO ₂ e) ⁴	11,338	8,113	8,581	6				

¹ Refrigerants combined in HFCs until 2023;

² Calculated from reported quantities; certificates not available until February/March;

³ Calculation details according to SBTi, see chapter E1 - Targets;

⁴ In the calculation of emissions from T&D losses in Scope 3, Category 3, there were changes compared to the figures stated in the 2022 Annual Report; as part of the target validation for net zero, a switch was made from market-based to location-based factors.

Greenhouse gas calculation methods

The calculation methods and emissions factors described in the following were chosen to ensure that WACKER is in line with internationally accepted standards. They are based on the GHG Protocol Corporate Value Chain Standard with due consideration to the World Business Council for Sustainable Development (WBCSD) for the chemical sector.

Scope 1

Scope 1 includes direct greenhouse gas emissions from sources of emissions at WACKER sites worldwide. These emissions cover chemical production facilities, power plants for electricity and steam generation, facilities for waste disposal, as well as emissions from mobile combustion (vehicles). Scope 1 emissions from direct greenhouse gas emissions are calculated by multiplying the greenhouse gas amounts of all WACKER production sites by their greenhouse gas potential (IPCC Sixth Assessment Report).

Scope 2

Scope 2 includes indirect greenhouse gas emissions incurred by our energy providers whenever they create the amounts of electricity, steam, heat and cooling purchased by WACKER.

Location-based (LB) data is calculated using country-specific emissions factors from the International Energy Agency (IEA Emissions Factors 2024).

Market-based (MB) data for WACKER sites is calculated on the basis of data from our energy suppliers. If no supplier data is available, the following data is used:

- WACKER sites in Europe: “European Residual Mixes 2022 Association of Issuing Bodies; Version 1.0, June 1, 2023; figure 4; CO₂ direct”.
- WACKER sites in the USA: “eGRID Summary Tables 2021”.
- Other WACKER sites: Calculated using the above-mentioned IEA factors.

Scope 3

Primary data from our own measurements and supplier data were used to calculate Scope 3 emissions in 2024. The Scope 3 emissions calculated from this primary data for 2024 account for 41 percent.

With the exception of categories 10, 11, 13 and 14, WACKER reports all other Scope 3 emissions categories, even if many of these categories are currently only of minor importance, as regards WACKER’s overall level of greenhouse gas emissions.

Category 1 (Purchased goods and services):

WACKER reports the emissions data for 100 percent of its feedstocks. To this end, the volume of feedstocks is multiplied by the emissions factors. The emissions factors originate from our own calculation models or from databases commercially available. Effects from the procurement of technical goods and services are not taken into account.

Category 2 (Capital goods):

Emissions from investments in new production plants are calculated on the basis of a defined standard WACKER plant. Average material shares of concrete, steel and copper are multiplied for this by the corresponding emissions factors from commercially available databases.

Category 3 (Fuel- and energy-related activities, not included in Scope 2):

We calculate fuel- and energy-related activities (not included in Scopes 1 or 2) on the basis of purchased energy amounts that we multiply by the emissions factors from publicly accessible databases relating to the underlying fuels. GHG emissions from purchased energy are calculated on the basis of information about the electricity mix of suppliers or the national electricity mix. Transportation and distribution losses are calculated from Scope 2 emissions (location-based approach) with factors for the individual grids being calculated using database values.

Category 4 (Upstream transportation and distribution):

Transportation and distribution emissions are calculated on the basis of the amounts of purchased goods transported and distributed and on their means of transportation (rail, ship, truck, aircraft). We use a geodata model to help us calculate the distances between suppliers and WACKER sites. The GHG emissions are determined using DEFRA's well-to-wheel emissions factors. This category also includes product transportation to customers that fall under WACKER's responsibility (Incoterms).

Category 5 (Waste generated in operations):

We calculate any waste incurred in operations on the basis of WACKER waste treatment (recycling, incineration, landfill) and the carbon content. Emissions for recycled products are assumed as zero. Since a negligible portion of waste incurred at WACKER is bio-based, it is assumed that 100 percent of the carbon contained will be turned into carbon dioxide (GWP=1).

The carbon content of the waste incurred in operations is calculated on the assumption that it corresponds to the average carbon content of the feedstocks used. Our approach ensures that all the carbon procured by WACKER, either under Scope 1, Scope 3, category 5, or Scope 3, category 12, is taken into account. We use the molecular weights for the conversion ratios.

Category 6 (Business travel):

We calculate emissions from business trips on the basis of kilometers traveled and/or fuel consumed. We multiply them by the emissions factors of the respective means of transportation. The emissions factors are taken from the DEFRA database.

Category 7 (Employee commuting):

To calculate emissions from commuting, we perform a model calculation based on known and estimated information about employee commuting and the average commuting distance of WACKER employees. The emissions factors multiplied by this are taken from commercially or publicly available databases, studies or publications issued by transportation service providers.

Category 8 (Upstream leased assets):

To calculate emissions from leased production plants that WACKER supplies with feedstocks, the natural gas and electricity consumption of these plants is multiplied by the respective emissions factors applicable at the site (market-based). We calculate this category independently of the type of lease (operating or financial).

In addition, we report the emissions of leased vehicles operated by WACKER employees under this category. The fuel consumption is multiplied here by the emissions factors from the DEFRA database.

Category 9 (Downstream transportation and distribution):

Transportation and distribution emissions are calculated on the basis of the amounts of WACKER products transported and distributed and on the means of transportation (aircraft, rail, ship, truck). We use a geodata model to calculate the distances between WACKER sites and customers. Only transportation that falls under the customer's responsibility (Incoterms) is reported in this category. Product transportation that falls under WACKER's responsibility is included in category 4.

Category 10 (Use) – irrelevant:

Emissions from the use of WACKER products sold are not relevant as use of them does not produce these kinds of direct emissions.

Category 11 (Processing) – irrelevant:

Emissions from processing our sold products are irrelevant since WACKER products do not produce any Scope 1 GHG emissions when they are processed further. WACKER does not sell any fuels or chemicals that produce GHG emissions when processed.

Category 12 (End-of-life treatment of sold products):

Emissions of sold products at the end of their lives are calculated on the basis of publicly available information on region-specific waste disposal. It is assumed that the end products are disposed of/recycled/incinerated in the regions in which a particular WACKER product is sold.

Calculation is on the basis of the carbon content of the sold product and its ability to be recycled. Since a negligible percentage of WACKER products are biologically disposed of at the end of their life cycle, it is assumed that except in the case of long-lasting plastics, 100 percent of the carbon contained is turned into carbon dioxide (GWP=1). Emissions for recycled products are given as zero. Our approach ensures that all the carbon procured by WACKER, either under Scope 1, Scope 3, category 5, or Scope 3, category 12, is taken into account. The molecular weights are used for the conversion ratios.

Categories 13 (Downstream leased assets) and category 14 (Franchises) – irrelevant:

Emissions from downstream leased assets or from franchises are irrelevant since WACKER does not operate either.

Category 15 (Investments):

WACKER calculates the sum of Scope 1 and Scope 2 emissions of non-consolidated investments in which we hold a stake of at least 20 percent. Under this category, we report on the share of Scope 1 and 2 emissions of our investment in Siltronic AG and Dow Siloxane (Zhangjiagang) Holding Co. Private Ltd.

GHG intensity

The GHG intensity is calculated as the ratio of total GHG emissions of all production sites to net Group sales, as shown in the consolidated financial statements.

» Consolidated statement of income

GHG intensity

	2024
Total GHG emissions (location-based) per net revenue (t CO ₂ e / € million)	1.5
Total GHG emissions (market-based) per net revenue (t CO ₂ e / € million)	1.5

Carbon credits

In line with the SBTi's Corporate Net-Zero Standard, WACKER sees carbon credits as a last resort to offset remaining emissions after all other reduction actions have been exhausted. As a result, WACKER does not currently participate in the market for carbon credits.

Internal carbon pricing

WACKER uses the system of internal carbon pricing for Scopes 1 and 2. The carbon price is taken into account when we recognize internal investment assumptions according to origination (e.g. CO₂ emissions in the production of a metric ton of steam). For the purchase of electricity, our investment assumptions take a price markup for evidence of origin into account. We take the impacts of current and future coal prices into account when pricing. Future prices are derived, for example, from the price of forwards under an emissions trading system. The carbon price was €98 in 2024.

We use investment assumptions including carbon pricing to assess all our investment decisions.

At present, 1,065 kt (90 percent) of Scope 1 emissions, 1,317 kt (100 percent) of Scope 2 emissions and 0 kt (0 percent) of Scope 3 emissions are covered by internal carbon pricing.

The carbon price for emissions is identical to the carbon price for financial statements.

ESRS E2 – Pollution

It goes without saying that the protection and welfare of our employees, neighbors and the environment are our responsibility as a company. True to our purpose – “Our solutions make a better world for generations” – we pay particular attention to production-integrated environmental protection. We aim to continuously reduce emissions to the environment, avoid waste and protect the soil. That is why WACKER seeks to operate its plants safely and efficiently and to use its resources responsibly. We continually reduce environmental impacts as part of our environmental management system.

Material impacts, risks and opportunities

The following is a description of WACKER’s material impacts on people and the environment as well as the resulting risks for WACKER in terms of pollution, and of the connection between the business model, value chain, strategy and decision-making.

Material impacts

Emissions to air and water

Chemical-product manufacturing involves the release of substances into the environment. These types of emissions may negatively influence people’s health and damage ecosystems. As WACKER is a chemical manufacturer, it influences the quality of air and water at its production sites all over the world. This also applies to other companies along our value chain. We aim to operate our plants in a way that minimizes the disadvantageous impacts on people and the environment.

Use of critical substances (substances of concern / substances of very high concern)

Manufacturing specialty chemical products often requires the use of critical substances. Both their handling and the possibility of their remaining in the product can negatively impact people’s health and ecosystems. As a chemical producer, WACKER uses critical substances to manufacture specialty chemical products. Handling them and the possibility of their remaining in the product means that WACKER has a potential influence on people and nature. This also applies to other companies along our value chain. We aim to ensure that any disadvantageous impacts on people and the environment are minimized by complying with critical limits that apply and by taking the corresponding occupational-safety and plant-safety measures.

Material risks

Increase in regulatory requirements for our production processes and products

The rise in regulations related to emissions to air and water and other kinds of pollution may lead to significant restrictions and higher costs as regards our production lines. A production-process changeover requires considerable capital expenditures. As a chemical producer, we are already subject to many legal regulations that may increase in the medium term and also lead to increased expenses along our value chain as regards any registrations and capital expenditure actions necessary. In extreme cases, this might even lead to operations (temporarily) shutting down or being restricted.

New legal provisions in the production and use of chemical substances constitute a further risk. Restrictions or prohibitions on groups of substances and stricter critical limits require products to be reformulated or production processes to be adapted. Furthermore, various international requirements (due especially to tightening of the European REACH legislation for chemicals) incur increased expenses for registrations of substances.

In the medium term, they could have a medium to high impact on WACKER's earnings. This also applies to other companies along our value chain.

Please also see the Risk Report for details of the impacts and actions as well as our risk analysis in relation to our strategy.

» Risk management report

Strategy and governance

WACKER uses a groupwide environmental management system to manage all its environmental concerns. This includes our impacts in terms of emissions and the use of critical substances. We describe our general environmental policy and governance in the "General disclosures on environmental standards" section.

Compliance with legal regulations and minimizing our impacts in terms of emissions and the use of critical substances is a top priority for us. This includes strict compliance with critical limits, the safe operation of our plants and responsible practices with critical substances. Group coordinators for environmental protection, product safety, and safety are primarily responsible for implementing our policy throughout the Group and managing our targets using the relevant regulations and provisions as well as standard processes and actions.

The Group regulation governing environmental protection, health protection, safety and product safety, and dangerous goods management, as described in the "General disclosures on environmental standards" section, covers the management of emissions as well as the handling of critical substances.

Targets

We strive to keep the impacts of our production on people, nature and the environment as low as possible and to avoid incidents with negative environmental impacts.

Group target: no incidents with relevant environmental impact

By this, we mean that regular operation of plants and breakdowns must not have a harmful impact on the environment. For this reason, we voluntarily set ourselves the target every year of reducing the frequency and severity of incidents to avoid the release of emissions and critical substances and so that any potential danger for people and the environment is kept to an absolute minimum. The relevance of incidents in terms of their environmental impact is classified and assessed centrally by the group coordinator. This assessment is based on the specific impacts on air, water and soil and also takes into account public awareness and the environmental cost related to the incident.

We classify incidents according to environmental severity levels (ESLs) that are defined using criteria standardized across the Group as incidents with low to relevant impacts and are assessed according to legally regulated evaluation benchmarks. We carry out a systematic analysis of incidents and establish suitable actions to avoid similar occurrences going forward. Monitoring is carried out by the Group Coordinator for the Environment using our groupwide reporting tool.

Environment-related incidents

	2024	2023	Target
Incidents with relevant environmental impact	6	1	0

Six incidents assessed as environmentally relevant occurred in the reporting year, though none involved either a hazard or damage.

Group target: no severe plant-safety incidents

WACKER has also voluntarily set itself a target of keeping the impacts of our production on people, nature and the environment as low as possible. Our aim is for the year under review to be another year in which no severe plant-safety incidents were recorded (zero incident target). By this, we mean all incidents that are relevant in terms of safety, health and the environment and which are classified in line with the criteria set out by Cefic (the European Chemical Industry Council; Cefic Guidance for Reporting on The ICCA Globally Harmonized Safety Metric) into categories of WACKER Process Safety Incidents (WPSIs) and assessed as level 1 or 2.

We calculate incident frequency in the form of an indicator we refer to as the WACKER Process Safety Incident Rate (WPSIR), which is defined as the number of relevant safety incidents per 1 million working hours. Here we focus on severe plant-safety incidents, which could lead to the release of emissions and critical substances to soil, air or water.

The relevance of the impacts of plant-safety incidents is classified and assessed centrally by the Group's Safety function on the basis of specific criteria (including accident severity, substance release), while also taking into account public awareness and the costs associated with the incident.

Plant safety-related incidents

	2024	2023	Target
Number of plant safety-related incidents (WPSI)	39.0	21.0	–
Number of plant safety-related incidents per one million hours worked (WPSIR)	1.5	0.8	–
Number of severe plant safety-related incidents*	–	–	–

*Group target, in accordance with WACKER Process Safety Levels 1 and 2

No incident considered a severe plant-safety incident occurred in the year under review.

Actions

Pollution prevention and reduction

Compliance with all legislation at national and local level constitutes the basis for WACKER's actions to keep emissions to air and water as low as possible. Furthermore, environmental protection is regulated throughout the Group by WACKER standards containing specific requirements relating to emissions for all production sites and technical competence centers.

Central responsibility for our environmental management system lies with the Group Coordinator for the Environment.

Each site has an obligation to organize environmental protection locally to ensure compliance with environmental regulations, the safe operation of plants and to carry out environmental monitoring. A standardized environmental management system enables us to record our emissions to air and water at all our sites and to ensure that legal conditions, emission limits and WACKER's environmental standards are complied with.

As part of an ABC analysis that every site must carry out once a year, we analyze and assess material environmental aspects including relevant site emissions. Site-specific targets are established if necessary.

Equally, specific training of our production employees in environmental protection is an important measure to guarantee plant operation that ensures legal certainty and to avoid severe environmental incidents with regard to emissions to air and water.

Nevertheless, an unintended release of emissions impacting the health of people and the environment might occur. All groupwide incidents are recorded in a timely manner in our environmental data management system and assessed in terms of their environmental relevance.

Product safety

Manufacturing specialty chemical products often requires the use of critical substances. All our measures are designed to guarantee the safety of our products and fulfill legal requirements. For the purpose of Responsible Care®, we often go beyond the purely legal framework.

To ensure that any adverse impacts relating to critical substances when using our products correctly are minimized, we consider the health and environmental risks along the entire product lifecycle – from research and development through manufacturing to application and disposal.

We continually assess the (potentially hazardous) properties of all WACKER products, which involves checking and assessing their physicochemical, health-related and environmentally relevant properties. Our labeling in safety data sheets and on product labels inform our customers about the safe use of our products, especially for critical ingredients.

Only some 50 percent of WACKER products require a material safety data sheet (MSDS) by law. We go beyond this requirement and produce material safety data sheets for all our sales products, not only those with hazardous materials classification.

We continuously work on minimizing critical substances in products. We keep a list of substances that are to be avoided in WACKER products as a guide for product developers. In addition to prohibited or restricted chemicals (e.g. substances in Annexes XIV and XVII of the European REACH legislation for chemicals), these are substances that are no longer desired by many companies as well as substances listed by the European Chemicals Agency in its candidate list of substances of very high concern (SVHCs).

To support the sustainability assessment of our products, we use the Identifying Substances and Mixtures of Concern (ISC) database system for systematic assessment of the raw materials we use. This enables the WACKER product portfolio to be assessed and improved in terms of health, environmental compatibility and the avoidance of potential risks (e.g. SVHCs). WACKER also monitors chemical policy debates to be able to take future developments into account early on in the product development phase and to optimize ingredients.

REACH

The REACH regulation, which came into force in 2007, governs the registration, evaluation, authorization and restriction of chemicals within the European Union.

Since the REACH registration process began in 2008, WACKER has submitted many revised registration dossiers to the European Chemicals Agency (ECHA). For many of the dossiers, the ECHA imposes additional requirements in the course of its regular assessments, all of which we fulfilled on time in 2024, just as we had done in previous years.

WACKER is in close contact with its suppliers of chemical substances. We refer to our data when verifying the registration status and, where necessary, request information to ensure that we use only REACH-compliant raw materials.

Within Europe, companies that market hazardous substances have had to supply the European reporting system with extensive information for the EU's poison control centers since January 2021. WACKER has set up an automatic notification tool and registered notifications to ECHA's PCN (Poison Centre Notification) portal.

Plant safety

It is important to us that WACKER strives to continuously operate its plants and processes in a way that does not jeopardize people and the environment by releasing emissions and critical substances into the air and water.

We operate a groupwide process safety management system that covers occupational safety, plant safety and crisis management. Our process safety management in the year under review continued to focus on prevention.

Nevertheless, safety-critical incidents cannot be avoided completely. If a loss event occurs, emergency response plans govern cooperation between internal and external task forces and the authorities at every WACKER site.

To be able to guarantee the safety of our plants in the long term, we first identify and assess hazards systematically and review them on a regular basis. We analyze the energy generated in our processes (e.g. pressure, heat) and the influence that any individual errors may have on an incident chain through to incidents or accidents. We then define protective measures according to our analysis findings in order to avoid any unwanted incidents.

