

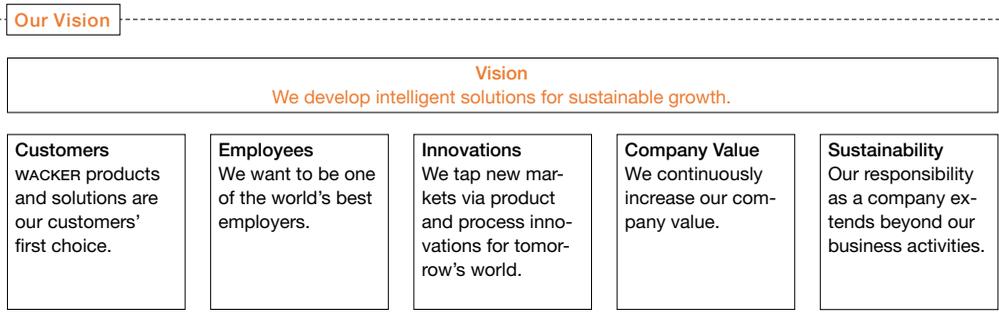
# Sustainability at WACKER

Sustainability Indicators		2012	2011	2010 <sup>1</sup>
<b>Environmental Protection</b>				
Operating costs (€ million) .....		79.3	73.3	65
Investments (€ million) .....		8.6	7.9	12
<b>Emissions</b>				
CO <sub>2</sub> carbon dioxide (t) .....		1,294,424	1,341,107	985,694
NO <sub>x</sub> nitrogen oxides (t) .....		2,225	2,221	926
NM VOC non-methane volatile organic compounds (t) .....		418	396	415
COD chemical oxygen demand (t) .....		1,460	1,680	1,820
Waste (total) (t) .....		136,800	127,700	125,550
Water consumption (m <sup>3</sup> ) .....		242,072,000	268,657,000	252,151,000
<b>Energy</b>				
Electricity consumption (TWh) .....		4.6	4.4	3.8
Primary energy (total) (TWh) .....		7.02	6.92	6.11
<b>Occupational Safety</b>				
Accident rate: accidents per 1 million hours worked .....		4.7	3.9	4.3
<b>Employees</b>				
Female employees, groupwide (%) .....		22.1	21.9	21.8
Women in third-level management, groupwide (%) .....		22.0	19.1	19.2
Women as executive personnel, groupwide (%) .....		7.3	5.9	6.8
Non-German employees, Germany (%) .....		11.8	12	12.6
Employee turnover rate, groupwide (%) .....		7.9	2.9	2.5
<b>Society</b>				
Donations (€ thousand) .....		891	3,639	1,011
Sponsorships (€ thousand) .....		1,135	877	1,150

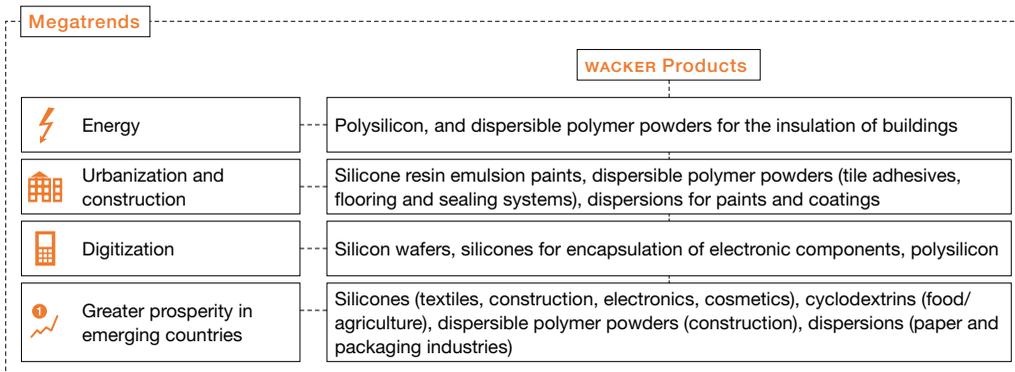
<sup>1</sup>Excluding the silicon-metal plant in Holla, Norway

## Vision and Goals

We redefined WACKER's vision and strategic goals in 2011. Taken as a whole, they form the foundation of our strategy and express our performance aspirations. The focus of our strategy is profitable growth and securing a leading competitive position in most of our business fields. The fact that we have made sustainability one of our strategic goals emphasizes its importance.



