



WACKER

SUSTAINABILITY REPORT
WACKER CHEMIE AG 2003–2006

CREATING TOMORROW'S SOLUTIONS



ABOUT THIS REPORT

The present report is an unequivocal declaration of Wacker Chemie AG's commitment to sustainability and the latter's importance to the company's success. The balanced information presented herein demonstrates how WACKER is living up to its responsibilities as regards the environment, economic principles and society. The report picks up where the 1998–2002 WACKER Sustainability Report left off, documenting our achievements between fall 2002 and spring 2006 (Editorial deadline: June 30, 2006). Accordingly, all the indicators in the report refer to the years 2002 to 2005.

The 2003–2006 WACKER Sustainability Report is addressed to all who are interested in Wacker Chemie AG. These include our customers and business partners, employees, shareholders, investors, the authorities, and our neighbors at the various locations. It provides them with a comprehensive view of sustainability at WACKER. All the information and statements in this report refer to the five business divisions of Wacker Chemie AG, its global sites as well as all subsidiaries in which WACKER is the major stakeholder. Wherever there have been key changes in underlying data, relative to the previous report, attention is drawn to them in the text. If you have any suggestions for our next report, please use the feedback function in the "Contact" menu on the CD-ROM at the back of this report.

The guidelines for the creation of this report were those of the Global Reporting Initiative (GRI) from the year 2002, whose formal content in the form of the GRI index is contained on the CD-ROM at the back of this brochure. Departures from these guidelines are noted and explained at the relevant locations in the GRI index.

The 2003–2006 WACKER Sustainability Report appears for the first time on CD-ROM only. This conscious decision to publish the full report without resorting to paper further underscores our understanding of the term sustainability.

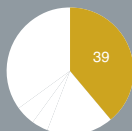
WACKER AT A GLANCE

As a globally active chemical company with a wide range of state-of-the-art specialty products, WACKER is a leader in numerous industrial sectors. Wacker Chemie AG listed on the stock market on April 10, 2006.

WACKER's products are required in countless high-growth, end-consumer markets. These include solar power, electronics, pharmaceuticals and beauty care products. WACKER operates some 22 production sites worldwide, supplying over 3,500 products to customers in over 100 countries.

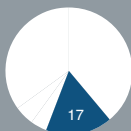
The Group is represented by subsidiaries and sales offices in over 28 countries in Europe, the Americas and Asia – and has a strong foothold in China.

WACKER's operations are divided into five business divisions: WACKER SILICONES, WACKER POLYMERS, WACKER FINE CHEMICALS, WACKER POLYSILICON and Siltronic.



WACKER SILICONES

In 2005, WACKER SILICONES generated some 39 percent of Group sales. As one of the world's largest silicone producers, it has over 3,000 highly specialized and innovative products. The division's portfolio ranges from silicone fluids, emulsions, resins, elastomers and sealants to silanes and pyrogenic silicas. The divisions' products stand out thanks to their considerable potential for adding value. Enhancing both the value and performance of customers' end products, they find application in such sectors as construction, chemicals, cosmetics, textiles, automotive, paper and electronics.



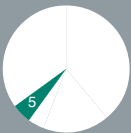
WACKER POLYMERS

WACKER POLYMERS accounted for some 17 percent of Group sales in 2005. The division is a leading producer of state-of-the-art binders and polymer additives in the form of dispersible polymer powders and dispersions, polyvinyl acetates, surface coating resins, polyvinyl butyrals and polyvinyl alcohol solutions. Its products are found in construction chemicals, binders, printing inks, surface coatings and in the paper and automotive sectors.



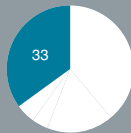
WACKER FINE CHEMICALS

In 2005, WACKER FINE CHEMICALS generated some four percent of Group sales. The division manufactures both standard and customized fine chemicals based on advanced chemical and biochemical processes. Its products include acetyl acetones, chiral synthetic building blocks, cyclodextrins, cysteine and pharmaceutical proteins. The division focuses on producing tailored solutions for growth sectors, such as pharmaceuticals, agrochemicals, cosmetics and food additives.