We record all health- and safety-related and environmentally relevant incidents in good time in our groupwide environmental-data management system and assess them. Systematically working through incidents and establishing relevant actions is intended to avoid similar incidents going forward. We use incident notifications highlighting inter-departmental or cross-site learning positives to brief our corporate units with similar hazard potential and, where applicable, introduce any improvement measures. The Group Coordinator for Safety is responsible for monitoring throughout the Group.

As part of our Safety Culture@WACKER initiative, which we launched in the year under review, we work on raising safety awareness among all our employees, thus increasing the level of occupational and process safety in the long term.

Transport safety

WACKER continuously works to ensure that it is transporting its products safely. This is especially the case when it comes to dangerous goods and critical substances.

All sites at which WACKER operates production facilities and from which it ships goods must adhere to local and international transportation regulations as well as WACKER's high safety standards. An essential aspect of transport safety relates to our personnel, who are well trained both in handling dangerous goods and securing loads.

We also have high safety expectations of our logistics service providers; such expectations are laid down in contractual agreements with them and in a comprehensive requirements profile alongside the legislation that they must comply with. If a contractual partner deviates from our requirements, we issue complaints and require corrective action to ensure a continuous improvement process.

For products with high hazard potential, we use packaging and tanks that meet the highest quality standards. In the period under review, no reportable transport incidents involving dangerous goods were recorded.

In monitoring distribution of our products, we also record transport incidents not involving dangerous goods and any that do not have a negative impact on people and the environment. These incidents are used as a key criterion in our annual assessment of our logistics service providers.

Upstream value chain

We address the upstream value chain in our environmental provisions governing emissions and critical substances; we have anchored these provisions in our general terms and conditions and our Supplier Code of Conduct. Further details can be found under ESRS 2 – General Disclosures.

Metrics

Air and water pollution

WACKER includes all fully consolidated companies when recording emissions to air and water in accordance with Annex II of the E-PRTR Regulation. Reporting takes every production site into account. Data is collected at the sites on the basis of local legal requirements, enabling data to be used both for the Group's environmental reporting and for site-specific official reporting obligations. Local regulatory requirements determine whether the data is measured, calculated or estimated, though this data is preferably measured or calculated using standardized substance-specific and established methods. If this is not technically feasible or possible due to local circumstances, we estimate the emissions data on the basis of established extrapolation methods and empirical values. To this end, emissions measured at relevant sites are used and applied to other sites with similar production processes. If, contrary to expectations, we become aware of significant deviations the following year, the value concerned is adjusted retroactively. However, this was not necessary for the previous year.

Data is collected on a site-specific basis using our groupwide reporting tool and is verified both at site level and by the Group Coordinator for the Environment. Our materiality assessment revealed that no disclosures on soil contamination and microplastics were required, as no relevant impacts, risks or opportunities were identified.

The following table shows all the metrics relevant to WACKER in accordance with Annex III of the E-PRTR Regulation. Only sites that exceed the specific thresholds for the reporting obligation are taken into account.

Emissions to air

	Threshold (kg)	2024
Non-methane volatile organic compounds (NMVOCs)	100,000	708,893
Nitrogen oxides (NO _x /NO ₂)	100,000	2,073,172
Sulfur oxides (SO _x /SO ₂)	150,000	1,174,665
Particulate matter (PM10)	50,000	176,000

Emissions to water

	Threshold (kg)	2024
Total nitrogen	50,000	134,108
Halogenated organic compounds (as AOX)	1,000	2,579
Total organic carbon (TOC)	50,000	144,122
Fluorides (as total F)	2,000	16,452
Copper and compounds (as Cu)	50	109
Nickel and compounds (as Ni)	20	73
Zinc and compounds (as Zn)	100	1,441
Chlorides (as total Cl)	2,000,000	31,115,933

Substances of concern and substances of very high concern

WACKER includes all fully consolidated companies when recording substances of concern (SOCs) and substances of very high concern (SVHCs). Related reporting takes account of all raw materials used and all products sold throughout the Group. The individual substances are classified on the basis of legal requirements in accordance with Regulation (EC) No. 1272/2008 (CLP Regulation) and the classification is updated systemically for the entire Group by the relevant experts. An internally developed tool enables us to evaluate the relevant substances and their components across the Group according to their SOC/SVHC percentages and quantities in a suitably standardized manner. If, contrary to expectations, we become aware of significant deviations the following year, the value concerned is adjusted retroactively.

The following table shows all the quantities and main classes of substances of concern and of very high concern that are relevant to WACKER. These substances may be contained in several of the designated categories.

Substances of concern

	Substances of concern (SOCs) created, used or procured in production in metric tons	Substances of concern (SOCs) that leave WACKER as products, parts of products, services or emissions in metric tons
Total substances of concern (SOCs), of which:	686,862	58,074
SVHCs (substances of very high concern)	38,869	12,673
CMR substances (carcinogens, mutagens or reprotoxic substances classed as categories 1 + 2)	373,098	14,691
Endocrine disruption (human health/environment)	–	–
Persistent, bioaccumulative and toxic (PBT), persistent, mobile and toxic (PMT), very persistent and very bioaccumulative (vPvB), very persistent and mobile (vPvM)	–	0.2
Sensitization, respiratory tract / skin (category 1)	23,625	9,932
Hazardous to the aquatic environment, long-term hazard (categories 1-4)	384,755	28,239
Hazardous to the ozone layer	–	–
Specifically target organ toxicant (one time/repeated contact, categories 1+2)	277,699	24,486

*SOC/SVHC proportions in emissions/waste were estimated by means of a worst-case projection.

Substances of very high concern

	Substances of very high concern (SVHCs) created, used or procured in production in metric tons	Substances of very high concern (SVHCs) that leave WACKER as products, parts of products, services or emissions in metric tons
Total amount of substances of very high concern (SVHCs), of which:	38,869	12,673
Substances according to Art. 59 (1) Regulation (EC) No. 1907/2006	21,713	9,923
CMR substances (carcinogens, mutagens or reprotoxic substances classed as category 1 A + 1 B)	18,551	2,850
Endocrine disruption (human health/environment)	–	–
Persistent, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvB)	–	0.2

* SOC/SVHC proportions in emissions/waste were estimated by means of a worst-case projection.

As a chemical manufacturer, we use a variety of chemical raw materials that are converted into products by our production processes. These raw materials may be substances of concern and of very high concern, or may contain components thereof. We keep the risk of handling these substances as low as possible by complying with the legal requirements for production, transport, storage and safe handling. Furthermore, we minimize the risk of damage to the environment, nature and people through a high level of plant-safety precautions and the use of trained staff.

More than 90 percent of the substances of concern are raw materials or raw-material components that are used and transformed chemically in our production facilities. Only a small amount of such substances of concern is contained in our products. These products are mainly used by our customers for industrial purposes, which likewise means taking account of legal requirements and using trained staff. Our product stewardship experts ensure that our products fulfill all the requirements necessary for their sale. In addition, our (material) safety data sheets communicate information on safely handling substances of concern and of very high concern.

ESRS E3 – Water and Marine Resources

WACKER takes a comprehensive approach to water as a resource. We not only take into account water withdrawal, but also the related issues of water availability and shortage as well as water backflow in the form of cooling water and wastewater, including the potential consequences for people and the environment. For our production sites, water availability and access are highly important, though most of the water withdrawn is used as cooling water before being returned to the water circuits.

Material impacts, risks and opportunities

The following is a description of WACKER's material impacts on people and the environment in terms of water and marine resources and their connection with the business model, value chain, strategy and decision-making. No material risks or opportunities were identified. Please refer to the ESRS E2 – Pollution section for information on emissions to water.

Material impacts

Water consumption, water withdrawal and water backflow

Water plays a material role in our chemical production processes. Water withdrawal, water consumption and water backflow can impact the availability and quality of water as a resource in bodies of surface water, groundwater and seawater.

WACKER uses water as a resource for cooling, purification and as part of its product formulations. As a result, WACKER influences the availability and quality of water as a resource at its global production sites. This also applies to other companies along our value chain.

We strive to manage our water withdrawal, water consumption and water backflow in a manner that minimizes the adverse impacts on water as a resource and as a result on people, nature and the environment.

Strategy and governance

At WACKER, we use a groupwide environmental management system to manage all environmental concerns. This also includes impacts in relation to water withdrawal, water backflow and water consumption. We describe our general environmental policy and governance in the "General disclosures on environmental standards" section.

Water plays a material role for WACKER in many production processes, whether it be for cooling, purification or in product formulations. The safe and economic availability of water in needs-driven volumes and quality plays a material role in the company's value chain. Climate change may increasingly lead to restrictions, e.g. in the volume and quality of water available. For this reason, we consider it our responsibility to future-proof our water stewardship.

Compliance with legal regulations and minimizing impacts in relation to water withdrawal, water consumption and water backflow are a top priority in this respect. By this, we mean strict adherence to critical limits, safe plant operation and efficient handling of water as a resource. WACKER endeavors to minimize its water consumption and also, where possible, to reuse and retreat water several times.

The water WACKER uses at its production sites is primarily from surface water. Groundwater and seawater are only used to a small extent in comparison.

The basis for our water stewardship is the WACKER Water Stewardship (WaWaS) program that follows six main principles in line with Sustainable Development Goal 6 “Ensure availability and sustainable management of water and sanitation for all” and international standards:

- Good water governance: appropriate and transparent company management of water practices
- Sustainable basin water balance: sustainable water withdrawal in relation to water volume
- Good water quality: in terms of chemical quality, biological elements and thermal load
- Protection of important water-related areas: conservation and protection of key aquatic reserves
- Flood protection: protection of people and plants against the consequences of extreme weather events
- Safe water, sanitation and hygiene (WASH): safe access to water, sanitary facilities and hygiene standards

WACKER is guided in this by international standards such as European Water Stewardship (EWS), the Alliance for Water Stewardship (AWS), and Water, Sanitation and Hygiene (WASH).

Our water is managed at local level to be able to comply with local conditions and the requirements of the respective region. We focus on:

- Supplying production processes with water safely in needs-driven volumes and quality (temperature, substance load) – tailored to the ecological capacity of the water reservoir used
- Treating wastewater safely and protecting bodies of water against harmful substances entering them
- Fulfilling societal demands for sustainable use of water and complying with legislation and official provisions governing water supply and water discharge
- Ensuring our production sites can adapt to physical and regulatory changes both to head off risks to sustainable development and to take advantage of economic opportunities
- Strengthening the sustainability contribution of the product portfolio by taking into account our impacts on water as part of our WACKER Sustainable Solutions program

The Group Coordinator for the Environment plays a key role in implementing our policies throughout the Group and managing our water stewardship using the relevant regulations and provisions as well as standard processes and actions.

Water stewardship, including water withdrawal, water consumption and water backflow, is part of the Group regulation governing environmental protection, health protection, safety and product safety and dangerous goods management as described in the “General disclosures on environmental standards” section.

As part of our water stewardship, we take a comprehensive approach to water as a resource and also look at water and marine resources.

Targets

WACKER has voluntarily set itself the target of keeping the impact of our production on people, nature and the environment as low as possible and conserving water and marine resources. This target helps to reduce our footprint and is part of our sustainability strategy.

Group target: reducing specific water withdrawal by 15 percent

Our target is to cut specific water withdrawal per net production output throughout the Group by 15 percent from 2020 through 2030. In order to compensate for climate-related fluctuations, we calculate the absolute water withdrawal volumes of all production sites as three-year averages. This is divided by net production output, also calculated as a three-year average, and is provided as an index value. This target enables WACKER to focus its actions on efficient water use, guaranteeing water availability in the long term.

The indicator can be influenced both by the amount withdrawn and the net production output. Climate conditions over the course of the year, such as a hot summer, can also have an impact, as can the plant utilization rate.

Our Group target is a voluntary one that goes beyond the legal requirements at individual sites. No limits were fixed for target setting.

The target includes all production sites and water and marine resources, though we do not focus on areas in water risk zones, consumption at our sites or marine water as a resource since these have been assessed as non-material.

The Group Coordinator for the Environment is responsible for monitoring this Group target.

Water reduction target

	2024	2023	2020 (Base year)
Specific water withdrawal per metric ton of net production output* (%)	107.0	104.4	100.0
Change in % (compared with 2020)	7.0	4.4	–

* Gross production corresponds to the total production (target products and byproducts) of a plant or site. Net production is calculated by subtracting the internal reuse of products from the gross production of a plant or site.

In the reporting year, the moving average for specific water withdrawal was up by 7 percent against the base year.

Although both absolute water withdrawal and production output in the reporting year were on a similar level to the 2020 base year, the calculation of the three-year average shifts the target value significantly. This is why we are seeking to have the target definition revised.

Actions

Own operations

Compliance with all legislation at national and local level in relation to water use constitutes the basis for all actions to keep our impacts through water withdrawal, water consumption and water backflow as low as possible. Furthermore, environmental protection is regulated throughout the Group by WACKER standards containing specific requirements relating to water withdrawal and water backflow for all production sites and technical competence centers.

Each site has an obligation to organize environmental protection locally to ensure compliance with environmental regulations, the safe operation of plants and to carry out environmental monitoring. A standardized environmental management system enables us to record our corresponding water volumes at all our sites and to ensure that legal conditions, volume limits and WACKER's environmental standards are complied with.

As part of an ABC analysis that every site must carry out once a year, we analyze and assess material environmental aspects including relevant site-specific water volumes and types. Site-specific targets are established if necessary.

We have introduced a water stewardship system (known as WACKER Water Stewardship) at all our production sites to take account of local conditions and requirements in the respective areas. This enables us to identify site-specific impacts and risks relating to water use in good time and to define any actions necessary.

We use the WWF (World Wide Fund for Nature) Water Risk Filter to analyze our groupwide water risks every year. In 2024, our production sites in drainage basins scored a maximum 3.3 (Global Basin Risk) on a scale of 1 (no risks) to 5 (high risks). The indicators cover physical, regulatory and reputational risks. Our analyses of water use take these classifications into account. For sites in water risk areas, including areas with high water stress, we did not identify any substantial risks. As a result, no additional measures are required.

We are always striving to close our water circuits and to reduce water withdrawal and water consumption. As a rule, we endeavor to minimize our water use and also to reuse and retreat water several times.

For this reason, we have established actions to:

- Optimize efficiency of water consumption
- Improve energy efficiency across all process chains to cut the thermal loads to be conveyed into the cooling water
- Identify relevant bodies of wastewater and reduce mass loading by modifying processes or through suitable pretreatment
- Assess the impacts of climate change and regulatory requirements on bodies of water used and prepare any adjustments necessary

All production sites are required to identify potential for savings and implement them if necessary. At our largest production site in Burghausen, we implemented systematic water monitoring in the year under review to explicitly record specific consumption volumes and the effectiveness of any relevant water-conservation actions. WACKER will then build on this over the next few years to establish further measures.

Our site in Tsukuba, Japan, saw us launch a project for efficient water use in the year under review, which involves any wastewater produced being reused for cooling purposes, helping to cut the amount of fresh water required by around half.

Specific training about environmental protection for production employees is also an important action to guarantee plant operation that ensures legal certainty.

Upstream value chain

We address the upstream value chain in our environmental provisions governing water use; we have anchored these provisions in our general terms and conditions and in our Supplier Code of Conduct. Further details can be found under ESR2 – General Disclosures.

Metrics

Water and water intensity

WACKER includes all fully consolidated companies when recording its various water volumes. Reporting takes all relevant sites into account. Data is collected at the sites on the basis of local legal requirements, enabling data to be used both for the Group's environmental reporting and for site-specific official reporting obligations. Local regulatory requirements determine whether the data is measured, calculated or estimated, though this data is preferably measured or calculated using established methods. If this is not technically feasible or possible due to local circumstances, we estimate the data on the basis of established extrapolation methods and empirical values. If, contrary to expectations, we become aware of significant deviations the following year, the value concerned is adjusted retroactively. However, this was not necessary for the previous year.

Data is collected on a site-specific basis using our groupwide reporting tool and is verified both at site level and by the Group Coordinator for the Environment. The data is reviewed externally by the relevant authorities.

The following table shows all the water metrics relevant to WACKER.

Water and water intensity

	2024	2023	Change in %
Water withdrawal ¹ (million m ³)	229	236	-2.6
Cooling water volume ² (million m ³)	212	217	-2.3
Wastewater volume (million m ³)	12.6	12.2	3.3
Water consumption (million m³)³	5.3	–	
Of which water consumption in water risk zones including zones with high water stress (million m ³)	0.3	–	
Total amount of water recycled and reused (million m ³)	559	–	
Water intensity ⁴ (total water consumption per net revenue) (thousand m ³ / € million)	0.9	–	

¹ Additional water is withdrawn at our Burghausen site for other companies at the plant and is returned to the water circuit as cooling water or wastewater. These volumes are not part of the indicators above.

² Cooling water volume 2023 was corrected retroactively due to data quality improvements.

³ Information on water consumption is not calculated by simple subtraction, but is based on the individual sites' consumption-related calculations.

⁴ The water intensity is calculated as the ratio of total water consumption of all production sites to net Group sales as shown in the consolidated financial statements.

Over 90 percent of the water withdrawn is used as cooling water and then returned to the water circuit again. Only a small percentage is actually consumed, e.g. as part of our products. Production-related wastewater is either returned to legally admissible wastewater disposal or returned to the water circuit through our own wastewater-purification systems. These systems and the purified wastewater are monitored according to legal regulations applicable locally and are also monitored regularly by the authorities.

ESRS E5 – Resource Use and Circular Economy

The conservation of resources in a circular economy means this kind of economy plays a key role that can be leveraged in the transition to a climate-neutral society. We want to work together with our partners to advance the transition to a circular economy by using sustainable raw materials in our products, by making them durable and recyclable, and by avoiding waste. We seek to operate plants efficiently, to reduce packaging and to use resources responsibly. Moreover, our solutions enable our customers themselves to offer products that can be integrated into a circular economy.

Interactions with other standards

Resource conservation and circular economy are also an important part of other environmental impacts such as climate change, pollution, and water and marine resources. For the relevant disclosure requirements for these topics, please refer to the information in the relevant sections.

Material impacts, risks and opportunities

The following is a description of WACKER's material impacts on people and the environment as well as the resulting risks for WACKER in relation to its business model, value chain, strategy and decision-making. No material opportunities were identified.

Material impacts

Use of petrochemical raw materials

The chemical industry predominantly uses fossil raw materials, particularly those based on crude oil and natural gas, to manufacture its products. Their use might adversely impact ecosystems and the climate.

