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# PRESS RELEASE

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## WACKER Sets New Corporate Sustainability Goals

- WACKER PUBLICLY LAUNCHES ITS NEW AND MORE AMBITIOUS SUSTAINABLE DEVELOPMENT GOALS AT CAPITAL MARKET DAY
- WACKER TO PURSUE SPECIFIC PROJECTS AND MEASURES TO HALVE ITS GREENHOUSE GAS EMISSIONS BY 2030
- GOAL TO CUT EMISSIONS CONSISTENT WITH PARIS AGREEMENT
- CLIMATE NEUTRALITY TO BE ACHIEVED BY 2045
- SUSTAINABLE PRODUCT PORTFOLIO OPENS UP ADDITIONAL BUSINESS OPPORTUNITIES
- CEO CHRISTIAN HARTEL, “AS DEMAND FOR SUSTAINABLE PRODUCTS CONTINUES TO GROW, WE EXPECT THAT THEY WILL DEVELOP TO BE AMONG THE MOST IMPORTANT DRIVERS OF OUR SALES AND EARNINGS IN THE COMING YEARS”

Munich, December 16, 2021 – During an online Capital Market Day, Wacker Chemie AG today presented its new sustainable development goals to investors and analysts. WACKER’s new goals are much more ambitious than its previous ones. For example, by 2030, the Munich-based chemical group now aims to cut its absolute greenhouse gas emissions by 50 percent relative to 2020. Previously,

WACKER had committed to reducing specific greenhouse gas emissions – i.e. per metric ton of product – by 33 percent relative to 2012. WACKER is striving to ensure that its entire product portfolio meets defined sustainability criteria by 2030 (previously: 90 percent). It also expects all its key suppliers to meet defined sustainability standards by 2030 (previously: 90 percent). During the same period, it expects a 25-percent drop in emissions relating to upstream products used by WACKER. A new goal refers to specific water withdrawal, which WACKER aims to reduce by 15 percent by 2030.

The new goals to cut greenhouse gases are so-called Science-Based Targets. In other words, they are consistent with the goal of keeping the global rise in temperature below 1.5 degrees Celsius and therefore comply with the Paris Agreement. WACKER has joined Race to Zero, the UN's carbon neutrality initiative. The company is thus voluntarily committing to the 1.5-degree target and undertaking to issue transparent progress reports on its course toward climate neutrality, which it strives to achieve by 2045.

As WACKER CEO Christian Hartel spells out, the company is following two strategic approaches to improving its own environmental footprint and making substantial contributions to limiting global warming: "First, we are working toward minimizing greenhouse gas emissions and consumption of resources for our own products and processes. At the same time - and we see this as an even bigger lever - our unique chemical products already play a decisive role in enabling our customers in a wide range of user industries to bring climate and resource-friendly solutions onto the market," says Hartel. "Over the next few years, we want to considerably expand our portfolio of particularly sustainable products."

In the words of the CEO, the new sustainable development goals are ambitious: “We have spent the last few months scrutinizing our product portfolio and production processes. Our goals take us to the limit of what we consider to be technically feasible and achievable,” he emphasized.

A great many WACKER products are used in key ways to combat climate change. Examples include thermally conductive specialty silicones for electric vehicles. One use of WACKER’s dispersions and dispersible polymer powders in the construction sector is as thermal insulation systems in buildings. As a leading manufacturer worldwide, WACKER plays a crucial role in making the energy transition a success thanks to its polysilicon, the most important raw material for solar modules. The amount of solar-grade silicon produced by WACKER in one year results in photovoltaic modules that avoid more than 450 million metric tons $CO_2$ annually. This is equivalent to offsetting the annual emissions of a city the size of Hamburg for 30 years.

What is more, WACKER supplies a host of products based on renewables. Examples include dispersible polymer powders, which are produced using acetic acid made from wood waste, cyclodextrins produced by fermentation for applications in the food and pharmaceutical industries or silicone sealants made with plant-based methanol.

“However, our initiatives toward further improving the sustainability of our portfolio are not only a contribution to countering global warming,” Christian Hartel highlights. “They are also a tremendous business opportunity for us.” According to Hartel, WACKER products that enable customers to launch climate-friendly and resource-efficient solutions make up about two thirds of our overall portfolio. “As demand for such products continues to grow, we expect that they will develop to be

among the most important drivers of our sales and earnings in the coming years," says the CEO confidently.

WACKER is adopting defined projects and measures to meet its new goals. For example, it is currently working on specific concepts that will enable the Holla site in Norway to replace the coal that it currently uses for producing silicon metal with charcoal and other biomass obtained by sustainable means. WACKER sees such a move as an important lever in significantly lowering its carbon footprint. Other options available to the company to achieve even more sustainable silicon-metal manufacturing processes include the increased use of hydroelectric and wind power in order to meet the site's electricity demand, as well as employing carbon capture, storage (CCS) and utilization (CCU). Silicon metal is a key raw material for producing silicones and for polysilicon, which is used to make solar cells and semiconductors. The quantities produced in Holla cover roughly a third of WACKER's annual demand.

Other WACKER projects are concerned with the value-adding potential of using $CO_2$ as a raw material for chemical products. For instance, WACKER is planning to build a 20-megawatt electrolysis plant – known as RHYME Bavaria – at its Burghausen site. This plant is intended to use renewable electricity to produce hydrogen, which, together with $CO_2$ from existing production processes, is then converted into methanol in a synthesis plant. The expected capacity of the synthesis plant is 15,000 metric tons per year. Feasibility studies on comparable projects at other sites are underway. Hydrogen and methanol are both key starting materials for chemical products such as silicones. Compared with current production methods, the new processes could cut $CO_2$ emissions by as much as 100 percent.

Combined with $CO_2$-optimized silicon metal from Holla, the carbon footprint of silicones can be significantly reduced in this way.

WACKER regards the systematic electrification of its production processes as essential if further progress is to be made in the defossilization of its manufacturing base. The company is already in a very good starting position in this respect. “60 percent of our production processes are already electrified,” explained WACKER’s CEO. “That is much higher than the figure in many other chemical companies.”

At the same time, Hartel made it clear that further progress on the electrification front can only be made if sufficient quantities of affordable green electricity are available: “The German Chemical Industry Association (VCI) estimates that going forward, German chemical companies alone would need 600 terawatt-hours per year – equivalent to the current electricity demand of the whole of Germany.”

He went on to say that electricity had to be available to companies at globally competitive prices: “That’s the reason that we’ve been advocating a green industrial electricity price of at most 4 cents per kilowatt-hour for years.” He added that the transmission lines needed for a reliable power supply had to be made available, too. “Ultimately, policymakers must ensure the necessary infrastructure is in place,” underscored Hartel. “WACKER and the chemical industry as a whole are ready to play their part in making the energy transition and the reversal of climate change a success.”

*This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update the forward-looking statements, nor does it assume the obligation to do so.*

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**The Company in Brief:**
WACKER is a global chemical company with some 14,300 employees and annual sales of around €4.69 billion (2020).
WACKER has a global network of 26 production sites, 23 technical competence centers and 52 sales offices.

**WACKER SILICONES**
Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

**WACKER POLYMERS**
Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

**WACKER BIOSOLUTIONS**
Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

**WACKER POLYSILICON**
Polysilicon for the semiconductor and photovoltaic industries