WACKER POLYSILICON

WACKER POLYSILICON contributed some five percent to Group sales in fiscal 2005. It is one of the global leaders in the manufacture of hyperpure polysilicon. Its product portfolio also includes pyrogenic silicas, chlorosilanes and salt. The division's polysilicon is used in the semiconductor industry and the growing photovoltaic sector. Thus, the polysilicon must comply with extremely rigorous quality standards to meet customer specifications in these application areas.



Siltronic

In fiscal 2005, Siltronic accounted for some 33 percent of Group sales. As one of the world's largest producers of hyperpure silicon wafers for the semiconductor industry, it is the main supplier for most of the leading chip manufacturers. Focusing on the growing 300 mm-wafer market, the division has reinforced its leading position thanks to its size, technology and high-quality products, as well as its high capacity utilization rates.

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INTRODUCTION BY THE EXECUTIVE BOARD

Sustainable development is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. This was how former Norwegian Prime Minister Gro Harlem Brundtland, who chaired the United Nations World Commission on Environment and Development, defined the concept in 1987. Now more commonly referred to as sustainability, it has become an integral goal of the production and business processes of all companies of repute. Sustainability and economic success are not mutually exclusive. On the contrary, it is a widely proven fact that the most sustainably managed companies are frequently those which enjoy the greatest economic success.

With 22 production locations and almost 15,000 employees worldwide, WACKER can justifiably claim to be a corporate citizen: We solve problems in a global context. Where an employee at any one location submits a suggestion for improvement which meets with approval, an immediate review is conducted at other locations

and countries to identify the benefits that might accrue from implementing it there as well – no matter whether it concerns productivity or environmental protection.

Global citizens are considerate and responsible – we have been fervent advocates of the Responsible Care® program since its inception and we do all we can to ensure its adoption at international level. We welcome cultural differences as an enrichment. We are critical in our thinking and we extend it across all systems. Consider, for instance, our unique and revolutionary environmental performance assessment tool (EPAT). For the first time, we can compare “apples with oranges” to find hitherto elusive answers to questions such as: What has a greater impact on the environment – ten cubic meters of exhaust air or a tonne of wastewater? Which investment provides the greatest benefit from the available funds? With this method, we can now also test whether existing legislation delivers what it sets out to accomplish – for example, does a certain threshold value and the new flue-gas

scrubber which its observation requires really benefit the environment? Or does it merely shift the problem elsewhere, perhaps ultimately to the site's wastewater where it might have an even greater overall impact on the environment?

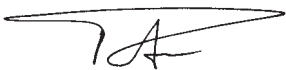
Sustainability for us means benchmarking our actions anew every day and communicating this as clearly as possible, to employees and the public alike. We were one of the first German companies to publish a detailed environmental report. We were among the first companies to augment their environmental reports with social and health details in the form of the 2002 Sustainability Report.

Now we are going one step further:
The German and English versions of our 2002 report produced between them a mountain of paper weighing more than 20 tonnes. To make for somewhat "lighter reading," this time around we are printing the abbreviated version only. All other information may be found on the CD-ROM contained at the back of this report. Both publications comply with the internationally accepted guidelines of the Global Reporting Initiative (GRI). They contain an in-

dex of the places where the corresponding GRI content may be found. We believe that the CD-ROM will help readers find their way around the report faster and that it provides better links between different subjects, thereby allowing topics to be better presented within the overall context. This makes for even better communication of our goals, our achievements and our commitment to Responsible Care® to the interested public. In recent years, too, we have continually made

major progress in environmental protection, safety and sustainability. This progress has largely been due to the unflinchingly high levels of commitment on the part of our employees. We would therefore like to extend a special "thank you" to them. We also thank our customers for trusting in the safety, reliability and environmental compatibility of our products.

Munich, February 2007



Dr. Peter-Alexander Wacker
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SUSTAINABILITY AT WACKER: PRODUCTS, PLANTS AND ENVIRONMENT

SUSTAINABILITY WITHIN THE GROUP



Sustainability has long been a priority at WACKER. Ever since the publication of its first Environmental Report in 1989, WACKER has regularly updated its target readership about its performance in regard to environmental protection, industrial health and safety, and transport.