WACKER, too, uses fossil raw materials to make specialty chemicals. These raw materials are recovered through irreversible interference with the respective ecosystems. Fossil carbon can be released in the form of greenhouse gas emissions both during the transport of chemical products and at the end of their lives, which in turn adversely impacts the environment. This also applies to companies in our value chain.

The use of renewable raw materials based on biomass, CO₂ and recycling is becoming more and more important in our sustainability strategy to reduce the negative impacts of recovering fossil raw materials, including their greenhouse gas emissions (see ESRS E1 – Climate Change). The limited availability of renewable raw materials means they can only be used long term, which is why they have not been a key part of our business model to date.

Waste generation

In addition to the manufacturing of the actual products, chemical production methods involve waste as well. Improper handling of this waste can adversely impact people's health and damage ecosystems.

Alongside the large number of specialty products that WACKER makes at its production sites all over the world, waste is produced there too. If not handled properly, this waste can potentially impact ecosystems and the health of employees and service providers. This also applies to companies in our value chain.

Avoiding and/or reducing waste is of the utmost priority in our waste strategy. We dispose of unavoidable waste safely and appropriately or reuse it as a raw material to keep the adverse impacts on people and ecosystems as low as possible.

Material risks

Availability, cost and acceptance of petrochemical and critical raw materials

An increase in regulatory requirements relating to the procurement of raw materials can lead to significant cost increases in our production and it is primarily our European sites that are affected. This also applies to other companies along our value chain.

We especially consider the availability of fossil raw materials at reasonable costs to be a risk that may have medium to high impacts on WACKER's earnings in the medium term. Renewable raw materials are much more expensive than fossil raw materials and the difference in cost cannot currently be offset unless low availability is increased, e.g. by regulating quotas. The quantity of renewable raw materials used compared with fossil raw materials is still low at present.

Please also see the Risk Report for details of the impacts and actions as well as our risk analysis in relation to our strategy.

» Risk management report

Strategy and governance

As part of our circular economy strategy, which is part of our sustainability strategy, we strive to reduce fossil raw materials and avoid waste. We have identified three topic areas along the global value chain of our products in this respect. WACKER is able to make a significant contribution to these topics:

Renewable raw materials – upstream value chain

WACKER primarily uses fossil raw materials at present to manufacture its products. Our long-term goal is to increasingly use renewable raw materials based on biomass, CO₂ or recyclable materials to replace fossil carbon in our products. We are also working on replacing fossil reducing agents with non-fossil ones in silicon production. In the case of minerals, we are focusing our efforts on recycling instead of mining new ones.

Our Corporate Procurement department is responsible for implementation, and our suppliers – central stakeholders – are among those parties with which it communicates closely on this topic.

Closed and efficient production cycles – own operations

WACKER's product development and plant design specifically focus on optimizing production processes aimed at highly integrated material loops (integrated production system) to conserve resources and reduce waste. Material loops are closed and byproducts at another point are returned to production. This enables us to reduce and avoid energy, resource consumption, emissions and waste, and to integrate the circular economy into our production processes. The Group's production departments are responsible for implementation. The heads of the respective sites communicate closely with the local communities, which are key stakeholders.

Closed material cycles – downstream value chain

WACKER's products are used in many different fields of application. Often, end products contain only a small amount of our own products. That is why we aim to define suitable policies that take account of individual products or applications and which achieve greater circularity. This includes both the development of long-lasting products and reusability or (bio)degradation at the end of the product life cycle. There is great potential in the development of solutions that enable circular products for our customers. By staying in constant contact with customers and performing market analyses, we take account of the relevant stakeholders.

The management of resource inflows and outflows is part of the Group regulation described in the "General disclosures on environmental standards" section.

We did not set ourselves any specific target regarding resource inflows and outflows in the current reporting year. This is due, on the one hand, to the limited availability of renewable raw materials. On the other, there are major regional and product-specific differences in terms of resource outflows.

Nevertheless, we are taking action in this area in line with our strategy.

Actions

In terms of our circular economy strategy, we have defined the following actions that we wish to implement:

Renewable raw materials – upstream value chain

WACKER is planning to replace fossil raw materials with renewable ones in the long term to reduce the environmental impacts of fossil raw materials. We have been using renewable raw materials in certain product lines (our eco grades) in our Polymers and Silicones business divisions for a few years now to substitute fossil carbon. We use the mass balance approach for this.

We are striving to increase the percentage of renewable raw materials gradually. Due to the currently limited range of renewable raw materials, we continuously monitor their availability and assess them in line with the cost-effectiveness of their use.

Closed and efficient production cycles – integrated production system

We operate efficient and closed production cycles using highly integrated material loops that are in place at our integrated sites in Burghausen, Nünchritz and Zhangjiagang.

The integrated production system also includes integrated material systems, in which byproducts generated in a given process are treated and fed back into the production loop or serve as raw materials for other processes. Examples here include our integrated hydrogen chloride, silicon and acetic acid production systems.

We are always working on optimizing our integrated production system. We specifically implement actions to increase process efficiency along the entire value chain under our WACKER Operating System (WOS) program. We mainly focus here on optimizing specific energy consumption, raw-material yields and our carbon footprint.

In the year under review, we implemented a new method as part of the creation of closed and efficient product cycles at the Nanjing site. This method separates any residual vinyl acetate monomer (VAM) from the resultant process wastewater and this is then recovered as a raw material in the next production step. This action reduces the use of chemicals, cuts greenhouse gas emissions, lowers our effluent burden and recycles our VAM raw material.

Closed material cycles – downstream value chain

As part of our product assessment, we analyze the impacts of our products over their entire life cycle. We identify starting points for increasing the circularity of our products.

To do so, we communicate closely with our customers and continuously analyze market trends. Our focus is on finding ways to enable product circularity and facilitate recycling at the end of the product life cycle. Together with our partners, we work on developing corresponding solutions.

We also endeavor to increase the circularity of our packaging. We work closely with suppliers and customers to this end to open up options for using circular packaging.

In the year under review, for example, we worked together with a partner to develop a recycling solution for metal barrels; as a result, these are no longer incinerated, but instead reused.

Waste prevention

Waste management is part of environmental protection at WACKER (see “General disclosures on environmental standards“ section).

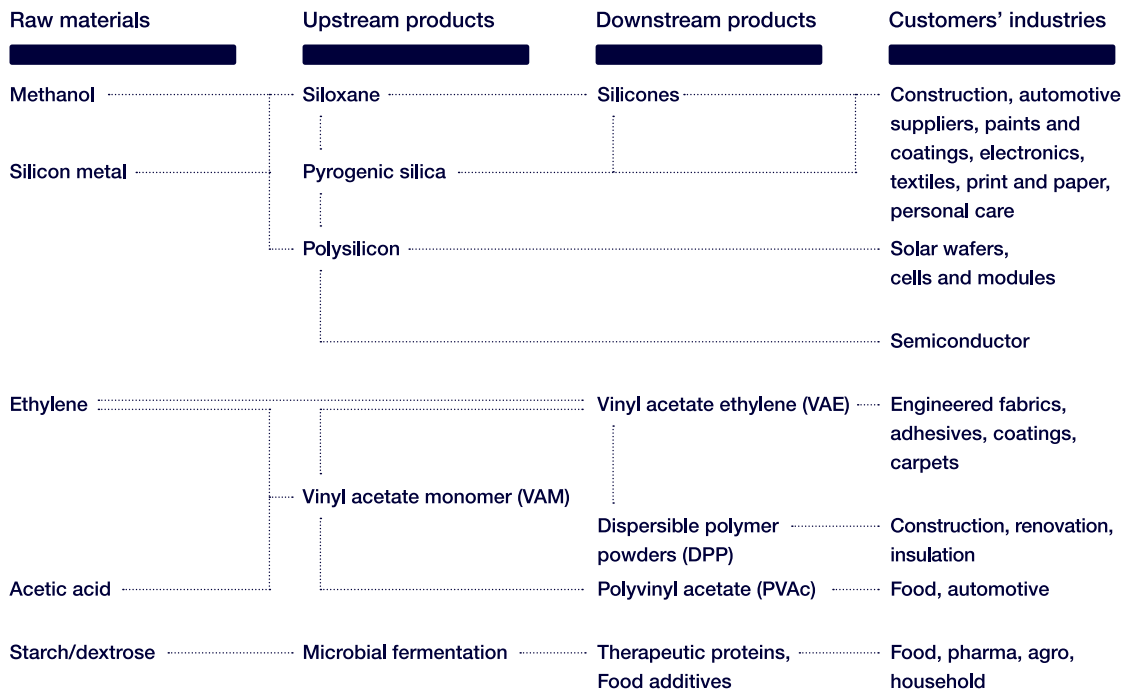
Every site ensures that it complies with legal provisions for safe disposal of waste and with WACKER’s environmental standards.

WACKER endeavors to avoid waste throughout the product’s life cycle. We prioritize prevention over recycling and recycling over disposal. When we record the volume of waste incurred groupwide, we break it down into four criteria: “for recycling” and “for disposal” and “hazardous” and “non-hazardous.”

We consider it our ongoing duty to continue to identify new options suited to mechanical recycling within and outside of our plants. We attach great importance to recycling, treating and eliminating waste in an environmentally friendly and legally compliant manner. To this end, we conduct regular audits to monitor the disposal companies with which we work together for recycling and for disposal.

Metrics

Resource inflows



Raw materials

To manufacture our specialty chemicals, we predominantly use five main raw materials: methanol, ethylene, acetic acid, silicon metal and starch/dextrose (see the above diagram on our main raw materials).

Ethylene, acetic acid and methanol are still currently based mainly on fossil, petrochemical sources. Silicon is manufactured from quartz (silicon dioxide). Starch and dextrose are biogenically based raw materials.

Renewable raw materials from biogenic sources

In the course of our strategy to replace fossil carbon with a renewable source, we are increasingly raising our share of biogenic raw materials. To do so, we are gradually replacing our main raw materials, i.e. methanol and acetic acid, with the corresponding biogenic grades certified as 100 percent sustainable (e.g. ISSC, PEFC). Ethanol is already largely purchased as bio-ethanol, which is primarily recovered from fermentation processes, as is the case with our biogenic raw materials, i.e. starch and dextrose.

The wood-based operating materials that we buy are 100 percent certified (PEFC, FSC, SBP, etc.). In the case of wood-based packaging material, 23 percent is already procured sustainably (including material certified by PEFC and FSSC).

In 2024, just under 7 percent of total raw materials, including packaging, was attributable to biogenic material.

The cascade principle applies to the use of bio-based raw materials.

Renewable raw materials from recycling

As part of our integrated production system, the circular economy is applied to our production processes. Byproducts are recovered and reused in production. This saves resources and reduces the environmental impact of our products. The constant expansion and optimization of our integrated production system helps us to continue to conserve resources and to close material loops going forward. One such example is the integrated chlorine production system in place at the Burghausen and Nünchritz sites, where 93 percent to 96 percent of hydrogen chloride is reused and recirculated. An exact calculation of the total amount reused is not possible due to the highly complex nature of the integrated production system.

Recycled components relative to the total amount of raw materials purchased, including packaging, accounted for 2.5 percent in 2024.

In terms of our main fossil raw materials, the percentage of recycled material was just under 10 percent.

In the case of packaging, just under 22 percent of paper is already recycled and around 5 percent of plastic components.

Data regarding resource inflows is collected globally using a standardized Group ERP system at material and goods category level. This data is assessed and verified by the Corporate Procurement & Logistics department. The values provided constitute absolute quantities wherever possible. The data is primarily made up of measured values. A minor proportion is calculated and estimated on the basis of established extrapolation methodologies and empirical values.

The following table shows all the resource inflow metrics relevant to WACKER.

Resource inflows

	2024
Total weight of raw materials/material (metric tons)	2,008,170
Percentage of biogenic raw materials/materials (%)	6.7
Weight of recycled/reused components* (metric tons)	50,425
Percentage of recycled/reused components* (%)	2.5

*Amount of packaging recycled estimated by means of a projection.

Resource outflows

Products

Since only small quantities of WACKER products are included in the relevant end product, we do not consider the disclosure regarding resource outflows from products and materials as material.

Waste

Data is collected at the sites on the basis of local legal requirements, enabling data to be used both for the Group's environmental reporting and for site-specific official reporting obligations. In other words, local regulatory requirements determine whether the data is measured, calculated or estimated. To meet publication obligations, the sites can choose to use estimates in certain instances for the last few weeks of the year. This involves established extrapolation methods to ensure precise data reporting.

In general, waste quantities and flows in almost all countries are subject to legally required comprehensive evidencing, which is followed accordingly at the sites. In Germany, for example, waste support methods between waste producers and waste disposers enable end-to-end traceability of waste journeys. However owing to local legislation, it is not always possible to allocate waste quantities and types at our global sites to absolutely uniform criteria. The specification and disposal of waste in particular are subject to locally applicable definitions and provisions. We use this information as a basis for preparing and assessing our yearly waste reporting.

The following table shows all the resource outflow metrics relevant to WACKER.

Resource outflows

	2024
Total amount of waste* (metric t)	222,617
Total amount of hazardous waste (metric t)	73,468
Total amount of non-hazardous waste (metric t)	149,149
Total recycled waste (metric t)	185,200
Hazardous waste (metric t)	59,753
Preparation for reuse (metric t)	338
Recycling (metric t)	8,243
Other recovery processes (metric t)	51,171
Non-hazardous waste (metric t)	125,447
Preparation for reuse (metric t)	24,913
Recycling (metric t)	31,194
Other recovery processes (metric t)	69,340
Total waste disposed of (metric t)	37,417
Hazardous waste (metric t)	13,716
Incineration (metric t)	10,540
Landfill (metric t)	2,267
Other waste-treatment processes (metric t)	909
Non-hazardous waste (metric t)	23,702
Incineration (metric t)	3,961
Landfill (metric t)	18,889
Other waste-treatment processes (metric t)	852
Total amount of non-recycled waste (total amount recycled) (metric t)	183,180
Percentage of non-recycled waste (%)	82

* The majority of the total amount of waste is production-related.

General disclosures on social standards

In this section, we describe cross-standard disclosures on the standards associated with our own workforce and workers in the value chain.

Respect for human rights

We consider it our duty as a company to respect human rights and this plays a key role in our corporate policy.

We are committed to ensuring that our business does not cause or support violations of human rights. We categorically reject any form of forced labor, modern slavery, child labor, and physical or emotional abuse. In the context of our human rights policy, we have classified the topics of forced and child labor as not being relevant to those risks to which our own workforce might be exposed.

As a member of the United Nations (UN) Global Compact, we are committed to the Universal Declaration of Human Rights and to the international covenants governing the civil, political, economic, social and cultural rights of the United Nations. We support the International Labour Organization's "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)" and its core labor standards. Our approach to our due diligence when it comes to human rights is based on the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. In terms of occupational safety specifically, WACKER has signed the Luxembourg Declaration on Workplace Health Promotion in the European Union to promote and protect employee health.

The UN Global Compact

The UN Global Compact requires companies to respect human rights, protect the rights of employees, act in an environmentally friendly manner and combat corruption. We are committed to complying with these principles and have integrated them into our corporate structures and business practices. Complying with human rights and creating a safe and respectful working environment is an important part of our corporate culture.

ILO core labor standards

The International Labour Organization (ILO) has defined various core labor standards that protect the fundamental rights of employees, including the abolition of forced and child labor, freedom of association and the right to collective bargaining. WACKER acknowledges the importance of these standards and has incorporated them into its personnel policy. Our Code of Conduct is consistent with the core labor standards. We strive to create fair working conditions and to prevent discrimination of any form.

OECD principles

The OECD Guidelines for Multinational Enterprises provide a framework for responsible business conduct. WACKER follows these principles to ensure that its business practices align with international standards. We adhere to the OECD principles when it comes to our due diligence in terms of human rights and ensure that any potential impact on human rights has been taken into account in our business decisions.

By applying all of these internationally recognized principles, we strive to be a company that campaigns actively for human rights. Further information on specific measures, risks and our handling of human rights matters can be found in the sections on ESRS S1 – Own Workforce and ESRS S2 – Workers in the Value Chain.

Organization and responsibilities

The CEO has overarching responsibility for sustainability and human rights issues. He signs our General Declaration of Principles, our statement regarding the Modern Slavery Act, and our Global Compact progress report. He has appointed an independent human rights officer who is responsible for the company's human rights policy, risk management system, General Declaration of Principles and reporting system. Employees and business partners can report any potential violations anonymously via our whistleblower system.

Our Human Rights Committee, which includes the Group officer, manages and monitors our process for globally analyzing and minimizing human rights risks. It trains employees responsible worldwide at the sites and analyzes our yearly Human Rights Due Diligence Report to identify the need for action, to cross check this against findings from social audits and then introduce the right measures, as well as to check the measures we have implemented to ensure they are effective.

We raise awareness of human rights in regular meetings with our global business partners. An explanatory video and further information is available to employees on the intranet.

As a member of the Executive Board, our Personnel Director is the highest-ranking individual for employee matters. She regularly meets with employee representatives, which include the Group's disabilities representative and representatives from interest groups like the Women's Circle and various Diversity committees, to discuss current issues and improvements.

Our personnel policy is discussed in detail in regular meetings between the Personnel Director and HR management. Employee health is dealt with once a year in the Steering Committee for Health Promotion.

Group coordinators have been appointed to deal with health and safety matters. The Corporate Environment, Health, Safety & Product Safety (EHS & PS) committee is our most important body for dealing with health and safety issues. It meets once a year and is headed by the Executive Board member responsible for EHS & PS.

All findings and potential for improvement are discussed and implemented in this committee. Operationally, sustainability issues are managed by dedicated departments. Moreover, we have different functions for managing individual topics.

SustainaBalance® is WACKER's holistic sustainability strategy to achieve its medium- and long-term sustainability targets. Under it, we have defined specific Group targets for our workforce to tackle challenges such as occupational safety or the career advancement of women in management positions. All stakeholders, employee representatives and relevant departments were involved in target setting. The targets are ultimately approved by the Executive Board.

We monitor our target achievement level every year. Success is not achieved as progress in a straight line, but instead through individual projects implemented in various stages over a timeframe defined as a target. In terms of our "own workforce," we have set ourselves three main targets:

- By 2030, we would like women to hold one in three management positions and
- One in two management positions to be based in regions other than Germany.
- Safety is of the utmost priority for WACKER. We aim every year, for example, to fully avoid chemical accidents with missed workdays and severe plant-safety incidents.

To select appropriate measures, WACKER uses regular exchanges with experts and interest groups, in particular, to understand current developments and best practices and to integrate these into our strategy. Furthermore, our Human Rights Committee plays a key role in our assessment and implementation of actions to ensure the protection of human rights within our operations. Many of the actions described in this report are put into practice during ongoing business activities without any need to report dedicated spending or capital expenditures. Information on operating expenses (OpEx), capital expenditures (CapEx) and timeframes is provided if any major individual actions (action plans) are involved.