To help meet our strategic goals, we are focusing on the highly promising fields of energy, urbanization and construction, digitization, and greater prosperity in emerging countries. WACKER offers products that satisfy these global trends.

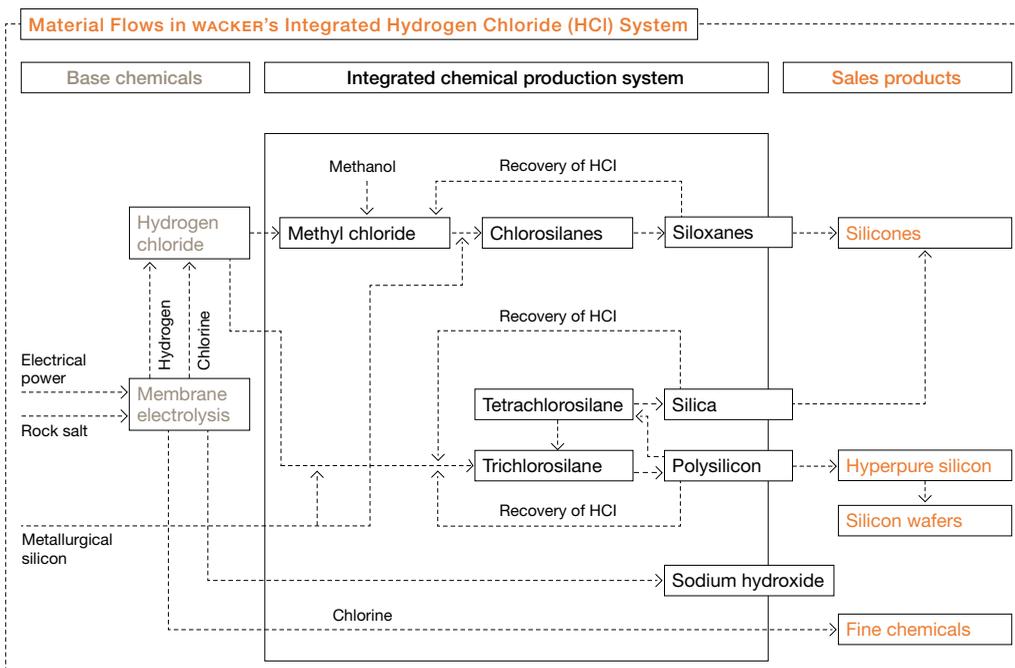


Two voluntary global initiatives form the basis for sustainable corporate management at WACKER: the chemical industry's Responsible Care® initiative and the UN's Global Compact. WACKER has been an active member of the Responsible Care® initiative since 1991. Program participants commit themselves to securing continuous improvements to health, safety and environmental performance on a voluntary basis – irrespective of legal requirements.

## Environmental Protection

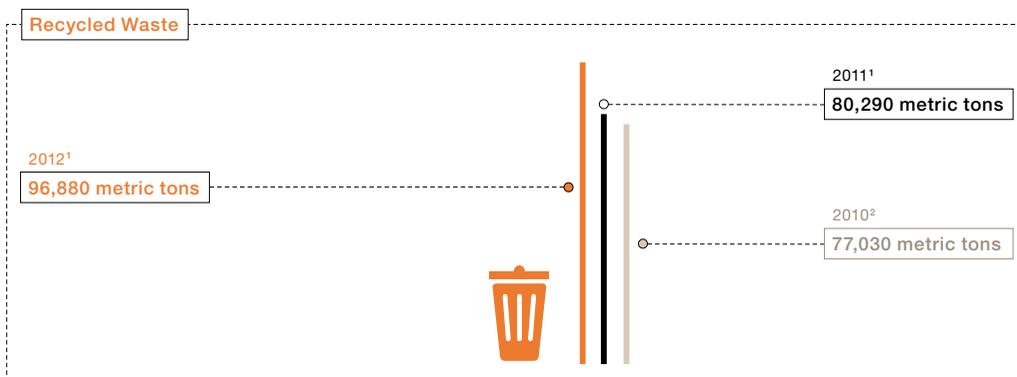
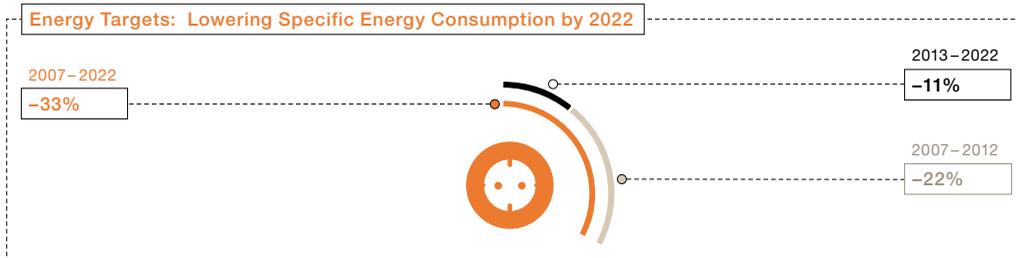
### Integrated Production System