Sustainability first hit the international headlines at the 1992 World Conference for Environment and Development in Rio de Janeiro. It was recognized at this time that acting in accordance with environmental, social and economic principles was the only way to guarantee long-term success. The Rio Conference led to the creation of the United Nations Commission on Sustainable Development for the purpose of pursuing the goals laid down by the conference. These include promoting dialogue between governmental organizations, major interest groups and non-governmental organizations (NGOs). The Commission's brief also extends to overseeing international, regional and local compliance with the action plan passed

in Johannesburg in 2002. Growing trade in the wake of globalization, along with communications networks that transcend all national boundaries, is transforming our planet into the proverbial global village. As international competition for low-cost locations, cheap labor and technological progress stiffens, globally active companies can sidestep social and ecological problems only by submitting to overriding principles. It was for this reason that WACKER signed up to the chemical industry's Responsible Care® program.

Responsible Care®

The Responsible Care® program is considered around the world to be exemplary. Companies participating in this program seek continuous improvement in occupational safety, environmental and health protection independently of statutory legislation. They have volunteered to follow the basic principles and directives of their national associations and to provide regular updates. The program exemplifies how industry can take on responsibility for itself. An example of how the state and industry can collaborate is the Bavarian Environmental Pact, of which WACKER is a member. This facilitates the pursuit of corporate policies without detriment to the needs of environmental protection.

COMMITTED TO COMMUNICATION

Information and communication are becoming vitally important as our world shrinks faster and faster. It is therefore essential to maintain lines of communication both internally and externally, and to encourage an exchange of information with neighbors, customers, employees and many others.

Constructive, informative responses to queries and suggestions from the local public are standard policy at all WACKER locations around the world. We are fully cognizant of the fact that large chemical plants can be worrisome for neighbors unsure as to what is happening behind closed factory gates. WACKER seeks to allay such fears by publishing environmental reports and other site brochures that provide information about the company and its plants. Important information that the public needs to know urgently is provided ad hoc through the local mass media.

WACKER routinely takes part in the Germany-wide "Open House" event staged by the German Chemical Industry Association (VCI) every three to four years.

In September 2003, WACKER welcomed more than 12,000 visitors to its Burghausen, Freiberg, Nünchritz und Kempten sites. They were able to visit our production plants and laboratories, experience high tech on location and view the working environment of family, friends and neighbors. The program of events ranged

from bus excursions around the sites and guided tours of production units to video presentations, chemical experiments and, most importantly, discussions with our specialists. Staff at the HR information booths, too, were inundated with questions – large numbers of secondary-school pupils wanted to find out about training opportunities and careers at WACKER. The walkabouts through the production facilities were particularly popular, as many visitors wanted to experience at first hand how silicon wafers are made or, for example, how silicone rubber is processed.



ECONOMIC SUSTAINABILITY



Long-term success entails sustainable business practices. A Group such as WACKER needs structured work routines and specified procedures for day-to-day operations.

Sustainable business practices at WACKER are based on the integrated management system (IMS). It regulates workflows, responsibility and accountability within the context of our productivity, quality, health, safety and environment principles. It is derived from legislation, voluntary commitments to Responsible Care® and the Global Compact as well as national and international standards.

The IMS promotes collaboration among WACKER business divisions and their units. It is an organizational building block that facilitates the taking, implementation and review of economic, ecological and socially acceptable decisions.

The Employee Suggestion Scheme – a prime example of sustainability

An innovative company such as WACKER thrives on the ideas of its employees. Every small improvement in daily work routines is important. Since 1999, the Employee Suggestion Scheme (BVW) has been anchored as a leadership task in a company agreement aimed at providing an open door for employees' suggestions on how to improve work routines. This framework also incorporates idea and knowledge management: the overall goal is to organize our employees' knowledge in the best possible manner and to provide technical support for Group-wide knowledge transfer.

BVW officers receive several thousand suggestions a year for improving quality, productivity and occupational safety. This number is not a constant, however, and has fluctuated substantially over the 75 years of the BVW's existence.

In 2003, for example, it fell. Declining participation rates were subsequently stopped by countermeasures, such as the BVW Olympics 2004.

The bulk of the submitted suggestions can be implemented in practice. For example, the proportion of ideas implemented rose to 70 percent in 2005, and helped WACKER to save €3.1 million.

Altogether, more than 35,000 suggestions have been implemented since 1975 and savings of more than €50 million realized.

SUSTAINABLE PRODUCTS

Sustainable production at WACKER means we conserve resources, save energy, avoid waste and develop environmentally sound solutions for our customers.