Policies

To protect our workforce, there are groupwide regulations in place to prohibit human rights violations and discrimination. The General Declaration about respecting human rights forms the basis here. In addition, we have published our ethical principles in our Compliance regulation and in our Code of Conduct. Material impacts and risks in the context of our own workforce are addressed in the Code of Conduct, which is binding on all employees. Senior executives must sign a declaration to this effect. Our Diversity fact sheet explicitly lists forms of discrimination (gender, nationality, ethnic origin, religion or worldview, disability, age, sexual orientation and identity) and forms the basis of our “Zero tolerance for intolerance” approach.

These principles are strengthened by further regulations and directives, which cover specific rules on recruitment, compensation, employee development, personnel planning and occupational safety.

Furthermore, our Data Protection Officer ensures that employee data is always protected by monitoring compliance with data protection regulations and furthering continuous improvements in data protection processes.

To facilitate collaboration with its suppliers and customers, WACKER has formulated principles based on our Code of Conduct. We expect our business partners to acknowledge and respect our ethical principles and preventative measures. This also applies to our distributors and consultants. We explicitly communicate these aspirations in our upstream value chain using our Supplier Code of Conduct, acceptance of which is a prerequisite for a business relationship. Many of the industries in which our customers operate are heavily regulated and place great emphasis on avoiding human rights violations.

For WACKER, the main principles are:

- Compliance with laws and regulations: suppliers must comply with all applicable laws and regulations in the countries in which they operate.
- Human rights and work practices: prohibition of child labor, forced labor and discrimination, ensuring fair pay and guaranteeing safe working conditions.
- Business integrity: prohibition of corruption, bribery and unfair business practices and guaranteeing transparency and accountability.
- Health and safety: providing a safe and healthy working environment for employees.
- Continuous improvement: suppliers should continuously improve their practices in line with WACKER standards.

Internal processes are defined in a Group regulation for Procurement and Supplier Management that is used alongside a handbook that outlines specific process descriptions.

To communicate our principles and firmly establish the relevant regulations and instruments, we provide all employees in our Procurement department with a basic training course worldwide. We also offer managers refresher training courses every year.

ESRS S1 – Own Workforce

WACKER’s success is down to all its employees working as a team. It is important to us that all our employees have the same opportunities. We offer them attractive compensation packages and advancement and enable them to participate in the company’s success.

Employment structure

We define employees as all active members of the workforce holding a permanent or fixed-term employment contract with WACKER (in other words Wacker Chemie AG or one of its subsidiaries) as of December 31, 2024. Subcontracted employees work in our plants, too.

64 percent of our employees are based in Germany and 36 percent at our sites outside of Germany. Further information on the number of employees, personnel costs and retirement benefits can be found in the combined management report.

The following tables show the characteristics of our employees:

Number of employees, broken down by gender

Headcounts relating to our reporting date are generally reported at the end of the reporting period.

Head count	2024
Gender	
Male	12,526
Female	4,110
Other	1
Total employees	16,637

One person in the workforce identifies as non-binary. The information below is limited to two genders.

Number of employees by country

Head count	2024
Germany	10,656
USA	1,878
China	1,748
Other countries	2,355
Total employees	16,637

WACKER’s own workforce also includes non-employees. As of December 31, 2024, there were 186 non-employees (temporary workers) at WACKER.

As in the case of our employee figures, headcounts relating to the reporting date are reported at the end of the reporting period.

Number of employees by contract type, broken down by gender

Head count	2024			
	Female	Male	Other	Total
Number of permanent employees	3,791	11,749	1	15,541
Number of temporary employees	319	777	–	1,096
Number of non-guaranteed hours employees	–	–	–	–
Number of full-time employees	2,802	10,022	1	12,825
Number of part-time employees	1,308	2,504	–	3,812
Total employees	4,110	12,526	1	16,637

Number of employees who left the company during the reporting period and rate of employee turnover

Head count	2024
Total departures	1,005
Employee turnover rate (%)	6.1

When calculating employee turnover, we look at the entire reporting period and include reasons for leaving the company such as dismissal by the employer and resignation by the employee, severance agreements (*Aufhebungsverträge*), employees who leave at the end of fixed-term contracts, retirement and death. Employees who leave WACKER through phased early retirement are considered a departure on the date they switch from the active phase to the passive phase since the employee is no longer included from this date onward in our active employee figures. In order to enable a comparison with benchmark values, we use the total number of departures and the yearly average headcount.

Management of our material impacts, risks and opportunities

WACKER is a global producer that has both positive and negative impacts on its own workforce.

The actual and potential impacts on our workforce are especially due to our business as a producer in the chemical industry. Our global business operations with key production sites in Germany involve risks too. We take a range of measures to address the impacts and risks and make us an attractive employer on the labor market. This does not impact our business model.

The following is a description, for specific topics, of WACKER's positive and negative material impacts as well as our risks in relation to our own workforce along with information on our policy to counter these impacts and to minimize risks. We finish by describing specific goals and actions taken where applicable.

We see all the aforementioned impacts and risks in our own operations. We also see these impacts as systemic and widespread in the chemical industry. Our negative impacts are not the result of individual incidents.

WACKER makes an appropriate budget and personnel available in order to actively respond to material impacts and risks while taking suitable actions. Targeted investments in training programs, safety measures and sustainable technologies allow us not only to strengthen our competitiveness but also to minimize potential risks that could impact our workforce and the environment.

Secure employment

Material impacts, risks and opportunities

Reduced need for labor and shortage of skilled workers

Structural changes and the chemical industry's general move away from Germany may potentially result in less demand for labor there with potential negative impacts on employees at our German sites, driven by rising costs and energy prices as well as tightening of regulations, particularly in Europe. At the same time, skilled workers are highly sought after worldwide, which may lead to bottlenecks. This makes it all the more important to be represented in all regions of the world and focus strategically on German skilled workers and on those in other regions.

Since WACKER's largest production sites are located in Germany, both issues pose a medium-term and long-term risk and might also negatively impact our employees, particularly those in Germany. Employees and their technological expertise are WACKER's most valuable resources. That is why we strive to be among the best employers in all our regions around the world and to appeal to highly qualified, motivated and socially adept employees.

WACKER's products help to facilitate climate change mitigation and transitional technologies. We have put actions into practice to reduce our carbon footprint and achieve our target of net zero by 2045. This does not negatively impact the workforce. Instead, we expect this to provide opportunities to maintain jobs and to lead to positive changes in the working environment.

Strategy

We strive to keep our German sites competitive in general. We pursue a number of policies to counter the general shortage of skilled workers. One of our main approaches is for personnel planning to focus on developing our own employees.

WACKER also attaches importance to the long-term retention of its employees and therefore its skilled workers. What is more, automation and the use of state-of-the-art technology boosts efficiency and, as a result, reduces the need for skilled workers. Ultimately, we encourage demographic and geographical diversification through internationalization to remain competitive on global markets and to attract the best talent from different regions.

We use Group directives on recruiting and talent management, including responsibility for the processes, to manage this. The Head of Human Resources is ultimately responsible for implementation and compliance.

Combining these policies allows us to effectively cover our labor needs, offer stable and reliable employment conditions, and prepare ourselves for future challenges.

Actions

Maintaining contact with social interest groups and policymakers

We maintain ongoing dialogue with social interest groups and policymakers to keep our German sites competitive. To this end, we have our own representatives in Berlin and Brussels.

Developing and recruiting talent

Our personnel planning is strategically designed to tackle production peaks and economic downturns. WACKER regularly informs its workforce about current business trends and provides timely information on key operational changes. If actions to cut personnel costs become necessary, we do so in close consultation with workers' representatives. Groupwide talent development hedges against personnel risks and promotes talent from within our own ranks

We keep pace with demographic trends and offer young people long-term prospects. Under a company agreement for WACKER Germany, apprentices and trainees who successfully complete their training with us and demonstrate appropriate skills will be offered a job.

We have a dedicated department responsible for personnel marketing, which includes measures such as information campaigns and attending job fairs.

Increasing employee retention

As an attractive employer that offers its employees attractive social benefits, competitive compensation and motivating work, WACKER strives to retain its employees long-term. That is evident in our employees' many years of service with us: the average length of service in Germany (permanent staff) was 16.4 years (2023: 16.5 years). The average length of service of WACKER's executive personnel was 21.9 years.

Strengthening our regions

Regionalization enables us to strengthen WACKER's global presence and to better fulfill the specific needs and requirements of our various regions. We aim to attract and develop local talent, strengthen the region's responsibility for itself and also encourage equal opportunity at our international sites.

Target

Group target: one in two management positions to be based in regions other than Germany

We have set ourselves the voluntary quantitative target of basing one in two management positions in regions other than Germany by 2030. We consider management to be "positions with global and/or strategic responsibility" and in Germany "management employees ('leitende Angestellte')".

	2024	2023	2022
Management positions outside of Germany (%)	33.0	32.3	29.6

Compared to the prior year, management positions outside of Germany have increased to 33.0 percent (2023: 32.3 percent).

Occupational safety and health promotion

Material impacts, risks and opportunities

Chemical production means having to deal with hazardous substances and their effects in chemical reactions. This involves an increased risk of workplace accidents and damage to health. As a chemical producer, WACKER also has a risk of workplace accidents with consequences on employee health. This is especially the case for our employees who work in or close to production plants. We counteract these potentially negative impacts by introducing safety measures as well as conscious promotion of employee health to enable us to reduce the financial risk of high sickness costs as a result of accidents or occupational diseases and the related loss of labor or production.

Strategy

We strive to create a workplace that is free from risk for people and the environment. We endeavor to avoid accidents and safety-critical incidents, paying particular attention to the hazard potential posed by chemical processes. The health of employees and maintaining their ability to perform are important goals for us as a company. This includes creating working conditions that encourage a healthy lifestyle and taking preventative action to avoid work-related ill health and accidents. Our clear safety regulations and procedures and a safety culture practiced by all play a key role here. What is more, we set great store by health promotion to boost employee wellbeing and reduce long-term health risks. These integrated approaches help to create a safe and healthy working atmosphere that increases employee satisfaction and, at the same time, reduces the risk of workplace accidents and occupational diseases. The Group regulation governing occupational health and safety defines suitable principles and responsibilities. The Group coordinators for health and safety are responsible for implementation and compliance. A large number of documented procedures transfer the strategy to specific areas of work and situations.

Actions

Workplace accident prevention policies

To reduce negative impacts of workplace accidents and plant safety incidents on our workforce, we have defined quantitative Group targets that are reviewed yearly. Together with managerial employees in Germany, we also define safety targets to this effect in annual target setting.

Our occupational safety system includes regular hazard assessments and monitoring of work areas in line with the international ISO 45001 standard. We record all incidents that are relevant in terms of safety, health and the environment throughout the Group in a timely manner in a central system, analyze the reports and take action.

All employees are given mandatory safety training. Our portfolio in Germany alone has over 40 online training courses, ranging from general safety training to specific issues such as hazardous locations. In the event of an emergency, we have multi-stage emergency response plans that vary according to the area and severity of the incident.

Our WACKER Safety Plus (WSP) program for German sites enables us to raise awareness among employees about unsafe practices. Safety patrols, discussions with the workforce and emergency drills are all part of this safety initiative. Employees can use our idea management system to report safety-critical situations, enabling us to identify hazards at an early stage. We give special recognition to plants without any reportable accidents. We discuss important issues with company and workers' representatives at our quarterly Occupational Safety Committee meetings (as defined in Section 11 of the German Safety at Work Act (ASiG)).

In 2024, we launched our Safety Culture@WACKER initiative to record WACKER’s safety operations comprehensively and, for the first time, globally. Under it, we intend to permanently improve our safety culture and ultimately reduce our accident figures to zero. To this end, we analyzed our sites and their approach to safety while also comparing them against industry benchmarks and have established actions for improvement. We will be running a global safety campaign in March 2025. This campaign includes various communication measures to increase safety awareness across the entire company, ranging from posters and banners with an overarching safety claim to townhall meetings and other activities. It is accompanied by a series of measures in leadership, lifesaving rules & risk perception, investigations, and management of consequences.

Promoting health systematically – avoiding high health expenses

We offer occupational medical care and workplace health promotion for all employees with permanent contracts. We have set out global standards in a compulsory directive, implementation of which is verified by a yearly self-assessment questionnaire that the local officers responsible answer. Our Health Services department is involved in job-related hazard assessments, including assessment of mental stress by the Occupational Psychology team.

WACKER offers various services, such as company medical teams, vaccinations and preventive medical checkups. These measures have a positive impact on all our employees.

All our German sites fulfill the requirements of the German Social Accident Insurance association’s DGUV Regulation 2, the German Safety at Work Act (ASiG), and the German Ordinance on Preventive Occupational Health Care (ArbMedVV). For medical emergencies, we have a rescue chain in place and our larger sites, such as Burghausen and Nünchritz, have a plant rescue service available around the clock.

The number of recognized occupational diseases at our German sites is very low. In the past, they were mainly respiratory tract and cancer diseases due to earlier instances of contact with asbestos.

In 2024 too, there were various health-related packages at WACKER, particularly at our largest production site in Burghausen. These are organized and coordinated via Burghausen Health Services, which also offers prevention programs for employees who work shifts.

In addition to analyzing accidents and work-related ill health, we look at the down times and sickness rates of our employees compared with the national average in Germany to promote the effectiveness of our actions.

Target

Safety is of the utmost priority for WACKER. We aim every year, for example, to fully avoid chemical accidents at our production sites with missed workdays and prevent severe plant-safety incidents.

Chemical accidents include eye injuries caused by hazardous substances, or incidents where hazardous substances with defined hazard statements come in contact with the skin or are inhaled. Classification is based on uniform requirements that apply throughout the Group.

Group target: no chemical accidents with missed workdays

	2024	2023	2022
Chemical accidents with missed workdays ¹	5	2	10

¹ Accidents leading to at least one workday missed.

There were five chemical accidents with missed workdays in the reporting year (2023: two). There were no serious plant safety incidents.

Please refer to the ESRS E2 – Pollution section for further information.

Health and safety metrics

	2024
	Number
Percentage of own workforce covered by health and safety management system (%)	100
Number of fatalities resulting from work-related injuries and ill health	1
Number of reportable occupational accidents	94
Rate of reportable occupational accidents	3.6

100 percent of our own workforce is covered by the company management system. The number of fatalities as a result of work-related injuries and work-related ill health relates to our own workforce and to other employees working on WACKER sites, e.g. employees of partner companies in the value chain that are working on WACKER premises. There was one fatal occupational accident at a partner company in the reporting year.

All in all, there were 94 recordable workplace accidents in the reporting year. This figure includes all accidents involving more than one missed workday. The rate is calculated based on 1,000,000 working hours.

Diversity, inclusion and equal opportunity

Material impacts, risks and opportunities

A globalized and interconnected working environment makes diversity, inclusion and tolerance more important than ever. WACKER is an advocate of equal opportunity for men and women. Because of historical role distribution, women are not adequately represented across our various management levels. As a result, we seek to increase the proportion of women in management positions.

Strategy

For us, equal opportunity goes beyond the context of pay and applies to training and development of expertise, as well. Equal opportunities for all employees and needs-driven development programs are important to us. Our policy includes actions to promote an inclusive working environment and support equal opportunity; these actions are intended to positively impact our employees.

We aim to create an open-minded work environment where every employee can contribute to the company's success. This makes it all the more important to be represented in all regions of the world and focus strategically on German skilled workers and on those in other regions. We fulfill the legal requirements for the number of employees with disabilities and the targets set for women in management positions. The Head of HR Talent and Skill Development is responsible for implementation of our diversity strategy. Various Group directives govern recruitment, personnel development and compensation. WACKER is a member of Germany's Diversity Charter initiative. In 2024, we joined the nationwide "Made in Germany – Made by Vielfalt (Diversity)" campaign.

Actions

Raising awareness and including vulnerable groups

In order to raise awareness among all employees and encourage exchanges between managers and employees, we organize a global week of diversity every year. We hold global discussions about the progress toward achieving our Group targets and enable employees to give us feedback. We take the prospects of potentially disadvantaged employee groups into account by liaising with various representatives such as regional diversity committees, disability liaison officers and apprentice representatives. Our workplace integration management system helps employees to get back into day-to-day working life after a prolonged absence.

What is more, WACKER offers leadership workshops to raise awareness among managers. These workshops focus on issues such as building confidence, promoting diversity and inclusion as well as developing talent.

We hire new employees based on their qualifications, performance, potential and personality, regardless of age, origin, impairments, religion, worldview, sexual orientation or gender identity (LGBTQI+). Our job advertisements are worded openly and use gender-sensitive language. We promote the inclusion of employees with disabilities, with an equivalent status or with health restrictions.

Diversity committees in various regions encourage awareness and support communication of the issues with groupwide activities to promote diversity such as information booths and online events. We encourage the use of gender-sensitive language with a reference guide for suitable German terms available on our intranet. Our Women’s Circle raises awareness of diversity issues and offers a platform for exchanges. A mentoring circle known as “By Women for Women” encourages personal advancement of female employees. In addition, WACKER participates in the Munich Cross-Mentoring program. All employees at German sites must familiarize themselves with Germany’s General Act on Equal Treatment (AGG) by completing an e-learning course every five years.

Any discrimination can be reported via our whistleblower system.

Target

Group target: 33 percent women in management positions

WACKER has set itself the voluntary global target of bringing more women into management positions and, as a result, promoting equal opportunity. The idea is for one in three management positions in the WACKER Group to be held by a woman by 2030. Alongside the mandatory disclosure on “Gender distribution at the two top management levels below the Executive Board”, we also track the proportion of women in “positions with global and/or strategic responsibility” and, in Germany, those classed as ‘leitende Angestellte’ (management employees).

	2024	2023	2022
Management positions held by women (%)	23.1	20.5	20.6

23.1 percent of management positions were held by women in the reporting year, up year over year (2023: 20.5 percent).

The relevant statutory requirements for equal participation of women in management in Germany are met too.

The Executive Board of Wacker Chemie AG, for example, has one female and three male members. Wacker Chemie AG has also set itself the target of having 25 percent women at the first and second levels of management below the Executive Board by 2026.