A focal point of our integrated production is to minimize hydrogen chloride consumption. Hydrogen chloride is an essential auxiliary deployed in the production of reactive intermediates from energy-poor natural materials. We then use these intermediates to make our end products. In our integrated material loop, we recover both hydrogen chloride and some of the energy in the form of heating steam. We then return the recovered hydrogen chloride to the production loop and reuse it. This closed material loop reduces emissions and, due to lower raw-material consumption, shipment journeys.



## Energy

WACKER is constantly improving the energy efficiency of its processes. This enables us to remain competitive in the world market, while contributing to climate protection. Many chemical reactions generate heat that can be put to use in other production processes. We have been using integrated heat-recovery systems in Burghausen and Nünchritz for years and are continually improving them. In this way, we can reduce the amount of primary energy (normally natural gas) that our power plants consume.



<sup>1</sup> Including the silicon-metal plant in Holla, Norway

<sup>2</sup> Excluding the silicon-metal plant in Holla, Norway

## Logistics and Transport

We constantly strive to improve our processes in order to optimize logistics chains and minimize shipment journeys or avoid unnecessary ones. In 2012, we transferred 740,000 metric tons of finished products from our Burghausen logistics hub to our customers (2011: 715,000 metric tons). The number of journeys rose about 15 percent to just under 43,000. 70 percent of our shipments are by road and 30 percent by rail (22 percent of which are then transferred to ship).

## Products

### Product Safety

WACKER provides information on the safe use of its products and is continually working to prevent or reduce the use of substances which are harmful to human health or the environment in products. We pursue this aim in a number of ways:

- We try to replace harmful ingredients with alternative substances.
- In the absence of an alternative, we restrict the sale of products containing harmful substances to commercial and industrial customers wherever possible.
- We develop innovative alternatives to conventional products containing harmful substances.

**1.6**  
Million MWh

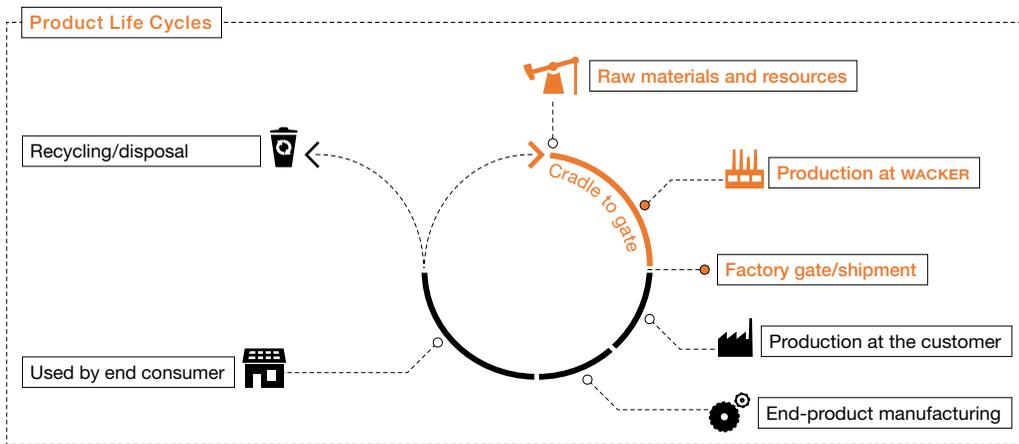
Our power stations produced around 1.6 million MWh (2011: 1.5 million MWh) in 2012. This means that WACKER covered about a third of its total electricity needs itself.

As of 2008, we are obligated to register all substances produced in Europe – and toxicologically classify their properties – if annual quantities exceed one metric ton. By June 2013, WACKER had submitted 153 registration dossiers to the European Chemicals Agency (ECHA). This includes 67 registration dossiers for substances between 100 and 1,000 metric tons a year, the registration deadline of which expired on May 31, 2013.

