

UK MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

This is the WACKER CHEMIE GROUP modern slavery and human trafficking statement for the financial year ending 31 December 2017 pursuant to section 54 of the Modern Slavery Act 2015. This Statement sets out the steps WACKER has taken to address the risk of slavery and human trafficking taking place in any of its supply chains, and in in any part of its own business. It has been approved by the board of directors of Wacker Chemie AG on behalf of the Group.

Our business, structure and supply chains

WACKER is a global company with state-of-the-art specialty chemical products and annual sales of around €4.9 billion (2017). With four business divisions (WACKER Silicones, WACKER Polymers, WACKER Biosolutions and WACKER Polysilicon) we employ around 13,800 persons.

WACKER operates all over the world. In total, we have 50 sales offices in 32 countries. WACKER products are found in countless everyday items, ranging from cosmetic powders to solar cells. Our sales organization is supplemented not only by a network of technical competence centers, where customers learn about WACKER's product portfolio, but also by WACKER ACEDEMY, where we offer technical training sessions on our product and their application fields. WACKER's integrated global production system consists of 23 production sites. Nine are in Europe, seven in America and seven in Asia. The Group's key production location is Burghausen (Germany).

In 2017, we procured around 1,300 different raw materials as well as numerous technical goods and services for plant engineering and for maintenance. Our suppliers number about 11,500. In Germany, which remains our largest procurement market, we work with some 7,000 suppliers.

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

Our policies on slavery and human trafficking

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

Our business principles are laid down in five corporate codes which govern how the WACKER Group should achieve its objectives. The five codes are the Code of Safety, the Code of Conduct, the Code of Innovation, the Code of Teamwork & Leadership, and the Code of Sustainability. The codes are supplemented by a body of regulations and directives.

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

WACKER is a member of the "Together for Sustainability" (TfS) procurement initiative, which is based on the established principles as those subscribed to by GLOBAL Compact and Responsible Care®. The goal of TfS is to establish a standardized, global program for responsible procurement of goods and services in the chemical industry and to raise the ecological and social standards of suppliers

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

Due Diligence processes & steps to assess and manage risks, performance indicators

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

By this means we

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

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

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

By 2020, we aim to have assessed all our main suppliers, which cover over 70 per cent of our purchasing volume. Additionally, we will continuously re-evaluate assessment results.

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

Training

WACKER's ethical principles of corporate management go above and beyond the legal requirements. The compliance management department is responsible for ensuring that these principles and all related legal provisions are observed throughout the company. Training courses on compliance raise employees' awareness of the relevant risks and convey binding rules of behaviour for daily work routines. Employees are instructed to inform their supervisors, the compliance officers, the employee council or their designated HR contacts if they notice any violations.

Signed



Dr. Rudolf Staudigl
President & CEO of Wacker Chemie AG
June 2018