The basis for sustainable products at WACKER is our integrated product policy (IPP), which is virtually identical with the Responsible Care® philosophy espoused by the chemical industry. The idea is to promote new products that are superior to existing ones from cradle to grave – that is, from production through sale and use to ultimate disposal or recycling. Focal aspects of IPP include health protection, environmental behavior, energy consumption during manufacture and use, and the post-consumer re-usability of some or all of the product.

Deep impregnation for bridge piers – an example of sustainable product applications

Specialty water-repellent silanes from WACKER can protect concrete structures from salt penetration for many years. In winter, road traffic whirls up water and salt. Thus bridge piers, for example, are continuously bathed in salt spray. Concrete is porous, and so the salt penetrates inside the pier. There, it damages the steel reinforcement by accelerating the rate at which it rusts. Since rust takes up more room than iron, sections of the concrete begin to spall.



Specialty silanes from WACKER are able to penetrate the concrete to a depth of about six millimeters to form a water-repellent coating on the walls of the pores. This significantly reduces ingress of salt and water, which can no longer penetrate as far as the reinforcement.

Deep impregnation with these silanes lasts 15 to 20 years, after which, naturally, the treatment can be repeated.

ECOLOGICAL SUSTAINABILITY



Our commitment to ecological sustainability extends not only to the products and processes of the present and future, but also to active legacy remediation.

As a manufacturing company, WACKER continually strives to raise the yield of each individual process, because that helps us conserve resources and cut down on waste. A further goal is to generate and use energy as efficiently as possible. All these count toward our sustainability effort, which is why we have been adherents of the chemical industry's Responsible Care® program from the outset. We have additionally developed our own tool for evaluating "environmental quality." Our integrated management system (IMS) ensures that all our operating processes reflect the sustainability ethos. During our Environment Information Days, we report publicly on our goals and our achievements. Our perpetual search for ways to improve production facilities and processes has steadily diminished emissions to air, water and soil at all WACKER sites in recent years. Thanks to by-product recy-

cling and intelligent production loops, for example, we have been able to decouple emissions and production volumes in a number of processes.

However, the question as to how the construction of a new plant or the modification of a process impacts WACKER's overall environmental performance has become increasingly complex. Since 2004, the environmental performance assessment tool (EPAT) developed by our Environmental Services Department has enabled us to compare "apples with oranges." Assessments made with this tool are so reliable that they may even sway investment decisions.

Legacy Remediation

In the early days of chemical manufacturing plants, plant operators were unaware of the dangers associated with certain chemicals or of the fact that some substances are not degraded and that they persist in the soil for a long time. Since 1989, WACKER has been cleaning up such legacy chemicals at its Burghausen site by extracting the air from the soil from which the chemicals used to seep into the groundwater. When the first pilot test was completed, the method was deployed at other site areas. The amount of pollutants extracted each year has decreased continuously. It was only 30 tonnes in 2005, even though the system has become steadily more efficient with advances in technology.

The groundwater now contains only traces of chlorinated hydrocarbons. We monitor our progress by analyzing hundreds of groundwater samples from around the site every year.

RESPONSIBLE CARE: EMPLOYEES AND THE PUBLIC

PLANT AND OCCUPATIONAL SAFETY



Public confidence in the chemical industry depends largely on how convincingly an enterprise communicates and lives out its safety philosophy.

Our new plant safety concept (ANSIKO) is focused on prevention: We don't just ask what happened when a fault occurs somewhere and then leave it at that. We also ask if our precautions are good enough to prevent an event such as an explosion. We not only endeavor to prevent incidents and accidents in our factories, but we also put our expertise at the service of the community in the event of an external emergency. To this end, WACKER and other chemical companies in Germany and Austria operate a Transport, Accident, Information and Help System (TUIS). When called upon, our fire and hazardous-goods experts provide information over the telephone and also supply specialist technical equipment to local fire fighters dealing with accidents involving hazardous goods.

