

GREATER SUSTAINABILITY IN OUR SUPPLY CHAINS

Sustainability is our strategic goal

Sustainability in our business processes is a key strategic goal at WACKER and is defined in our corporate policy guidelines as one of our ethical principles. We support the UN Global Compact initiative for responsible corporate management and the principles of the chemical industry's global Responsible Care® initiative. And our expectation that our suppliers will observe these principles is embedded in our General Purchasing Conditions.

Customers require evidence

Our customers demand evidence from us that we observe environmental and ethical principles throughout the entire supply chain. These requirements were created after well-known companies, principally manufacturers of consumer goods, repeatedly came into disrepute because their subcontractors were not observing accepted sustainability principles – in some cases with serious consequences.

Suppliers play a key role

In order to ensure sustainable business practices and collaboration with the right suppliers, WACKER places a great deal of emphasis on sustainable supply chain management. Since our company has sites in Europe, Asia and North, Central and South America, we work together with suppliers all over the world. The risks that this entails must be identified, evaluated and monitored. Potential critical issues include working conditions, ethical

standards, safety standards (particularly when handling hazardous materials) and the use of local resources (water and energy consumption, etc.). To limit such risks, we must ensure that we procure our raw materials and our technical goods and services from responsible suppliers. We joined the Together for Sustainability (TfS) initiative in 2015 so that our suppliers would not need to fill out different questionnaires or undergo different audits for different customers.

The Together for Sustainability (TfS) initiative

Together for Sustainability (TfS) is a joint initiative established by chemical companies in 2011. The initiative has developed and implemented a global program for assessing, testing and improving sustainability practices in the chemical industry's supply chains. The underlying principles of the initiative are as follows:

- Individualized questionnaire adapted to a company's size and industry in the fields of environment, labor law, human rights, ethics and sustainable procurement
- Sustainability audit results are shared with all participating TfS members.

This ensures that the work involved in verifying sustainability is kept within limits for each supplier and that suppliers can invest more resources in sustainability improvements. Our WACKER goal is for all of our key suppliers to meet minimum sustainability standards by 2030.

Two phases

Our suppliers provide evidence of their sustainability performance via an assessment performed by EcoVadis. We also ask select critical suppliers to perform a site-related social audit. TfS assessments and audits are conducted according to predefined criteria and then made available to all TfS members.

TfS as part of the supplier assessment

The rating by EcoVadis and the sustainability audit report provide us with a very efficient tool for taking stock of our suppliers' performance and identifying the areas where there is still room for improvement in sustainability practices. Because the results of the assessment and/or TfS audit are directly incorporated into the Sustainability section of annual supplier evaluations, they have a major impact on the overall evaluation.

Links

- [The Together for Sustainability \(TfS\) initiative](#)
- [Sustainability report/ supply chain management](#)