Diversity metrics

Demography/age distribution

Age distribution	2024	
	Number	%
Percentage of employees <30 years	2,472	15
Percentage of employees aged between 30 and 50	9,680	58
Percentage of employees >50 years	4,485	27

Gender distribution at the two top management levels below the Executive Board

	Male	Female
Top management	405	122
in %	77	23

Fair working conditions

Material impacts, risks and opportunities

The chemical industry in Germany has comprehensive collective-bargaining agreements in place that apply to WACKER as well. This has a positive impact on our employees and provides them with an adequate standard of living. We implement benefits under collective bargaining arrangements, in addition to offering voluntary social benefits. We place great emphasis on a fair and adequate wage.

Strategy

We have a standard comprehensive groupwide personnel policy and we take equal account of all employee groups with the clear aim of promoting positive impacts on our own workforce. Fair wages play a major role in this. Flexibility and innovative working-time models enable employees to better balance their private and professional lives. We actively support social partnership in the chemical industry. Our pay and working hours are in line with applicable laws and provisions. Our Group directive on compensation and benefits and various agreements with employee representatives, e.g. on the issue of working-time models, govern implementation.

Actions

Maintaining and enhancing WACKER's appeal

In order to ensure that compensation is non-discriminatory, it is based on gender-neutral criteria related to the duties required by the position in question. Furthermore, we are determined to pay all of our employees throughout the world appropriately. For this purpose, a global survey and review were carried out for the first time in 2024. In 2024, we committed to the UN Global Compact's Forward Faster initiative, which includes clear targets for living wages and gender equality. WACKER offers employees a variety of opportunities for work-life balance. These include multiple working-time models, childcare assistance, school-vacation support at our major sites, and one week of "family time" for parents of children under eight or for employees providing caregiving to relatives. We offer these benefits to employees of Wacker Chemie AG (excluding subcontracted employees).

Flexible working arrangements are part of our modern working world. Remote work has been established at many sites and is available after obtaining approval from supervisors. Our employees have access to a variety of leave options and part-time models for personal situations, such as providing caregiving to family members, pursuing further education or taking a

sabbatical. These arrangements are based on company agreements and the collective agreement on working life and demography.

We assist with childcare and the return to work after parental leave by holding workshops, for example. At all German sites, a service provider offers advice on the search for daycare spaces and alternative forms of daycare. In the event of family members falling ill or requiring care, employees in Germany can make use of advisory services. WACKER is a member of the Family Pact Bavaria network and has a corporate culture that is family friendly.

We review whether our actions are effective by looking at the use of flexible working-time models and options for different stages of life that enable our employees to strike a better work-life balance. We also look at our employee turnover.

Metrics

Adequate wages

All employees receive adequate wages. Many countries have state-regulated minimum wages (e.g. Germany, the USA and India) that serve as a benchmark. Some countries also have collective bargaining arrangements or collective agreements (e.g. Brazil, Sweden and Italy) and others draw a comparison with neighboring countries (e.g. Qatar as a reference for the United Arab Emirates).

Social protection

WACKER strives to ensure that its employees benefit from the welfare system. The percentage of employees covered by welfare benefits to avoid loss of income for all major life events is 95.3 percent.

In the following countries, not all employees are covered against all five major events defined (listed alphabetically):

Bangladesh, Czech Republic, India, Indonesia, Japan, Malaysia, Singapore, United Arab Emirates and the USA. Only one of these countries does not provide welfare benefits to avoid loss of income due to at least one of the major life events defined and WACKER has three employees there.

Typical reasons for incomplete coverage include the fact that, in some countries, certain forms of welfare are generally not provided or required by the state, or only apply above a certain monthly salary threshold. There are also forms of welfare, such as paid parental leave, which are sometimes only applied in one part of a country (e.g. individual US states).

Remuneration

Our remuneration (i.e. compensation) depends on the type of job, responsibility and relevant experience. This is how we compare work duties of equal value after adjustment in our internal analyses.

Based on the analysis specified in ESRS S1, the difference between the average hourly wage of female and male employees is 6.2 percent (based on the average hourly wage of male employees). This means that men have a higher wage per hour than women on average.

The annual total compensation of the highest paid individual is 27.6 times more than the median of the annual total compensation of all employees (excluding the highest paid individual).

For reasons of materiality, we only consider data from the largest Group companies in terms of employee numbers for the compensation metrics. This means that 97.5 percent of WACKER's employees from eleven countries are included in the assessment.

To prevent the results from being distorted by projections and therefore to obtain meaningful figures, we only take into account employees that have been actively employed for the entire year.

As a result, 89.1 percent of employees representative of the employment structure are taken into account for the calculations.

Secure retirement benefits through direct pension commitments

Material impacts, risks and opportunities

The rising life expectancy of those entitled to a pension; pay and pension adjustments; and falling capital-market interest rates influence our retirement pension commitments as well. As a company offering welfare benefits, we are obligated to guarantee commitments to our employees in the long term. We see a potential reduction in the plan assets in our company pension fund and higher obligations due to pay and pension adjustments as a financial risk in the medium term.

Strategy

To be able to maintain an attractive pension package for our employees while also minimizing financial risk, we place emphasis on diversifying the investment strategy and on a range of future-proof products for our employees. This topic also involves collective bargaining agreements and comprehensive insurance conditions that apply in Germany. The Executive Board is responsible for the pension fund.

Actions

The pension guarantees with which WACKER provides its employees are covered by various instruments such as the Wacker Chemie VVaG pension fund and other pension funds. Our diversified investment portfolio ensures a sufficient rate of return and limits investment risks. Since 2022, we have offered new employees in Germany retirement benefits on a funded basis to support their financial security.

Freedom of assembly and social partnership

Material impacts, risks and opportunities

Due to the global nature of our company, there are country-specific differences in the regulations governing the freedom of assembly. We recognize the right to freedom of association and see positive impacts on the interests of our employees. Upholding the interests of our employees is an integral part of WACKER's corporate policy.

Strategy

WACKER supports strong social partnership across the Group to take the interests of its workforce into account in its decisions. We consider social partnership to be the constructive relationship between employees and employers aimed at solving clashes of interests through consensus politics and containing open conflict. In this respect, there are legal regulations in place which we implement for WACKER. Our Executive Board plays an active role in associations.

Actions

Employee representatives

Internationally, employees are free to unionize. At non-German sites where there is no employee representation, the HR department is the contact for employee interests. This exchange promotes communication on working conditions and equal opportunity.

In Germany, all sites have formally elected employee representation and employees are free to unionize. General employee meetings held on a regular basis enable the Executive Board, the Council of Employee Representatives and employees to talk to one another.

In the interests of the company's employees, relations between management and workers' representatives are close and constructive. The Supervisory Board and the Group Economic Affairs Committee brief workers' representatives at least four times a year on the company's financial situation. Issues such as demographic change, labor needs, short-time work, retirement benefits and safe working conditions are discussed with the Group Council of Employee Representatives on an ongoing basis.

Agreements with advocacy groups

Agreements govern key issues between companies and their employees. In Germany, company agreements cover matters like the demography fund, health measures and employee development. In the USA, there are local agreements in place about compensation adjustments. The following table shows collective bargaining coverage and social dialogue:

Collective bargaining coverage and social dialogue

2024			
Coverage rate	Collective agreement coverage		Social dialogue
	Employees, EEA (for countries with >50 employees accounting for >10% of the total)	Employees, non-EEA (for regions with >50 employees accounting for >10% of the total)	Workplace representation (EEA only) (for countries with >50 employees accounting for >10% of the total)
0-19%			
20-39%		The Americas	
40-59%			
60-79%		Asia	
80-100%	Germany		Germany

At WACKER, there is no representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

We comply with the respective country-specific legislation governing codetermination or employee representation.

In Germany, all sites are covered by collective-bargaining agreements. Worldwide, 81.8 percent of our employees are covered (in the sense of the definition of collective bargaining).

Training & skills development / personnel development

Material impacts, risks and opportunities

Qualified employees are essential if companies such as WACKER are to operate successfully. Specifically promoting training and upskilling/reskilling increases the future prospects of our employees and permanently increases their quality of life. In the spirit of the UN's Sustainable Development Goal (SDG) 8 "Decent Work and Economic Growth," WACKER encourages its employees to realize their potential, assume responsibility and contribute their own ideas.

Strategy

Training and upskilling/reskilling, as well as employee career advancement, play an important role in our personnel policy. We focus on all employee groups and differentiate between training courses that are absolutely necessary to exercise specific functions and voluntary training that also contributes to personal advancement alongside professional development. We use a global documented procedure to regulate this. Responsibility lies with the central department for HR Talent and Skill Development.

Actions

Each Group employee participates in an annual performance review and development meeting with their supervisor. Together, they establish a personal development and career plan. At talent management conferences, we discuss potential further development of employees across departments and regions and, in so doing, encourage internal mobility. This process was revised in 2024.

Most WACKER employees have a personal email address. This means that services can be accessed conveniently via a portal on the intranet and also individually on mobile devices.

Vocational training is a key component of our personnel-development activities and has always been a focus of WACKER's HR strategy. In 2024, 213 young people began apprenticeships at a WACKER site in Germany or at the Burghausen Vocational Training Center (BBIW). The company employs a total of 620 trainees/apprentices (2023: 576). At 5.5 percent, the percentage of trainees (ratio of trainees to Group employees in Germany) is slightly above the previous year's level (2023: 5.1 percent). In addition, the Burghausen Vocational Training Center provides training for around 20 companies other than WACKER. Specific legal provisions covering mechanisms such as minimum age and health protection already apply.

Employees can choose from a global catalog of training on expert knowledge and social expertise. This is especially useful when it comes to onboarding. Advanced training measures are discussed in annual employee appraisals and made possible. Each employee spent an average of 24 hours in training in the year under review. All employees have to complete one training measure every year.

Training and skills development metrics

	2024	
	Male	Female
Percentage of employees with completed performance review (%)	87	86
Number of career and performance reviews per employee	1.1	1.3
Percentage of conducted to planned career and performance reviews (%)	97	97
Average training hours per employee	27	16

WACKER considers itself to be well-positioned in terms of working conditions. Group targets such as the promotion of women in management positions and a strong safety culture further support this. Selective personnel policy actions are intended to minimize impacts on the workforce. We adequately address risks such as shortages of skilled workers and high health expenses as described above.

Processes for engaging with our own workforce and workers' representatives about impacts

Engaging with employees

WACKER regularly conducts surveys among its employees to identify further potential for improvement. These surveys help us to gain valuable insight into the needs and expectations of our own workforce and the impacts of our implemented actions. When doing so, we ensure that all employees worldwide can participate in the surveys. The results are discussed with employees in the respective departments and possible solutions are proposed. The employee representatives are closely involved in the process. In our most recent global employee survey in 2023, we scored above average in terms of engagement and leadership culture. Potential for improvement was identified in the areas of safety, communication, cooperation, recognition and professional development.

We also carry out surveys as needed on issues such as sustainability and occupational safety. Internal department meetings provide a further opportunity for employees to express their views.

We use external benchmarks as an indicator of our commitment. In its annual satisfaction survey of chemical-industry executives, the VAA (German Chemical Industry Association of Academic and Management Employees) ranked WACKER 4th out of the 23 companies assessed, giving us an overall score of 2.7 on a par with the previous year. The average score was 3.2.

In addition, compliance with these standards is reviewed regularly in social audits (such as Sedex and TfS), which also include employee interviews. The auditors investigate issues such as working conditions, occupational health and safety, environmental management and corporate ethics. We make the results available to interested customers via TfS or in the Sedex database. We reviewed our Adrian (USA) and Jandira (Brazil) sites in 2024 and identified discrepancies in health, occupational safety and human resources. The discrepancies have now been settled with corrective and preventative actions. In 2025, we will conduct social audits at a total of six sites.

Expressing concerns

Human rights concerns can be directed and reported to the company via various channels. The table below shows the reported and actual incidents and complaints in relation to human rights.

Incidents, complaints and severe human rights impacts

	2024
	Number
Incidents of discrimination and harassment	7
Other complaints relating to social factors or aspects, including human rights	33

Seven reports relating to discrimination or harassment were received in the reporting year. A total of 33 further reports related to other complaints were also received in 2024. The reports were submitted both via our BKMS whistleblowing system and via the Group Compliance group mailbox. In none of the reported cases did the investigations result in fines, sanctions and/or penalties.

Furthermore, no serious violations of human rights were identified in 2024, meaning that no fines, sanctions and/or compensation payments were imposed in this area either.

Please refer to the ESRS G1 – Business Conduct section for further information.

ESRS S2 – Workers in the Value Chain

Value chain workers impacted

In 2024, we purchased products and services around the world worth €4.5 billion. These included raw materials such as silicon, methanol, ethylene and acetic acid as well as energy, the construction and maintenance of chemical plants, and IT and logistics services. Our supplier network is made up of some 10,000 suppliers, of which around 600 key suppliers account for just under 80 percent of our procurement volume. Our suppliers are primarily based in Germany, the USA and China.

Based on the findings of supplier audits (sector analyses, surveys, expert opinions), we consider occupational safety to be particularly relevant to workers of our direct suppliers in production operations. We also consider workers of third-party companies, such as cleaning companies, contractors and raw material manufacturers, that collaborate with our suppliers and operate mines or plantations to be particularly affected.

Our customers operate in various industries, including consumer care, textiles, and the automotive, solar and semiconductor sectors. Logistics companies play a major role in the transport of our products and raw materials. We regularly check cooperation with customers in regions susceptible to forced labor.

Upstream value chain

Material impacts, risks and opportunities

Promoting appropriate working conditions and preventing reputational damage

Our business model depends on suppliers and their employees. In some sectors and regions, however, particularly in risk areas, supply-chain employees might encounter challenges such as a lack of equal opportunity, unfair wages, unstable jobs, a lack of work-life balance, and insufficient occupational health and safety protection in the workplace.

WACKER uses the tools described under “Actions,” such as supplier training, communication of our values via the Supplier Code of Conduct and regular reviews, to have a positive impact on working conditions at our suppliers and upstream suppliers and secure jobs, with appropriate working hours and fair pay, in the medium to long term. Doing so reduces our financial risk from reputational damage, potential fines or the cost of legal disputes.

Production downtimes due to accidents

Whenever chemical raw materials are handled, there is an increased risk of workplace accidents and health restrictions. This is also the case for our direct suppliers. For WACKER, this means a potential financial risk due to possible production downtimes at the supplier's end and increased costs due to switching supplier at short notice. This is why we pay particular attention to the implementation of safety precautions in our training courses and inspection rounds and why we check ourselves that these precautions are put into practice.

Child and forced labor

As a global company, we also have business activities in regions associated with an elevated risk of severe human rights violations such as child labor or forced labor at our supplier sites. This can result in reputational damage as well. We use regular reviews, assessments and social audits as part of our endeavor to address this risk early on, to prevent potential human rights violations and take action immediately in suspected cases.

Impact on our business model and our strategy

One of the safeguards we implement in response to potential adverse impacts on workers in the value chain is that we avoid single sourcing, i.e. relying on a single supplier. This allows us to minimize our risk and also plan improvement measures at suppliers better with regard to timing.

Strategy and governance

Even if the influence we exert over our suppliers is limited, we have designed our procurement practices to help promote fair and adequate working conditions for the employees of our suppliers over the long term. To ensure that our high standards in terms of integrity, quality and confidentiality are met, we reserve the right to conduct visits and audits. A transparent supply chain is intended to enable suppliers and upstream suppliers to uphold the same standards. Long-term partnerships help us to promote adequate working conditions. WACKER can address social and labor law issues and enforce improvements to create an adequate working environment. Ethical procurement at WACKER includes fair wages, regulated working hours, safe working conditions and a ban on child and forced labor. This is managed specifically by a dedicated strategic team in Procurement that reports to the head of Procurement.

Actions – direct suppliers

Supplier assessments

As part of our membership of the Together for Sustainability (TfS) initiative, we monitor compliance with environmental and social standards among all our key suppliers and all those direct suppliers that our risk analyses have identified as at increased risk of violations in their business operations. Our risk analysis is based on the MVO checker recommended as suitable by the German government. The characteristics we take into account are supplier status, procurement volume, country, region and product category. Conflict or high risk areas, referred to as hot spots, are integrated too and can be adapted on a yearly basis or as needed.

As of the year-end 2024 reporting date, a total of 970 suppliers have valid EcoVadis assessments, with 65 percent of suppliers having improved their rating compared to the previous assessment. The average EcoVadis score across all of WACKER's suppliers was 59 points.

Results	2024	2023	Change in %
Valid assessments	970	1,044	-7.1
Average score	59	57	3.5
Improvement rate (%)	65	63	3.2

Group target: 100 percent of our key suppliers to meet WACKER's minimum requirements by 2030

%	2024	2023
Key suppliers with valid assessment or audit	93	90
Meeting WACKER's minimum requirements	84	79
Binding confirmation regarding Supplier Code of Conduct	97	90

WACKER expects all its key suppliers to demonstrate a positive sustainability performance at regular intervals (at least every three years). These defined key suppliers cover almost 80 percent of our entire global procurement volume. Their sustainability performance must be demonstrated in the form of an EcoVadis assessment with a minimum score of 46 and/or a TfS audit with no major findings. The areas we look at as part of our review include sustainability management, environmental practices, labor and human rights, ethics and sustainable procurement.

All of our key suppliers must fulfill these minimum requirements by 2030. This target is action-related and we follow up on our targets in monthly management reports. We communicate the targets, or achievement of suppliers' own targets, to our suppliers in individual meetings, supplier days or in the Annual Report.

Remedies and improvements

If supplier evaluations identify potential for improvement, the respective purchaser identifies the remedies to be taken and documents them with all the relevant deadlines in a tailored watchlist.

Risk-based remedies that might be considered include:

- (Repeat) assessment and/or TfS audit
- Holding escalation talks with suppliers and internally with the business divisions/stakeholders
- Drawing up and accepting a plan for improvement, including specific remedies, for the supplier
- Stopping contracts temporarily
- Threatening termination of the business relationship as an ultimatum

See ESRS G1 – Business Conduct for a description of the fundamental approach we take here.

The remedies are intended to ensure that any suspicion of human rights violations are reported and uncovered in good time. We use talks or repeat audits with the respective suppliers to monitor their progress and status. Results and remedies are documented and tracked in an internal WACKER dashboard.

We established an improvement rate of 60 percent under the TfS initiative and measure this using the EcoVadis assessment (improvement of the score as part of a reassessment). At 65 percent in 2024, we exceeded this target value. From 2025 onward, we will focus on suppliers with a poorer result in their assessments and audits. We have defined new targets for this that provide for achieving an improvement rate of 70 percent in assessments and, in cases involving TfS audits with major deviations, making progress in following up on these findings in 25 percent of cases/resolving them completely in 28 percent of cases. This puts our targets above the TfS average.