### Product Stewardship

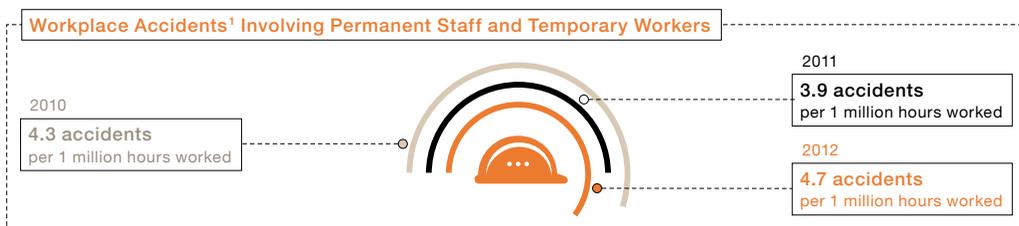
WACKER takes environmental, and health and safety criteria into account at every stage of the product life cycle – every research and development project examines the sustainability aspects of our new products and processes, starting with the raw materials used. We try to minimize raw-material consumption, while selecting materials which offer maximum ecological benefit.

Our products are generally supplied to business customers for further processing – not to end customers direct. Cradle-to-gate assessments, however, are partial LCAs which look at the environmental impact of products from the moment of manufacture to the time they reach the factory gate.



### Workplace, Plant and Transport Safety

Managing plants and processes in a way that poses no risk to people or the environment is an important objective at WACKER. We therefore operate a groupwide safety management system that covers both workplace safety and plant safety. Our processes and workplace safety standards will be aligned with international standard OHSAS 18001 by 2015. Good workplace safety practice requires regular risk assessments and workplace monitoring.



¹Accidents leading to at least one day off work

WACKER Germany, for example, offers 43 online training courses on workplace safety. We organized WACKER Safety Plus (WSP) seminars for executives at all of our German production sites in 2012. 850 executives participated.

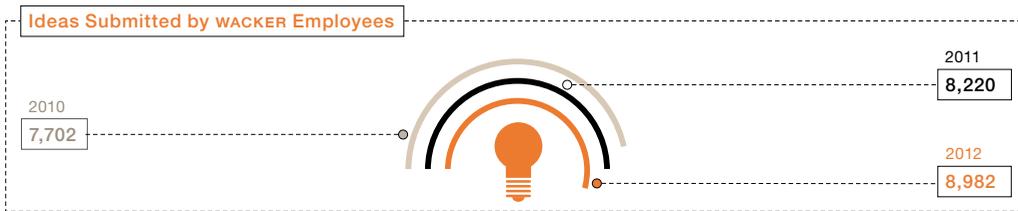
### Transport Safety

WACKER ensures that its products are safely stored and transported. Before loading vehicles, we carry out stringent checks on them, especially if they are carrying hazardous goods. In 2012, we inspected more than 6,600 trucks at our German sites (2011: more than 6,000). If a vehicle fails inspection, we continue sending it back until it passes. The failure rate has been low for years now. In 2012, the figure for transporting hazardous goods in Germany was 2.2 percent (2011: 3.6 percent). WACKER audits hazardous goods shippers at least every two years.

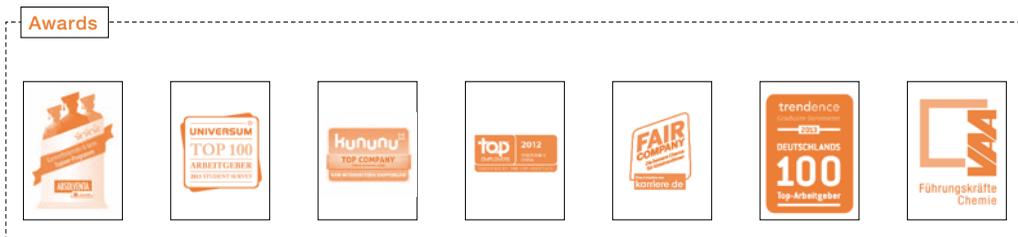
Aside from the mandatory monitoring of hazardous-goods shipments, WACKER also tracks the transport of non-hazardous goods. WACKER safety standards are often higher than the minimum legal requirements on the shipping of hazardous materials. Where possible, these goods are preferentially shipped to customers by rail rather than by truck. For this purpose, we use special safety rail tankers or shipping containers that meet the strictest safety standards.