There is a long tradition of occupational safety at WACKER. Under the motto "Any

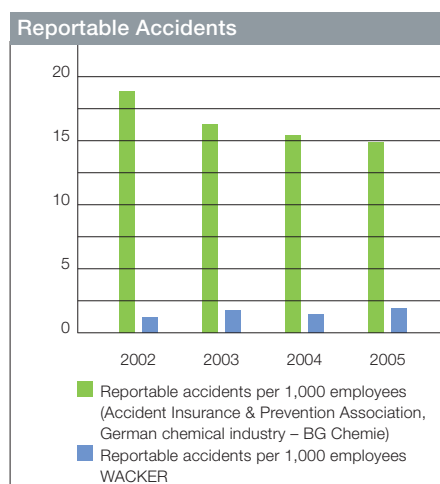
accident is one too many," we are meeting our obligation to have high standards of occupational safety. We measure our journey toward our vision of "No workplace or commute-related accidents, no work-related illnesses" against annual targets – the results are quoted in statistics such as the number of accidents per thousand workers (TMQ) and the accident frequency. Dangerous incidents are electronically recorded and then carefully

analyzed in order that similar situations may be prevented before they arise. All WACKER sites around the world practice occupational safety via personal contacts, training and audits. We also use electronic media to provide advanced training and information for our employees.

Example: The Near Miss Program in Singapore

Siltronic launched its Near Miss program for accident prevention and early identification of possible dangers in June 2004.

All employees at the site accordingly completed a program of training courses and various campaigns. The slogan "Observe it, Report it, Stop it!" was adopted to sensitize them to sources of danger and encourage them to report these and thus eradicate them.



HEALTH PROTECTION

Nowadays, a company's concern for its individual employees goes far beyond keeping harmful emissions out of the workplace.

An integrated approach to the topic of health also necessitates showing the employees how to specifically raise their general health levels. For this reason, WACKER increasingly offers guidance in such topics as healthy eating and giving up smoking as well as providing opportunities to engage in sports. Building on the "healthy company" principle, Wacker Chemie AG has established an integrated health management (IHM) system over the past few years. The system is certified to OHRIS and ISO 14001. WACKER also belongs to a workplace health promotion (WHP) network and thus benefits from the exchange of WHP findings with other companies.

WACKER's Health Services, the engine behind the corporate health protection drive, has drawn up and implemented the directives, norms, key indicators and

reporting and auditing systems that are needed to continuously improve the IHM. WACKER runs regular fitness campaigns to help its staff get more exercise. As part of our corporate health drive, the WACKER health service also alerts its employees to the dangers of excessive alcohol consumption, drug abuse and smoking. The company organizes special seminars in which managerial staff are sensitized to the issue of addiction and trained how best to help suspected or confirmed addicts.



Example: Health Days

We encourage our staff to exercise regularly and thus to stay in good health. Each WACKER site plans its own activities around local amenities. At its German locations, WACKER runs a Health Days program during which employees are able to participate in a wide range of sports activities. These include courses in building up the back muscles, how to lift and carry things properly, stretching, fitness training, theraband gymnastics and Chi Gong, as well as running events and Nordic walking. As part of our workplace health promotion program, WACKER also offers its staff regular check-ups where they can have their blood-pressure, weight, glucose and cholesterol levels measured. Healthy Eating weeks round out the physical exercise tips.

Siltronic Singapore organizes an annual "A.C.T.I.V.E. Week" (All Companies Together in Various Exercises) to motivate its staff to adopt a healthier way of life.

RESPONSIBILITY FOR EMPLOYEES



Social responsibility is a long-standing tradition at WACKER – because motivated, skilled employees are our most precious resource. We create the conditions in which all employees can deliver their best performance. These include extensive programs to promote staff development and equal opportunities, as well as profit-sharing payments and excellent pension benefits.

Our company's success is critically dependent on the happiness of each employee. That's why no two workplaces are the same at WACKER. We base staff development on personal strengths, offering training and advancement programs to help each individual employee. Thus, standard-pay-scale employees with an aptitude for shift foreman or master are eligible for Potential Analysis Workshops (PAWs). Above-standard-pay-scale employees with an outstanding track record are invited, for example, to attend the Management Development Center, which seeks to bring out and boost their strengths.

WACKER is also actively committed to providing disabled people with the chance of a career. This involves finding an appropriate profession and workplace for each individual. WACKER judges each case on its merits, this very important task being the responsibility of our disability liaison officers. In 2005, the proportion of disabled persons working at WACKER was well above the legally prescribed minimum.