Supplier evaluations are validated by a dedicated unit within the Procurement department. The head of Procurement & Logistics is responsible for approving the evaluations and reports directly to the Executive Board. Procurement is supported by human rights officers who regularly conduct spot checks and can provide advice. The Procurement department also reports to our Human Rights Committee, in which we discuss proposals for improvement together.

Furthermore, we expect all our key suppliers to commit to our Supplier Code of Conduct. New suppliers must evidence a management system under ISO 9001 (quality), ISO 14001 (environment) or comparable certificates (e.g. GMP: Good Manufacturing Practice).

Training and upskilling/reskilling

In order to help suppliers with improvements and with implementing sustainable practices, we regularly invite our direct suppliers to the TfS Academy to learn about specific topics, and we assess their attendance once a year. Our training courses and upskilling/reskilling focus on occupational safety and health in particular.

Actions – indirect suppliers

We advocate the prevention of human rights violations in the procurement of raw materials even beyond our direct suppliers, particularly when it comes to conflict minerals or palm (kernel) oil.

Conflict-free minerals

To rule out serious problems and incidents relating to human rights in the case of our indirect suppliers as well, our direct suppliers conduct an inspection of their source mines at least once a year for the four defined conflict minerals: gold, tin, tantalum and tungsten.

The Responsible Minerals Initiative (RMI) has designed a CMRT form to this end. This form enables transparent transfer of information from a material's country of origin through the smelter and refiners.

As regards the period under review, we have no evidence suggesting that our materials come from non-compliant mines.

Palm (kernel) oil

Palm (kernel) oil is facing criticism for its association with frequent violations of human rights and environmental protection guidelines during its recovery. Even though WACKER does not procure large quantities of palm (kernel) oil derivatives, we strive to obtain this renewable raw material from sustainable, certified sources. We use palm (kernel) oil in the form of various fatty acids/alcohols or their derivatives.

The RSPO (Roundtable on Sustainable Palm Oil) initiative campaigns for sustainable practices in the global palm oil industry. Certified producers must demonstrate that they have a material-flow control system in place and commit to complying with human rights standards, to reducing emissions and to refraining from clearing forests for plantations and from planting in peatlands. We obtained RSPO certification for the first time in 2021 and increasingly use RSPO-certified raw materials. We aim to use 100-percent certified palm (kernel) oil by 2030. Raw materials with very low quantities of palm (kernel) oil are excluded from this. We report on our progress annually through an ACOP (Annual Communication on Progress).

Effectiveness and findings of our assessments and audits

We can easily track how effective our actions are by using the results of our TfS assessments and audits and our supplier discussions. These results are also part of our general supplier assessments and are communicated directly to the suppliers.

We do not have full insight into compliance with human rights and working conditions in our supply chain. However, findings from our main suppliers and the suppliers identified by the risk analysis do not currently show any signs of human rights violations, including child or forced labor. This applies to our downstream value chain, too. Nor are we aware of any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving workers in the value chain, either in the upstream or downstream value chains.

Process for engaging with value chain workers

The TfS Protocol for social audits, which we consider to be the standard for the chemical industry, calls for interviews with supplier employees. The auditor spontaneously chooses a sample of workers present on the day of the audit with preference given to production employees to prevent influence beforehand. The interview questions focus on issues such as working conditions, occupational health and safety and wage criteria. Negative comments may impact the overall score and may be included in the audit report as a negative finding. The remedies we described above then come into play. These audits take place regularly every three years at least or more often in the event of any abnormalities. We have access to 66 valid audits and initiated 39 audits ourselves in 2024.

We also use our annual supplier days to provide information and obtain feedback.

Value chain workers can raise their concerns at any time using our whistleblower system. The whistleblower system can be found on the WACKER website and is explicitly mentioned in the Supplier Code of Conduct. We also survey awareness of these channels in employee interviews. These interviews only take place with the auditor, but interviewees have the option of consulting an advisory party, e.g. in the form of an employee representative. This increases employee confidence in the interview approach.

For a detailed description, including information on protecting individuals, see the ESRS G1 – Business Conduct section.

Downstream value chain

Material impacts, risks and opportunities

WACKER as a reliable partner

Our customers want to work with suppliers that are reliable and show integrity. They require us to demonstrate that we support sustainable value chains that are especially free from child and forced labor. We have designed our business practices in a way that allows us to check the sustainability of our supply chain, minimize negative impacts and positively impact our value chain workers. We see this as an opportunity to be a preferred supplier for our customers. This also applies to other business partners such as banks and investors that likewise value the ethical business practices of their customers.

Strategy and governance

WACKER's business strategy is centered around giving our business divisions leading competitive positions and around achieving sustainable actions. Proximity to our customers and sustainable practices at all stages in the value chain are the driving forces behind our growth. We have set our general strategic and operational targets for the period leading up to 2030 out in our SustainaBalance® sustainability strategy. To show our customers and business partners just how serious we are about these targets, we undergo an external assessment as a supplier to furnish evidence of our business practices. This assessment uses the same tools as those that we use to evaluate our own suppliers, meaning that they are an integral component of our business strategy.

Actions

As a TfS member, WACKER not only evaluates its suppliers in terms of sustainability, but also has its own performance as a supplier examined by EcoVadis in an external assessment. We achieved an overall rating of 77 points in the reporting year, which puts us in the top 4 percent of all companies assessed in our category. In sustainable procurement in particular, our score improved to 90 out of 100.

In addition, we are examined by way of social audits at our major production sites. Proceeding according to the SMETA (Sedex Members Ethical Trade Audit) or TfS process, auditors investigate issues such as working conditions, occupational health and safety, environmental management and corporate ethics. We make the results available to interested customers via TfS or in the Sedex database.

At the same time, TfS assessments enhance our standing with customers. EcoVadis ratings are recognized benchmarks that customers see positively. What is more, we want to generate opportunities with sustainable supply chains. We see added value for our customers in this process if we can show that we have taken action to minimize the risk of violations of children's and human rights. We will continue to improve our efforts on an ongoing basis.

ESRS G1 – Business Conduct

Material impacts, risks and opportunities

Process for identification and assessment

We take the following measures to continuously monitor and assess the key elements of business conduct, particularly the implementation of our Code of Conduct and our Supplier Code of Conduct, human rights issues in the supply chain, and bribery and corruption.

WACKER has implemented standard processes and tools throughout the Group to regularly identify and assess the impacts, risks and opportunities of our business conduct and to establish the necessary actions. As part of our compliance strategy, we implement comprehensive actions to assess corruption risks, including risk analyses and reviews of our business units and processes. Our systematic analysis takes into account the geographical location, type of business activity and historical data.

Compliance risk analysis

When the Compliance department conducted its compliance risk analysis in 2023 and in 2024, it carried out an initial evaluation of the main compliance risks. They were assessed on the basis of a self-assessment and conceivable risk scenarios using the gross/net method and form the basis for planned global compliance risk reviews.

In the period under review, an external law firm conducted a specific compliance risk analysis at our US locations. We are currently planning a global compliance risk analysis.

We also conducted a comprehensive risk analysis regarding conflict minerals. This analysis includes identifying relevant minerals (tin, tantalum, tungsten and gold), a detailed supply chain analysis and an assessment of geographical and supplier-specific risks. We have implemented specific risk-minimization strategies including introduction of a supplier code and execution of regular audits and training courses to raise awareness. We report transparently and regularly to document and communicate compliance with the standards involved.

By participating in industry initiatives and cooperating with stakeholders, we actively advocate responsible procurement practices and help to prevent human rights violations in conflict regions.

The following is a description of WACKER's material impacts in terms of corporate governance and business conduct as well as the resulting risks and opportunities in relation to our business model, our value chain, our policies and our decision-making.

Material impacts

Corporate culture

WACKER's Code of Conduct, like its Supplier Code of Conduct, which applies groupwide to all employees, customers and business partners, constitutes the foundation of our corporate culture and our business conduct. Ethical principles and compliance with legal regulations are an integral part of our conduct to boost the company's value in the long term and protect our reputation.

As a result, we positively impact suppliers, our own workforce and our customers by embodying and insisting on business conduct with integrity.

Destruction of the environment and human rights violations by suppliers

The mining of minerals entails a high risk of human rights violations such as forced labor or corruption. It may also involve negative environmental impacts due to the breakdown of ecosystems. WACKER's use of minerals might therefore negatively impact our upstream value chain. Forests are often cut down and rivers polluted, which not only damages ecosystems but also jeopardizes the livelihoods of people living in these areas. Growing demand for critical minerals also means an increase in human rights violations and corruption since working conditions in mining regions are often exploitative. For this reason, WACKER sets great store by the origin of its raw materials, particularly the four conflict minerals: tantalum, tungsten, tin and gold (3TG). Use of palm oil can also cause environmental pollution such as deforestation. Even though WACKER procures only small amounts of palm (kernel) oil derivatives, we ensure that we obtain this renewable raw material from sustainable, certified sources. WACKER uses palm (kernel) oil in the form of various fatty acids/alcohols or their derivatives. We see the main impacts in our upstream value chain.

Furthermore, we see potential negative impacts from the use of specific raw materials in the countries and regions with low standards when it comes to respecting human rights. Please refer to the ESRS S2 – Workers in the Value Chain section for further information.

Material risks

Corruption and bribery in the supply chain

As a global company, we work with a variety of distributors and sales partners. There is a risk within these structures of corruption and bribery in the downstream value chain, which can also lead to reputational damage and monetary fines for WACKER. For more information on detailed impacts and actions and on our risk analysis relating to our strategy, please see the Risk Management Report.

Conflict minerals, palm oil and forced labor in our supply chain

In view of our impacts in relation to conflict-prone minerals, we have identified a potential risk in the upstream value chain. The potential consequences of this risk include reputational damage, claims for damages and losing customer relationships and orders. To minimize this risk, we are members of the TfS initiative (see "General disclosures on social standards") and have implemented a Supplier Code of Conduct.

Material opportunities

Political commitment as an opportunity for positive competitive conditions

Increasing our energy efficiency is an important part of our sustainability strategy. The energy transition requires high capital expenditures. WACKER is calling on energy-policy decision makers to establish stable and predictable conditions so that long-term investment decisions can be made. Unpredictable changes to electricity prices or the regulatory framework negatively impact planning certainty. Our political commitment also allows us the opportunity to strike a balance between support of the energy transition and ensuring competitiveness.

Transparency and traceability as competitive advantages

Being able to track specific raw materials shows our customers that our products are manufactured in an environmentally-conscious and sustainable manner. This helps us to retain customers and strengthens our competitive position. It also enables us to guarantee compliance with regulatory requirements such as trade restrictions in certain regions and industries.

Strategy and governance

WACKER focuses on responsibility, integrity, compliance with legal and regulatory standards, and sustainability to balance economic, environmental and social factors. Our purpose is to develop and offer solutions that contribute worldwide to improving quality of life. Business success requires all employees to conduct themselves ethically, legally and with integrity.

Our corporate values serve as a guide for our business conduct and encapsulate what WACKER stands for:

- Integrity & Example
- Performance & Passion
- Vision & Openness
- Collaboration & Appreciation

These values create the framework for the WACKER Code of Conduct, which describes our ethical principles for all our employees around the world and must be complied with. These values should be actively practiced by all employees, regardless of department, function, region or hierarchy level. Furthermore, we give our Code of Conduct to customers, business partners and stakeholders as a guide along with our Supplier Code of Conduct.

Our compliance management system is designed to

- Strengthen and encourage compliant conduct,
- Prevent or minimize compliance violations,
- Identify risks for possible infringements,
- Introduce preventative measures, and
- In the event that individuals act independently against clear rules to commit violations, uncover such violations, stop them and prevent them from happening in the future.

In line with a groupwide directive, our Distribution Management unit works with our Legal and Corporate Development departments to conduct regular assessments of the risk factors concerned and assess distributors. These risk factors include the country assessment provided by the World Corruption Index and the Compliance regulations of distributors. The criteria are regularly reviewed and updated to reflect the latest best practice and industry standards. Together with our Legal and Corporate Development departments, Distribution Management organizes mandatory compliance training if the assessment findings indicate that such training is necessary.

By way of support, we provide a wealth of information on our intranet and offer interactive online training courses. Successful completion of these training courses is mandatory and monitored by the personnel department.

Responsibility for implementing the Code of Conduct lies with the president and CEO. The Group Chief Compliance Officer reports directly to the president and CEO, regularly providing information on relevant incidents or suspected cases. The full Executive Board is informed on a quarterly basis of any relevant compliance issues and the Supervisory Board is informed via its Audit Committee meetings, which take place four times a year, about all compliance incidents and actions taken.

Actions

Our global compliance organization aims to ensure compliance with internal and external regulations and with our company requirements.

The compliance management system is an important part of our “three lines of defense” model and is part of the second line of defense involving risk management and control. For more information, please see the Risk Management Report.

Taking account of the reporting of internal and external stakeholders is an important part of the compliance management system. Our whistleblower system ensures that potential violations of the rules are identified, clarified and stopped in good time. Any reports are treated fairly, immediately and adequately and with the utmost confidentiality.

Whistleblower system and compliance

In 2021, WACKER launched a global whistleblower system (based on the BKMS reporting platform) that is available to whistleblowers both internally and externally. Reports can be made in person or anonymously online or using an external hotline. They can also be forwarded to local compliance officers, managers or employee representatives. In the USA, WACKER also offers an additional option for reports in the form of the Navex software platform. The whistleblower process is continuously reviewed for improvement.

Communication and transparency

In 2024, we standardized communication in the whistleblower process and published it on our company intranet and on the company's website to achieve global coverage. Social audits in employee interviews are one of the tools used to inquire as to employees' knowledge of the whistleblower system. Reports of potential compliance risks or violations are investigated immediately, independently and objectively. The process underlying this is shown on the intranet and on our website. The decision to launch a compliance investigation is based on circumstances in individual cases and on the findings of the evaluation.

Reporting channels and protective measures

Reports of potential violation of the rules can be submitted by employees, business partners, customers and other third parties via various channels and in several languages. These reports are received by WACKER Group Compliance or the relevant contacts, which conduct thorough and appropriate investigations confidentially and in good time. Protecting whistleblowers and the individuals concerned is one of the basic principles of our whistleblower system. We respect the right to confidentiality and we uphold the presumption of innocence and fairness of investigations.

Investigation process

1. Submission of a report: reports can be made at any time and in any language. Group Compliance reviews every report thoroughly and systematically in line with company rules. Whistleblowers receive confirmation of receipt and the reported matter in question is reviewed in terms of content.
2. Investigation of the matter: if suspicion of a violation of the rules is justified, an investigation is launched. The findings are assessed from a legal viewpoint and suitable actions taken. Reports that do not indicate a severe violation of the rules can be passed on to a suitable office within WACKER.
3. Further course of action: the outcome of the investigation will determine whether process-related changes, expansion of monitoring mechanisms or disciplinary measures are taken. Relevant reports are communicated to the appropriate units within the company and whistleblowers are informed of the status and the outcome of the investigation.

Protection from retaliation

WACKER has established extensive measures to afford protection from retaliation in line with the German Whistleblower Protection Act (HinSchG). This includes training and confidential meetings with whistleblowers, individuals under suspicion, and other parties that provided information. We make it our utmost priority to protect the right to privacy, data-protection regulations and confidentiality. Once an investigation has been completed, follow-up action is initiated by the departments responsible. In certain cases, Group Compliance contacts the whistleblowers again to review the effectiveness of these protective measures.

Compliance regulation

Our identification, reporting and investigation mechanisms are set out in our internal guidelines, particularly in the Group's Compliance regulation. The Group's Compliance regulation describes the underlying conditions and procedures in the global process for reporting (potential) compliance risks and violations. This regulation is reviewed on a regular basis to ensure it is up to date and if it is not, it is adapted as required.

Our global compliance organization is independent and not bound by any instructions. Our investigation officers (the Group Compliance Officer and Corporate Auditing employees) or any investigation committees that have been set up (e.g. the local compliance committee or human rights task force) are independent of the management chain involved. These investigations are initiated independently, neutrally, without delay and confidentially if the evidence available can be easily comprehended and an investigation is justified.

Compliance and antitrust training

Compliance and antitrust training courses are mandatory training courses that must be completed by all employees every two years groupwide. In the reporting period, we also held training courses and workshops around the world for the groupwide introduction of WACKER's new global Code of Conduct. Our qualification rate worldwide in the reporting period was 90 percent.

Functions that are at high risk of bribery and corruption include Procurement & Logistics and Sales & Distribution Management.

In the year under review, we established and rolled out new safeguards and a fundamental strategy for managing our worldwide distributors from a compliance perspective. Key subprocesses, actions and controls had already been part of various compliance management processes in the past. Nonetheless, in the year under review, we refined our overall conceptual approach, redefining standard processes and assessment methods, and revising specific compliance training measures.

Communication and compliance policies

WACKER communicates its policies on its intranet and company website as well as in dedicated workshops and training courses. We also devised and published a "tone from the top" message worldwide in the reporting period. All employees can access the company's rules on the intranet and using our document management system.

Management of relationships with suppliers

The performance of our suppliers plays a key role in WACKER's success. That is why we encourage close cooperation and actively enhance our supplier portfolio to guarantee supply security, performance and sustainability. We also provide our Code of Conduct to our business partners as a guide along with our Supplier Code of Conduct.

Regulations and directives

Our supplier relationships are governed by a company regulation and several directives including a specific directive to encourage sustainability. This aims to efficiently ensure a sustainable supplier base by enabling suppliers to be prioritized according to their significance and by allowing robust relationships and processes to be established.

Assessment and categorization

WACKER assesses suppliers in terms of their procurement volume, dependency and strategic aspects. Key suppliers cover almost 80 percent of the global procurement volume and are ranked in categories A, B or C. This rating enables active management of supplier relationships and the definition of formal requirements such as supplier performance assessments and plans for improvement.

Long-term partnerships and preferred suppliers

WACKER strives to establish long-term partnerships with key suppliers based on our experience that long-serving suppliers better understand and fulfill our specific demands. This objective is expressed in our related directives and guides our conduct in supplier management. In addition to key suppliers, WACKER chooses preferred suppliers to avoid too fragmented a supplier structure. These preferred suppliers are often separate from the key supplier group.

Monitoring and supplier development

For all key suppliers and for a selection of non-key suppliers, WACKER has processes in place to continuously monitor and improve supplier performance. These processes help identify relevant developments, risks and opportunities in good time and enhance performance capability and cooperation to lasting effect.