## Employees

At WACKER, collaboration with our employees is based on personal respect, appreciation, trust, motivation and individual responsibility. We believe that there is an inseparable connection between supporting and challenging employees.



Studies and surveys show that WACKER ranks among the top most attractive employers and that, in a sector-wide comparison, it has a very good reputation, based primarily on trust. WACKER received several “Top Employer” awards.



### Vocational Training

Vocational training has always been a mainstay of personnel development at WACKER. Training takes place at the Burghausen, Nünchritz, Freiberg and Munich sites in Germany.

**Trainees**

	2012	2011	2010
Number of new trainees	205	202	196
Number of all trainees (all phases)	657	655	682
Thereof hired by WACKER on completion of training	174	178	133
Total number of employees in retraining	2	13	18
Trainees/retrainees as a percentage of total WACKER Germany employees	4.9	4.9	5.3

### Advanced Training

WACKER offers advanced training to all employees. After all, we need skilled workers if WACKER is to remain innovative and competitive. Personnel development at WACKER both seeks to cultivate employees' strengths and targets specific groups. We encourage our employees to never stop the learning process and to remain open to change – also with a view to the reality of adjusting to a longer work-life.

#### Number of Training-Course Participants



#### Advanced Training<sup>1</sup>

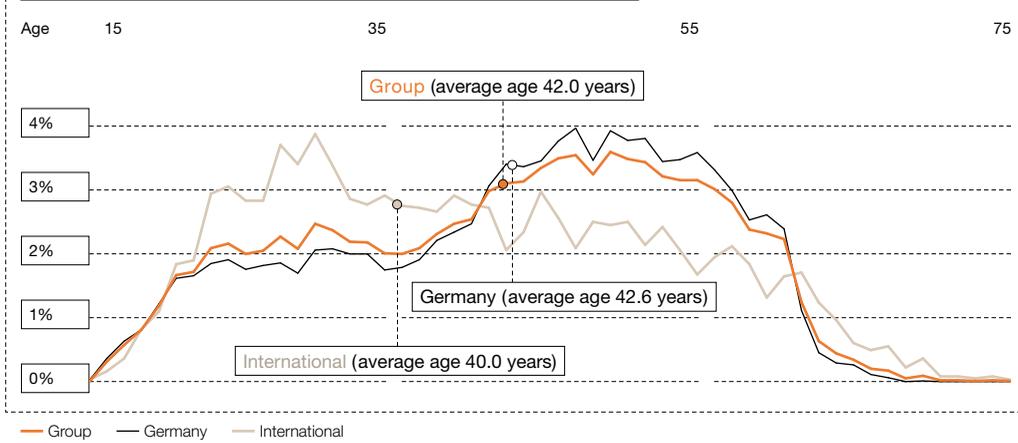
Number of Training Hours per Employee	2012	2011	2010
Standard-payscale employees	13.2	15.1	12.7
Above-standard-payscale employees <sup>2</sup>	27.4	28.5	23.7

<sup>1</sup>Excludes production-specific training. Includes internal and external seminars and advanced training courses. Figures apply to WACKER Germany.  
<sup>2</sup>Third-level management (FK3) and executive personnel (OFK).

### Demographic Change

WACKER has been addressing demographic change intensively for many years. The average age of the Group's workforce in 2012 was 42.0 (permanent staff). Employees based outside Germany are younger than their German counterparts.

#### Demographic Analysis of German and International Sites in 2012



To maintain our long-term innovative and competitive strength and to acquire and retain highly qualified employees, we have formulated ten strategic goals. These are:

1. Systematically promote health.
2. Create corporate value by appreciating all age groups; introduce sweeping changes in our approach to aging; and involve managers and employees.
3. Expect employees across all age groups to take up offers of vocational training and to show job flexibility, while providing conditions that encourage them to do so.

4. Secure expertise for the future, and transfer knowledge in a systematic and binding manner.
5. Develop instruments to manage and regulate the transition to retirement.
6. Orientate compensation to levels of performance and expertise.
7. Maintain and enhance WACKER's attractiveness for employees.
8. Intensify advertising and recruitment efforts aimed at professions critical to WACKER's success.
9. Pursue forward-looking strategies for in-house vocational training.
10. Act as a corporate citizen by fostering scientific and technological interest in youth at an early age.

### Equal Opportunity

As a global company, WACKER operates in international markets and multicultural environments. Holding each employee's skills and dedication in high regard, we view human diversity as an asset.