Example: Balancing Family and Career

WACKER helps its staff to juggle family and career, endeavoring to create the best possible conditions for every employee. Working-hour models are designed to cater to the various life stages of men and women within the realms of what is feasible for the company. For example, the company arranges a two-day workshop at the Burghausen plant to help fathers and mothers returning from a year's parental leave.

The participants are informed about their legal rights concerning part-time work and child-raising allowance as well as about the Burghausen company agreement called "Women, Family Promotion and Career." Among other things, the terms of the latter agreement allow the three-year period of parental leave to be extended by a further twelve months of unpaid leave. They also permit parents to take on a part-time job commensurate with their qualifications, to provide holiday cover or to spend the time acquiring further qualifications. The program is rounded out with tips on alternative child-care arrangements and time management.

CORPORATE CITIZENSHIP

The obligations of a major company extend far beyond the development and sale of products. WACKER has taken pains to weave itself into the fabric of society.

Aside from responsibility for products and production, employees and the environment, WACKER sees itself as a corporate citizen. To ensure a lasting future for our company and the chemical industry, and to foster a climate in Germany that is receptive to innovation and progress, we work hard to instill an interest in science and technology into school pupils and even pre-school children. WACKER supports a wide variety of educational projects at all its sites. Major projects include our involvement in the Bavarian Educational Pact foundation, sponsorship of Bavaria's Young Scientists Competition, which we also help to organize, and the WACKER experimental kit for schools.

WACKER also maintains permanent contact with universities all over the world. As part of our drive to boost numbers of

fledgling chemists, we offer undergraduates internships and the chance to carry out thesis projects at WACKER. In conjunction with the University of Sharjah in Dubai, for example, we offer internships that focus on the use of WACKER products. We provide scholarships to particularly talented students at the German Institute of Science and Technology in Singapore and help to fund the chemistry competition held by Beijing-based Tsinghua University. We maintain close contact with university research workers by organizing symposia such as the Munich Silicone Days. Instigated by WACKER in 1992, this symposium has been known as the European Organosilicon Days since 2001. The activities organized by WACKER employees and interested teachers not only fuel continuous dialogue. They also provide insight into jobs in the chemical industry and inculcate an understanding of the importance of the natural sciences for our future. In addition to supporting schools and universities, WACKER helps to fund relief projects in the event of disasters, accidents or other unforeseen events.



The WACKER HILFSFONDS – an Example of Long-Term Disaster Aid

The tsunami catastrophe on December 26, 2004, which caused 250,000 deaths and widespread distress, surpassed everyone's imagination.

This natural disaster prompted WACKER to establish the WACKER HILFSFONDS relief fund and contribute an initial €50,000. Employees then donated a further €100,000, an amount matched by the Executive Board, so that altogether €250,000 was raised. The relief fund's unpaid managing committee selected two projects in Sri Lanka which the fund will support for at least the next three years.

We are financing the construction and upkeep of a training establishment there and of four school classrooms. The Little Smile organization and the Augsburg Malteser charity are partners in these projects.



OUR GOALS

Our activities must remain measurable – for us and the public. That is why we set ourselves concrete goals and that is why we report on whether and to what extent

we have achieved them. Many of the goals are included in the environmental declarations for the various locations. Extracts from these are reproduced here.

The goals are not rigid, but rather are modified in response to current developments and demands arising from Group strategy, the economy and the political situation.

Accomplished Goals 1998–2002 (Selection)

Goal	Location	Deadline	Status
Environmental Goals			
Reduce water consumption during demounting by 60 percent. We made significant water savings by implementing a recycling loop.	Burghausen, DE	2002	Goal met
Reduce hazardous waste by 15 percent. By 2002, we had reduced the hazardous waste volume by 22 percent. Ways of achieving this included continuous recovery of solvents.	Adrian, US	2002	Goal met
Continue soil-air extraction. Since 1990, a total of 1,784 tonnes of chlorinated hydrocarbons have been extracted, some 171 tonnes of which were recovered from 2002 to 2005.	Burghausen, DE	Ongoing	
Reduce VOC emissions from cyclodextrins production by nine percent. By 2002, a 30 percent reduction in emissions of volatile organic compounds (VOC) had been achieved. A further improvement to 66 percent overall had been achieved by 2005.	Eddyville, US	2002	Goal met
Energy savings at Siltronic Portland. The optimum use of resources and the replacement of outdated plant by new facilities offering energy-efficient technologies have slashed electricity consumption.	Portland, US	Ongoing	
Certification to ISO 9001. Strong growth at Wacker Metroark Chemicals in Kolkata (Calcutta) necessitated modifications to workflows and processes. Certification on this basis should be complete by late 2007.	Calcutta, IN	2003	Target date postponed
Social Goals			
Information aimed at applicants: “Jobs & Career” section on company website and implementation of an online recruiting module. The online recruiting module is now standard. It was combined with the “Jobs & Career” section and relaunched as the Career Pages of the new WACKER website in late 2005.	Human Resources	2002	Goal met
Training opportunities through targeted training and international deployment. We target employees for advanced training. For international deployment, we send them on the Cross-Culture Program, and other courses.	Human Resources	Ongoing	Goal met