Our supplier development strategies include:

- Personal relationships
- Complaint management
- Supplier assessment
- Continuous improvement activities
- Fulfillment of sustainability standards
- Supplier quality audits

Sustainability requirements and supplier management

WACKER expects all its key suppliers to demonstrate positive sustainability performance at least every three years either in the form of an EcoVadis assessment with a minimum score of 46 points and/or a TfS audit with no major findings. The areas we look at include sustainability management, environmental practices, labor and human rights, ethics and sustainable procurement. All key suppliers will have to fulfill these requirements by 2030. We follow up on our targets in monthly management reports.

We also require a sustainability assessment from those suppliers that are considered particularly relevant due to our ongoing risk analysis. If the results are not satisfactory, we agree measures for improvement, the progress and status of which are tracked by way of supplier talks, reassessments or repeat audits. Results and measures are documented in an internal dashboard. Results that remain poor and a lack of readiness to cooperate may lead to termination of the business relationship. We also make it compulsory for suppliers of conflict minerals to only supply from mines that meet the criteria of the Responsible Minerals Initiative (RMI).

Communication and training

Our sustainability targets are published on our website. We also have information on it dedicated to suppliers and regular supplier days in Europe, Asia and the USA at which we communicate news, key issues and our expectations. This should also help to reduce the negative impact on people and the environment in the upstream value chain.

Training programs

In addition to general training in safety and compliance, we also offer our Procurement staff specific training programs, which include training to familiarize staff with procurement processes and tools, regular training on negotiations and costs, and add-on training such as courses on product carbon footprints. What is more, our employees and suppliers are able to participate in online TfS Academy courses free of charge on relevant sustainability issues.

Preventing and detecting bribery and corruption

Our Compliance Management System described under the “Strategy & governance” and “Mechanisms to identify, report and investigate concerns of unlawful behavior” sections also includes preventing and detecting bribery and corruption.

Compliance

Potential violations of the Code of Conduct by suppliers and business partners, including risks and violations relating to human rights and environmental obligations, can be reported to Group Compliance as well. Group Compliance informs the departments responsible to take the action necessary to minimize or stop violations and risks. This is intended to reduce the risk of corruption and bribery among distributors as well.

Compliance training

Web-based compliance training is mandatory across the Group for all employees every two years. The areas it covers include strategies and methods, general definitions in anti-fraud and compliance management, an introduction to techniques and investigative approaches, existing reporting and communication channels at WACKER, as well as an illustration of potential risk and fraud scenarios using concrete examples and presentation of potential transactions.

At WACKER, employees in Procurement & Logistics and Sales & Distribution Management are considered at-risk functions. In addition to mandatory standard training, they must undergo more extensive training, such as in-person compliance training covering specific risks and challenges as well as further-reaching compliance awareness using, for example, transactions that reflect actual practice.

Since all WACKER employees worldwide have to take part in compliance training, the courses fully cover all compliance risk functions too. As a result, our coverage of at-risk functions in the reporting period was 100 percent.

WACKER also offers voluntary training courses and advanced training measures.

Members of the global administrative and management bodies are covered by the groupwide compliance training sessions. Furthermore, in the third quarter of the reporting period, we held compliance talks with the Executive Board.

WACKER's Supervisory Board receives training on the main insider-trading legislation and director dealings. As a rule, training is provided as soon as a new Supervisory Board member has been appointed. In addition, the Legal department performs regular checks in connection with conflicts of interest.

Confirmed cases of bribery or corruption

During the reporting period, WACKER received reports of potential compliance-related incidents. There were no cases of bribery or corruption. In the reporting period, there were no fines for violations of bribery or corruption regulations.

To maintain transparency and the ability to produce evidence, reports received and investigative action are documented centrally by the Compliance organization and individual Group companies. To meet requirements under data protection regulations, investigative action is recorded in detail at the subsidiary concerned.

Political influence and lobbying activities

Through our lobbying activities, we exert political influence in Europe, the USA and China. WACKER is a member of business associations including the German Chamber of Commerce and Industry. WACKER also supports the rapid expansion of renewable energy to enable the transition toward net zero and competitive electricity prices. The latter in particular are necessary to ensure the industry's competitiveness in the long term.

In Germany and elsewhere in Europe, WACKER is committed to a sustainable energy policy and creation of a regulatory framework that supports these objectives. We are also committed to reducing red tape and strengthening sustainability issues. In addition, we advocate fair global trade, ideally without trade barriers. In the USA, we are focusing on strengthening the polysilicon business, as well as on trade and tariff-related issues.

Our Lobbying function falls under the responsibility of the full Executive Board. Within our Group organization, it is Wacker Chemie AG's Legal and Compliance department that is responsible and reports to the president and CEO. In Europe, two Legal and Compliance department employees in Berlin and Brussels, respectively, are responsible for our lobbying. In the USA and China, these activities are conducted by local organizational units led by the central Legal and Compliance department.

The CEO actively participates in public debate in the form of interviews, appearances at symposiums, and statements that we publish on our website.

In the year under review, WACKER did not make any material donation payments.

Registrations in transparency registers

WACKER is on the German Bundestag's lobby register under registration number R0011803, in the Austrian Lobbying and Interest Representation register under register number LIVR-00311 and in the EU Transparency Register under registration number 036915715533-64.

EU Taxonomy Regulation

The European Union's Action Plan on Financing Sustainable Growth set out to establish a classification system for sustainable economic activities, formalized in the EU Taxonomy Regulation. This system is intended to help companies subject to the obligation to publish a non-financial report to identify environmentally sustainable activities and standardize their reporting. The taxonomy is intended to play a role in the transition to sustainable finance by strengthening the reliability and comparability of sustainability information. EU delegated acts governing fiduciary duties, and investment and insurance advice are designed to advance the European Green Deal's goal of achieving net zero by 2050 by directing capital toward sustainable activities. In its Taxonomy Regulation, the EU has defined six environmental objectives which, in the EU's view, companies can use to determine which of their economic activities may be classified as sustainable.

The methodology for the classification of economic activities follows Annex I of Commission Delegated Regulations (EU) 2021/2139, (EU) 2023/2485 and (EU) 2023/2086, Commission Delegated Regulations (EU) 2022/1214, 2023/3850 and (EU) 2023/3851 supplementing Regulation (EU) 2020/852, with the aid of the NACE codes cited.

The economic activities we have identified relate to the environmental objectives "Climate change mitigation" and "Pollution prevention." We did not identify any activities under "Climate change adaptation," "Water," "Circular economy" or "Biodiversity."

Since we identified only those eligible activities falling under the "Climate change mitigation" and "Pollution prevention" objectives, there is no duplication of taxonomy-eligible sales, CapEx or OpEx in other environmental objectives. In addition, because these KPIs relate to consolidated figures, there is also no duplication across various economic activities.

Economic activities identified as taxonomy-eligible under the "Climate change mitigation" objective included, in particular, those from the "Manufacture of plastics in primary form" category. This category covers economic activities performed by the Silicones business division with silicone-based products such as silicone sealants and pyrogenic silica as insulation material, the Polymers business division with downstream products based on polyvinyl acetate, and the Biosolutions business division with the sale of PVAc-based gum base for chewing gum.

We are also reporting the "Manufacture of active pharmaceutical ingredients" as a taxonomy-eligible economic activity in relation to the "Pollution prevention" objective. This category covers activities in the Biosolutions and Silicones divisions, which manufacture active pharmaceutical ingredients (APIs) as end products.

In addition to the above-mentioned economic activities that we classify as our core business — the production of chemical-pharmaceutical products — we have identified production-related services that can be attributed to the following activities defined in the EU Taxonomy: "Construction, extension and operation of waste water collection and treatment," "Electricity generation from hydropower," "Electricity generation using solar photovoltaic technology," "Construction, extension and operation of water collection, treatment and supply systems," "Collection and transport of non-hazardous waste in source segregated fractions," "Treatment of hazardous waste," and "Remediation of contaminated sites and areas." A cost-benefit analysis found all these production-related services to be insignificant and as a result they have not been reported on. By analogy, we have classified the only activity – "High-efficiency co-generation of heat/cool and power from fossil gaseous fuels" – identified in accordance with Commission Delegated Regulation (EU) 2022/1214 in relation to economic activities in certain energy sectors as being immaterial based on a cost-benefit analysis. That is why we will not be reporting on this separate template.

In the 2024 reporting period, we checked the taxonomy conformity of the activities identified as taxonomy-eligible for the environmental objectives "Climate change mitigation" and "Pollution prevention" using defined technical screening criteria. In this context, a company must prove, firstly, that the relevant activity makes a substantial contribution to the environmental objective. If this substantial contribution can be demonstrated, the activity must meet additional DNSH (Do no significant harm) criteria to ensure that the activity does no significant harm to any other environmental objectives. The minimum safeguards defined in Art. 18 of Regulation 2020/852 must then, furthermore, be demonstrated. In accordance with Art. 18 (1), appropriate due diligence and remedy procedures must be implemented to ensure alignment with those CSR standards cited in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In accordance with Art. 18 (2), it must be demonstrated as part of these due diligence and remedy procedures that account is taken of the principal adverse impact indicators on Employment and Social Affairs, Respect for Human Rights and Combating Bribery and Corruption.

Proportion of taxonomy-eligible sales

We assessed the sales figures in the statement of income for each Group company to determine whether, by means of taxonomy-eligible economic activities under Annexes I-V of corresponding Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485, 2023/2486, 2023/3850 and 2023/3851 supplementing Regulation (EU) 2020/852, they make a substantial contribution to the environmental objectives, and allocated the relevant proportions of sales to the taxonomy-eligible economic activities.

The sales KPI (in the sense of turnover KPI as per Regulation (EU) 2021/2178) required by the EU Taxonomy Regulation is the proportion of sales from taxonomy-eligible economic activities in relation to total sales in 2024. Taxonomy-eligible sales under Annex 1 ("Substantial contribution to climate change mitigation") can be categorized in particular as the "Manufacture of plastics in primary form" at our Polymers, Silicones and Biosolutions business divisions. A small proportion of sales under Annex 3 ("Substantial contribution to pollution prevention and control") is obtained with regard to the "Manufacture of active pharmaceutical ingredients," with this share of sales being allocated to our Biosolutions and Silicones business divisions.

Currently, a large number of upstream products are not covered by the EU Taxonomy Regulation. In particular, in this reporting period, too, the EU Taxonomy Regulation does not cover the hyperpure polysilicon produced by our Polysilicon business division. This grade of polysilicon is a fundamental building block for highly efficient solar cells and thus a raw material that plays a vital role in the energy transition.

» Consolidated statement of income

Taxonomy-eligible investments

Taxonomy-eligible investments come from capital expenditure (CapEx) associated with an eligible economic activity or a credible plan for expanding or achieving an environmentally sustainable economic activity, or otherwise relating to the purchase of products and services from a taxonomy-eligible economic activity. To determine the reportable CapEx KPI, we calculate the ratio of taxonomy-eligible investments to the sum of additions to property, plant and equipment and intangible assets during the fiscal year before depreciation, amortization and remeasurements, including additions from business combinations.

We identify taxonomy-eligible investments using project descriptions of the additions to property, plant and equipment and intangible assets. The majority of taxonomy-eligible investments at WACKER are attributable to Silicones, Polymers and Biosolutions.

» Consolidated segment information by division (asset additions)

Taxonomy-eligible operating expenditure

Taxonomy-eligible operating expenditure comprises the cost of maintenance and repairs of property, plant and equipment (including building refurbishment measures), non-capitalized R&D costs, and short-term leases for taxonomy-eligible economic activities. We calculate the OpEx KPI as the ratio of taxonomy-eligible operating expenditure to total direct, non-capitalized costs, which comprise those related to R&D, building refurbishment measures, short-term leases, maintenance and repair, and direct expenditures related to the maintenance of property, plant and equipment to retain functionality. The majority of taxonomy-eligible operating expenditure comprises servicing and maintenance costs at our Polymers, Silicones and Biosolutions divisions, and R&D expenditures. Taxonomy-eligible operating expenditure from the other economic activities for servicing and maintenance is of a subordinate nature.

Taxonomy-aligned economic activities

Our taxonomy-eligible economic activities under Annex I of Commission Delegated Regulations (EU) 2021/2139, (EU) 2023/2485, (EU) 2023/2086 and (EU) 2023/2026 and Commission Delegated Regulations (EU) 2023/1214, 2023/3850 and (EU) 2023/3851 supplementing Regulation (EU) 2020/852 can be categorized in particular as the “Manufacture of plastics in primary form” at our Silicones and Polymers divisions.

In this context, we were able to prove that the requirements for a substantial contribution to climate change mitigation are met as regards Criterion c) “manufactured... wholly or partially from renewable feedstock” for one part of the above-mentioned activity.

The corresponding DNSH (Do no significant harm) criteria were assessed for the activities identified as taxonomy-aligned, with the result that these criteria were met as well.

It should be noted that, especially when we interpreted the DNSH criteria in Appendix C, the entire production process of each activity was taken into consideration. On the one hand, it could be proved that appropriate substances listed in Appendix C and used as such or as a raw-material component meet the exemption criteria mentioned. On the other, it could be proved that at the present moment in time, these base materials have no alternative substances or technologies, that with regard to the processes involved, these substances cannot be avoided and that they are used only under suitably controlled conditions. In general, the use of raw materials is subject to strict legal requirements. They are approved by the authorities and are used under controlled conditions or in compliance with defined specifications and requirements relating to occupational and plant safety.

The minimum safeguards defined in Art. 18 of Regulation 2020/852 could then, furthermore, be demonstrated. In accordance with Art. 18 (1), it was possible to implement appropriate due diligence and remedy procedures to ensure alignment with those CSR standards cited in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In accordance with Art. 18 (2), it was demonstrated as part of these due diligence and remedy procedures that account is taken of the principal adverse impact indicators on Employment and Social Affairs, Respect for Human Rights and Combating Bribery and Corruption.

We have yet to prove alignment with the taxonomy for the activities relating to the “Manufacture of active pharmaceutical ingredients” identified in relation to the “pollution prevention” objective as we are not yet able to demonstrate material contribution to the prevention and reduction of pollution.

Taxonomy-aligned proportion of sales, capital expenditure and operating expenditure

The following disclosures relate to those activities to be regarded as taxonomy-aligned in relation to the “Manufacture of plastics in primary form.”

The basis for calculation – as regards the activity identified as taxonomy-eligible (“Plastics in primary form”) – and disclosure of taxonomy-eligible proportions of sales, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to the respective share in total Group sales or total Group capital expenditure or operating expenditure are applied analogously to taxonomy-aligned activities. That is, the individual taxonomy-aligned proportions of sales/CapEx/OpEx are compared with the respective proportion of sales, CapEx or OpEx for the entire Group.

As regards the activity identified as taxonomy-eligible (“Plastics in primary form”), the proportion of taxonomy-aligned sales to total sales of the Group is 0.13 percent, whereas the proportion of sales from taxonomy-eligible activities is 74.1 percent.

There are various reasons for this:

- A proportion of taxonomy-eligible products is already based on renewable raw materials. As no fossil-based technology is being replaced, it is impossible to achieve taxonomy alignment.
- Renewable raw materials are not available in sufficient quantities and at competitive prices, making it currently impossible to replace fossil-based raw material with renewable.
- Given the large number of different products for a very wide variety of value chains, the large amount of time and effort needed to meet the technical assessment criteria can be provided only in stages.

The same applies to the taxonomy-aligned proportions of capital expenditure and operating expenditure as compared with the respective total figures calculated using a production volume key.

The taxonomy-aligned share of CapEx in total CapEx is 0.01 percent (mainly capital expenditure in plants), as compared with 47.2 percent for taxonomy-eligible CapEx.

At 0.03 percent, the taxonomy-aligned share of OpEx (including maintenance and servicing) in total OpEx is likewise substantially lower than the taxonomy-eligible share of 46.3 percent.

A detailed comparison of these figures is presented in the tables below.

Proportion of sales from goods and services related to taxonomy-aligned economic activities – 2024 disclosure

Financial year 2024		Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy- aligned (A.1) or -eligible (A.2) Turnover*, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code (2)	Turnover* (3)	Proportion of Turnover*, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of plastics in primary form	CCM 3.17	7.5	0.13	Y**	N/ EL**	N/ EL**	N/ EL**	N/ EL**	N/ EL**	Y	Y	Y	Y	Y	Y	Y	0.10	-	T	
Turnover* of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		7.5	0.13	Y**	N/ EL**	N/ EL**	N/ EL**	N/ EL**	N/ EL**	Y	Y	Y	Y	Y	Y	Y	0.10			
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-		
Of which Transitional				100						Y	Y	Y	Y	Y	Y	Y	0.10		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of plastics in primary form	CCM 3.17	4,242.1	74.1	EL***	N/ EL***	N/ EL***	N/ EL***	N/ EL***	N/ EL***								66.9			
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	144.4	2.5	N/ EL***	N/ EL***	N/ EL***	N/ EL***	N/ EL***	N/ EL***								1.65			
Turnover* of Taxonomy-eligible but not environmentally sustain- able activities (not Taxonomy- aligned activities) (A.2)		4,386.4	76.7		-	-		-	-								68.6			
A. Turnover* of Taxonomy- eligible activities (A.1 + A.2)		4,393.9	76.8		-	-		-	-								68.7			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover* of Taxonomy-non- eligible activities		1,327.8	23.2																	
TOTAL (A + B)		5,721.8	100.0																	

* Turnover (corresponds to "sales" in this report)

** Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

*** EL - Taxonomy-eligible activity for the relevant objective

N/EL - Taxonomy-non-eligible activity for the relevant objective

Proportion of CapEx from goods and services related to taxonomy-aligned economic activities – 2024 disclosure

Financial year 2024		Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of plastics in primary form	CCM 3.17	0.08	0.01	Y*	N/EL*	N/EL*	N/EL*	N/EL*	N/EL*	Y	Y	Y	Y	Y	Y	Y	0.02	-	T	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.08	0.01	Y*	N/EL*	N/EL*	N/EL*	N/EL*	N/EL*	Y	Y	Y	Y	Y	Y	Y	0.02			
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-		
Of which Transitional				100						Y	Y	Y	Y	Y	Y	Y	0.02		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of plastics in primary form	CCM 3.17	376.7	47.2	EL**	N/EL**	N/EL**	N/EL**	N/EL**	N/EL**								31.0			
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	52.2	6.5	N/EL**	N/EL**	N/EL**	EL**	N/EL**	N/EL**								15.9			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		428.8	53.8														46.8			
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		428.9	53.8														46.8			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		368.6	46.2																	
TOTAL (A + B)		797.5	100.0																	

* Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
 ** EL - Taxonomy-eligible activity for the relevant objective
 N/EL - Taxonomy-non-eligible activity for the relevant objective

Proportion of OpEx from goods and services related to taxonomy-aligned economic activities – 2024 disclosure