Special arrangements are in place to help and promote WACKER employees who are disabled or suffer from long-term occupational disabilities. The company's integration management program provides for close cooperation between supervisors, employees, HR, disabled-employee representatives and Health Services to permit disabled employees to remain in their workplace or to change to a suitable job. This allows us to retain skilled staff, and valuable knowledge acquired over many years remains with WACKER.

In 2012, the annual average of disabled employees in Germany was 921 (2011: 858). For years, WACKER has always employed more disabled than required by law (percentage of staff: 2011: 6.8 percent; 2012: 7.3 percent; legally mandated: 5 percent).

#### Equal Opportunity

	2012	2011	2010
<b>Employees, groupwide</b> .....	<b>16,292</b>	<b>17,168</b>	16,314
Thereof female .....	<b>3,597</b>	<b>3,768</b>	3,560
Female employees, groupwide (%) .....	<b>22.1</b>	<b>21.9</b>	21.8
<b>Employees, WACKER Germany</b> .....	<b>12,635</b>	<b>12,813</b>	12,235
Thereof non-German .....	<b>1,486</b>	<b>1,540</b>	1,545
Non-German employees, Germany (%) .....	<b>11.8</b>	<b>12.0</b>	12.6
<b>Third-level management employees, groupwide (FK3)</b> .....	<b>3,423</b>	<b>3,171</b>	2,920
Thereof female .....	<b>752</b>	<b>607</b>	562
Female FK3 employees, groupwide (%) .....	<b>22.0</b>	<b>19.1</b>	19.2
<b>Executive personnel (OFK), groupwide</b> .....	<b>205</b>	<b>203</b>	206
Thereof female .....	<b>15</b>	<b>12</b>	14
Women as executive personnel, groupwide (%) .....	<b>7.3</b>	<b>5.9</b>	6.8

### Employee Turnover Rates

With its good social benefits and performance-based compensation, WACKER is an attractive employer. This explains our high level of employee loyalty.

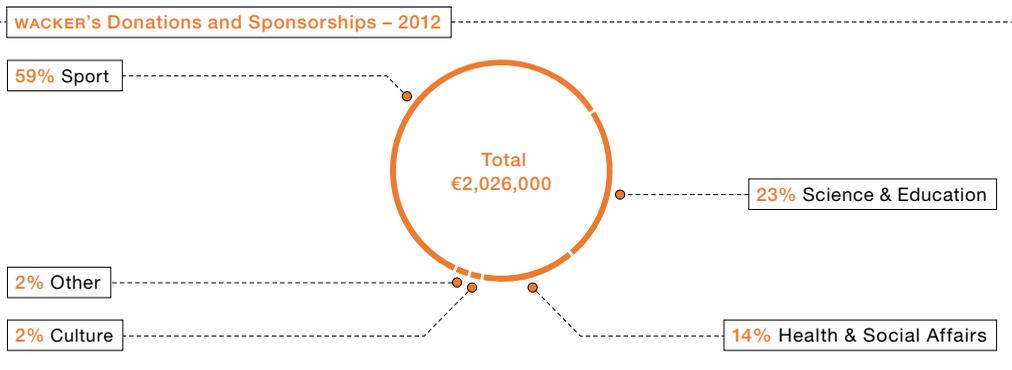
Employee Turnover Rates in 2012				Of which				
in %, by region	Group	Germany	Foreign	Europe <sup>1</sup>	USA	China	Asia	Other countries
<b>Men and Women</b>								
<b>Total</b>	7.9	0.9	30.8	6.1	25.9	13.3	56.0	17.6

<sup>1</sup>Excluding Germany

### Society

Companies can only be commercially successful if they have society's trust, which is why we take our social responsibilities seriously, especially in communities near our sites. We place particular importance on the scientific and technical education of young people, since we will need dedicated scientists and engineers if we are to remain competitive tomorrow.

Charitable and outreach projects to help children and young people represent another pillar of our social commitment, while the WACKER relief fund (WACKER HILFSFONDS) provides support to victims of natural disasters and helps rebuild devastated regions. As part of our social commitment, we seek enduring partnerships, focusing our investments preferably on long-term projects.



### Experiment Kit



In 1992, we developed our first experiment kit for schools. The new version – called CHEM2DO – came out in 2012. With the kit, experiments on silicones and cyclodextrins can be integrated into the school curricula.

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