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of plastics in primary form	CCM 3.17	0.19	0.03	Y*	N/EL*	N/EL*	N/EL*	N/EL*	N/EL*	Y	Y	Y	Y	Y	Y	Y	0.02	-	T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.19	0.03	Y*	N/EL*	N/EL*	N/EL*	N/EL*	N/EL*	Y	Y	Y	Y	Y	Y	Y	0.02		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Of which Transitional				100						Y	Y	Y	Y	Y	Y	Y	0.02		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of plastics in primary form	CCM 3.17	350.1	46.3	EL**	N/EL**	N/EL**	N/EL**	N/EL**	N/EL**								47.9		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	12.8	1.7	N/EL**	N/EL**	N/EL**	EL**	N/EL**	N/EL**								1.5		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		362.8	48.0														49.4		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		363.0	48.0														49.5		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		392.8	52																
TOTAL (A + B)		755.8	100																

* Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
 ** EL - Taxonomy-eligible activity for the relevant objective
 N/EL - Taxonomy-non-eligible activity for the relevant objective

Scope of taxonomy eligibility and taxonomy alignment by environmental objective

2023	Percentage of sales/Total sales (%)		Percentage of CapEx/Total CapEx (%)		Percentage of OpEx/Total OpEx (%)	
	Aligned per objective	Eligible per objective	Aligned per objective	Eligible per objective	Aligned per objective	Eligible per objective
CCM (Climate Change Mitigation)	0.13	74.2	0.01	47.2	0.03	46.3
CCA (Climate Change Adaptation)	-	-	-	-	-	-
WTR (Water)	-	-	-	-	-	-
CE (Circular Economy)	-	-	-	-	-	-
PPC (Pollution Prevention and Control)	-	2.5	-	6.5	-	1.7
BIO (Biodiversity and Ecosystems)	-	-	-	-	-	-

Annex to the Sustainability Report

Supervisory Board

Dr. Peter-Alexander Wacker^{1, 2, 3}

Chair

Bad Wiessee
Former President & CEO of
Wacker Chemie AG, businessman

Chair of the Administrative Council

Blue Elephant Energy GmbH

Manfred Köppl^{*, 1, 2, 3}

Deputy Chair

Kirchdorf
Chair of the Employee Council, Burghausen Plant
Wacker Chemie AG

Prof. Andreas Biagosch¹

Munich
Managing Director of Impacting I GmbH & Co. KG and
Impact GmbH

Member of the Board of Directors

Ashok Leyland, Chennai, India
(until July 25, 2024)

Member of the Supervisory Board

Aixtron SE
(until May 15, 2024)

Chair of the Advisory Council

ATHOS Service GmbH

Dr. Gregor Biebl

Munich
Director General
Bavarian State Chancellery

Matthias Biebl²

Munich
Attorney

Prof. Patrick Cramer

Munich
President of the Max Planck Society, Munich

Stefan Entholzner^{*}

Kirchdorf
Deputy Chair of the Employee Council, Burghausen Plant
Wacker Chemie AG

Markus Hautmann^{*}

(until August 31, 2024)
Schwandorf
Altötting District Chair of the IG BCE labor union

Member of the Supervisory Board

Siltronic AG

Ingrid Heindl^{*}

Reischach
Member of the Group and General Employee Councils
Wacker Chemie AG
Member of the Employee Council, Burghausen Plant
Wacker Chemie AG

Barbara Kraller^{*, 1}

Taching
Chair of the Group and General Employee Councils
Wacker Chemie AG

Dr. Benedikt Postberg^{*}

Neuötting
Vice President, Engineering & Maintenance Services
Wacker Chemie AG

Harald Sikorski^{*}

Munich
Regional head of the IG BCE labor union, Bavaria

Member of the Supervisory Board

Gesellschaft zur Sicherung von Bergmanns-
Wohnungen mbH
RAG AG
(until March 21, 2024)
Vivawest GmbH
(until May 15, 2024)
Vivawert Wohnen GmbH
(until May 15, 2024)
Adidas AG
(from May 16, 2024)

Reinhard Spateneder^{*}

Reut
Member of the Employee Council, Burghausen Plant
Wacker Chemie AG

Ann-Sophie Wacker

Munich
Attorney and in-house lawyer/
investment manager at Athos KG

Member of the Advisory Board

Temedica GmbH
Red Dress Medical
(since September 6, 2024)

Prof. Anna Weber³

Burghausen
Auditor/tax advisor

Member of the Supervisory Board

Aixtron SE

Dr. Susanne Weiss

Munich
Attorney and partner in the law firm
Weiss Walter Fischer-Zernin

Chair of the Supervisory Board

ROFA INDUSTRIAL AUTOMATION AG

Member of the Supervisory Board

Porr AG, Austria
UBM Development AG, Austria

Günter Zellner

(since October 7, 2024)
Töging am Inn
Altötting District Chair of the IGBCE labor union

Member of the Supervisory Board

Siltronic AG
(since September 2, 2024)

* Employee representative; subject to the rules of the German Trade Union Confederation (DGB) or of the Association of Employed Academics and Executives in the Chemical Industry (VAA) concerning the transfer of supervisory board compensation

¹ Mediation Committee (Chair: Dr. Peter-Alexander Wacker)

² Executive Committee (Chair: Dr. Peter-Alexander Wacker)

³ Audit Committee (Chair: Prof. Anna Weber)

Executive Board

Dr. Christian Hartel

President & CEO

Polysilicon
Biosolutions
Corporate Development
Corporate Communications
Corporate Auditing
Legal & Compliance
Research & Development

Dr. Tobias Ohler

Chief Financial Officer

Accounting & Tax
Corporate Controlling
Finance & Insurance
Investor Relations
Procurement & Logistics
Information Technology
IT Security
Data Protection
Region: The Americas

Chair of the Supervisory Board

Siltronic AG

Member of the Supervisory Board

Pensionskasse der Wacker Chemie VVaG

Dr. Christian Kirsten

Silicones
Sales & Distribution
Site Management (Burghausen and Nünchritz)
Corporate Security
Safety, Health, Environment
Product Stewardship
Regions: Europe, Middle East

Angela Wörl

Personnel Director

Polymers
Human Resources
Intellectual Property
Engineering
Retirement Benefits
Diversity
Regions: Asia-Pacific, India

Chair of the Supervisory Board

Pensionskasse der Wacker Chemie VVaG

Index: Datapoints in general and topic-specific standards resulting from other EU legal provisions

Section	Standard	Datapoint derived from other EU regulations	Reference to Sustainability Report
General Information	ESRS 2	ESRS 2 GOV-1 Gender diversity in management and supervisory bodies, paragraph 21 (d)	Composition of the Executive and Supervisory Boards
General Information	ESRS 2	ESRS 2 GOV-1 percentage of members of management bodies who are independent, paragraph 21 (e)	Composition of the Executive and Supervisory Boards
General Information	ESRS 2	ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Due diligence statement
General Information	ESRS 2	ESRS 2 SBM-1 Involvement in activities related to fossil fuels, paragraph 40 (d) i	Strategy, business model and value chain
General Information	ESRS 2	ESRS 2 SBM-1 Involvement in activities related to chemicals production, paragraph 40 (d) ii	Strategy, business model and value chain
General Information	ESRS 2	ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Strategy, business model and value chain
General Information	ESRS 2	ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco, paragraph 40 (d) iv	Strategy, business model and value chain
General Information	ESRS 2	ESRS 2 SBM-3 - S1 Risk of forced labor, paragraph 14 (f)	ESRS S1 - Own workforce: Management of our material impacts, risks and opportunities Policies and actions
General Information	ESRS 2	ESRS 2 SBM-3 - S1 Risk of child labor, section 14 (g)	ESRS S1 - Own workforce: Management of our material impacts, risks and opportunities Policies and actions
General Information	ESRS 2	ESRS 2 SBM3 - S2 Considerable risk of child or forced labor in the value chain, paragraph 11 (b)	ESRS S2 - Workers in the value chain, Upstream value chain, Material impacts, risks and opportunities
General Information	ESRS 2	ESRS 2 - IRO-1 - E4 paragraph 16 (a) i	Not material
General Information	ESRS 2	ESRS 2 - IRO-1 - E4 paragraph 16 (b)	Not material
General Information	ESRS 2	ESRS 2 - IRO-1 - E4 paragraph 16 (c)	Not material

Section	Standard	Datapoint derived from other EU regulations	Reference to Sustainability Report
Environmental Information	ESRS E1	ESRS E1-1 Transition plan for achieving climate neutrality by 2050, paragraph 14	ESRS E1 - Climate change: Transition plan for climate change mitigation
Environmental Information	ESRS E1	ESRS E1-1 Undertakings excluded from the EU Paris-aligned Benchmarks, paragraph 16 (g)	ESRS E1 - Climate change: Transition plan for climate change mitigation
Environmental Information	ESRS E1	ESRS E1-4 GHG emission reduction targets, paragraph 34	ESRS E1 - Climate change: Targets
Environmental Information	ESRS E1	ESRS E1-5 Energy consumption from fossil fuels, disaggregated by source (high climate impact sectors only), paragraph 38	ESRS E1 - Climate change: Energy consumption and mix
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Environmental Information	ESRS E1	ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	ESRS E1 - Climate change: Energy consumption and mix
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Environmental Information	ESRS E1	ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	ESRS E1 - Climate change: Gross Scopes 1, 2, 3 and total GHG emissions
Environmental Information	ESRS E1	ESRS E1-7 GHG removals and carbon credits, paragraphs 56	ESRS E1 - Climate change: Carbon credits
Environmental Information	ESRS E1	ESRS E1-9 Exposure of benchmark portfolio to climate-related physical risks, paragraph 66	Not reported / phase-in
Environmental Information	ESRS E1	ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c).	Not reported / phase-in
Environmental Information	ESRS E1	ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).	Not reported / phase-in
Environmental Information	ESRS E1	ESRS E1-9 Degree of exposure of portfolio to climate-related opportunities, paragraph 69	Not reported / phase-in
Environmental Information	ESRS E2	ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	ESRS E2 - Pollution: Metrics
Environmental Information	ESRS E3	ESRS E3-1 Water and marine resources, paragraph 9	ESRS E3 - Water and marine resources: Strategy and governance*
Environmental Information	ESRS E3	ESRS E3-1 Special policy, paragraph 13	Not material

*Not applicable

Section	Standard	Datapoint derived from other EU regulations	Reference to Sustainability Report
Environmental Information	ESRS E3	ESRS E3-1 Sustainable oceans and seas, paragraph 14	ESRS E3 - Water and marine resources: Strategy and governance
Environmental Information	ESRS E3	ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	ESRS E3 - Water and marine resources: Metrics, Water and water intensity
Environmental Information	ESRS E3	ESRS E3-4 Total water consumption in own operations in m ³ per net revenue, paragraph 29	ESRS E3 - Water and marine resources: Metrics, Water and water intensity
Environmental Information	ESRS E4	ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	Not material
Environmental Information	ESRS E4	ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 ('c)	Not material
Environmental Information	ESRS E4	ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material
Environmental Information	ESRS E5	ESRS E5-5 Non-recycled waste, paragraph 37 (d)	ESRS E5 - Resource use and circular economy: Metrics, Resource outflow
Environmental Information	ESRS E5	ESRS E5-5 Hazardous and radioactive waste, paragraph 39	ESRS E5 - Resource use and circular economy: Metrics, Resource outflow
Social Information	ESRS S1	ESRS S1-1 Human rights policy commitments, paragraph 20	General disclosures on social standards
Social Information	ESRS S1	ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	General disclosures on social standards
Social Information	ESRS S1	ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	General disclosures on social standards
Social Information	ESRS S1	ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	ESRS S1 - Workplace accident prevention policies
Social Information	ESRS S1	ESRS S1-3 Grievance/complaints handling mechanism, paragraph 32 (c)	Management of our material impacts, risks and opportunities, ESRS G1 - Business conduct
Social Information	ESRS S1	ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Workplace accident prevention policies
Social Information	ESRS S1	ESRS S1-14 Number of days lost to injuries, accidents, fatalities or ill health, paragraph 88 (e)	Not reported / phase-in
Social Information	ESRS S1	ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Remuneration
Social Information	ESRS S1	ESRS S1-16 Excessive compensation paid to members of management bodies, paragraph 97 (b)	Remuneration
Social Information	ESRS S1	ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Incidents, complaints and severe human rights impacts

*Not applicable

Section	Standard	Datapoint derived from other EU regulations	Reference to Sustainability Report
Social Information	ESRS S1	ESRS S1-17 Non-respect of the UN Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 104 (a)	Incidents, complaints and severe human rights impacts
Social Information	ESRS S2	ESRS S2-1 Human rights policy commitments, paragraph 17	General disclosures on social standards
Social Information	ESRS S2	ESRS S2-1 Policies in relation to value chain workers, paragraph 18	ESRS S2 - Workers in the value chain: Strategy and governance
Social Information	ESRS S2	ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 19	ESRS S2 - Workers in the value chain: Effectiveness and findings of our assessments and audits
Social Information	ESRS S2	ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	General disclosures on social standards
Social Information	ESRS S2	ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain, paragraph 36	Conflict-free minerals
Social Information	ESRS S3	ESRS S3-1 Human rights policy commitments paragraph 16	Not material
Social Information	ESRS S3	ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not material
Social Information	ESRS S3	ESRS S3-4 Human rights issues and incidents paragraph 36	Not material
Social Information	ESRS S4	ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not material
Social Information	ESRS S4	ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not material
Social Information	ESRS S4	ESRS S4-4 Human rights issues and incidents paragraph 35	Not material
Governance Information	ESRS G1	ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	ESRS G1 - Business conduct: Strategy and governance, Actions*
Governance Information	ESRS G1	ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	ESRS G1 - Business conduct: Strategy and governance, Actions*
Governance Information	ESRS G1	ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Confirmed cases of bribery or corruption
Governance Information	ESRS G1	ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Confirmed cases of bribery or corruption

*Not applicable

Index: List of disclosure requirements in general and topic-specific standards

Section	ESRS Standard	Disclosure requirement	Reference to Sustainability Report
General Information			
	ESRS 2	BP-1	Scope of consolidation and value chain
	ESRS 2	BP-2	Time horizons and estimates
	ESRS 2	GOV-1	Composition of the Executive and Supervisory Boards
	ESRS 2	GOV-2	Information provided to, and sustainability matters addressed by, the Executive and Supervisory Boards
	ESRS 2	GOV-3	Integration in incentive schemes
	ESRS 2	GOV-4	Due diligence statement
	ESRS 2	GOV-5	Risk management and internal controls
	ESRS 2	SBM-1	Strategy, business model and value chain
	ESRS 2	SBM-2	Interests and views of stakeholders
	ESRS 2	SBM-3	The WACKER Group's material sustainability topics
	ESRS 2	IRO-1	Process and assessment of materiality
	ESRS 2	IRO-2	Statement of our material impacts, risks and opportunities
Environmental Information			
	ESRS E1	GOV-3	Integration in incentive schemes
	ESRS E1	SBM-3	ESRS E1 - Climate change: Material impacts, risks and opportunities
	ESRS E1	IRO-1	ESRS E1 - Climate change: Material impacts, risks and opportunities
	ESRS E1	E1-1	Transition plan for climate change mitigation
	ESRS E1	E1-2	Strategy and governance
	ESRS E1	E1-3	Actions
	ESRS E1	E1-4	Targets
	ESRS E1	E1-5	Energy consumption and mix
	ESRS E1	E1-6	Gross Scopes 1, 2, 3 and total GHG emissions
	ESRS E1	E1-7	Carbon credits
	ESRS E1	E1-8	Internal carbon pricing
	ESRS E1	E1-9	Not reported / phase-in
	ESRS E2	IRO-1	ESRS E2 - Pollution: Material impacts, risks and opportunities
	ESRS E2	E2-1	Strategy and governance
	ESRS E2	E2-2	Actions
	ESRS E2	E2-3	Targets
	ESRS E2	E2-4	Air and water pollution
	ESRS E2	E2-5	Substances of concern and substances of very high concern
	ESRS E2	E2-6	Not reported / phase-in
	ESRS E3	IRO-1	ESRS E3 - Water and marine resources: Material impacts, risks and opportunities
	ESRS E3	E3-1	Strategy and governance
	ESRS E3	E3-2	Actions
	ESRS E3	E3-3	Targets
	ESRS E3	E3-4	Water and water intensity
	ESRS E3	E3-5	Not material
	ESRS E4	-	Standard not material as regards WACKER
	ESRS E5	IRO-1	ESRS E5 - Resource use and circular economy: Material impacts, risks and opportunities

*Not applicable

Section	ESRS Standard	Disclosure requirement	Reference to Sustainability Report
	ESRS E5	E5-1	Strategy and governance
	ESRS E5	E5-2	Actions
	ESRS E5	E5-3	Not a Group target
	ESRS E5	E5-4	Resource inflows
	ESRS E5	E5-5	Resource outflows
	ESRS E5	E5-6	Not reported / phase-in
Social Information			
	ESRS S1	SBM-2	Organization and Responsibilities
	ESRS S1	SBM-3	Organization and responsibilities, Management of our material impacts, risks and opportunities
	ESRS S1	S1-1	Policies, Policies relating to the identified impacts, risks and opportunities
	ESRS S1	S1-2	Processes for engaging with our own workforce and workers' representatives about impacts
	ESRS S1	S1-3	Management of our material impacts, risks and opportunities
	ESRS S1	S1-4	Actions relating to the identified impacts, risks and opportunities
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	ESRS S1	S1-7	Employment structure
	ESRS S1	S1-8	Collective bargaining coverage and social dialogue
	ESRS S1	S1-9	Diversity metrics
	ESRS S1	S1-10	Adequate wages
	ESRS S1	S1-11	Social protection
	ESRS S1	S1-12	Not material as regards WACKER
	ESRS S1	S1-13	Training and skills development metrics
	ESRS S1	S1-14	Health and safety metrics
	ESRS S1	S1-15	Not reported / phase-in
	ESRS S1	S1-16	Remuneration
	ESRS S1	S1-17	Incidents, complaints and severe human rights impacts
	ESRS S2	SBM-2	Organization and responsibilities, Value chain workers impacted
	ESRS S2	SBM-3	Organization and responsibilities, Upstream value chain - Material impacts, risks and opportunities, Downstream value chain - Material impacts, risks and opportunities
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	ESRS S2	S2-2	Process for engaging with value chain workers
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	ESRS S2	S2-4	Actions - direct suppliers, actions - indirect suppliers
	ESRS S2	S2-5	Not a Group target
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	ESRS G1	G1-1	Strategy and governance
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	ESRS G1	G1-4	Confirmed cases of bribery or corruption
	ESRS G1	G1-5	Political influence and lobbying activities
	ESRS G1	G1-6	Not material

*Not applicable