NEW GOALS

New Goals		
Goal	Location	Deadline
Environmental Protection		
As a manufacturing company, WACKER continuously optimizes its production processes. It is our aim to increase the yield of every single process so as to conserve energy and raw materials and to minimize waste. In doing this we are actively endorsing the Responsible Care® philosophy, a commitment by the world's chemical industry to safety, health and environmental protection. We are also continuing our successful soil cleanup program at our Burghausen site, removing legacy chemical contamination. Our environmental protection measures extend to our neighbors, too. For example, we dispose of their hazardous waste and treat their sewage.		
Reduce vadose water from our disposal sites by 30 percent.	Burghausen, DE	2008
Reduce specific energy consumption by ten percent (relative to the estimated figure for 2006) by means of energy-saving programs, increasing energy efficiency and performing energy audits.	Burghausen, DE	2009
We use the WACKER Operating Systems (WOS) program to implement and monitor these measures.		
Continue soil-air extraction.	Burghausen, DE	Ongoing
Save 1,000 tonnes of hydrogen chloride and 1,100 tonnes of sodium hydroxide.	Burghausen, DE	2008
We will save hydrogen chloride and sodium hydroxide by optimizing production loops in a base chemicals factory.		
Product Safety		
In our production processes, we seek to protect the health of our employees, to maximize environmental compatibility and to minimize energy consumption. We engineer our products such that they cause no harm to humans or the environment – neither during manufacture nor during use. We ensure this by means of timely investigations, performed, for instance, during the innovation phase. Regular toxicological and ecotoxicological studies are a key element of substance evaluation.		
Pre-registration by the due date of all WACKER chemicals affected by REACH legislation.	Group-wide	–
We will meet the EU deadline for identifying all WACKER substances affected by REACH and pre-registering them with the agency responsible.		
Occupational Safety		
We fulfill our commitment to a high standard of occupational safety by implementing a large number of programs. Every incident is analyzed carefully so as to prevent a similar recurrence. We organize safety campaigns, such as “See the Light” for cyclists and “Safe Passage”, which is intended to sensitize our employees to everyday tripping hazards. Interactive safety training courses sharpen general awareness of hazardous situations.		
Significantly reduce the accident frequency (relative to the 2005 figure of 4.3).	Group-wide	2008
Markedly improve the reportable accident rate per thousand employees (relative to the 2005 figure of 1.7).	Group-wide	2008

New Goals		
Goal	Location	Deadline
Production		
Changing times call for peak performance on a daily basis. Our innovative products and processes are a good foundation for achieving this. Our knowledge management system and Employee Suggestion Scheme enable us to translate the ideas of our employees into progress. Special projects, such as Top-Fit, significantly improve our competitiveness.		
Continue to increase productivity over the entire supply chain.	Group-wide	Ongoing
We use the WACKER Operating Systems (WOS) program to implement and monitor these measures.		
Health Protection		
WACKER adopts an all-round approach to the issue of health. Keeping the workplace free of harmful emissions is important, but we do far more than that. We encourage our employees to adopt a healthier lifestyle. To this end, WACKER offers a growing range of sports activities. We also run a Health Days campaign and programs to help smokers kick the habit.		
Prevent drug and alcohol abuse. Train all newly appointed WACKER executives in the early recognition of employees with such problems. Offer refresher courses every five years to all executives who have already attended such a seminar.	Domestic Group	2010 and ongoing
Establish uniform health protection processes.	Group-wide	Ongoing
Responsibility for Employees		
Motivated and well-qualified employees are our most vital resource. We therefore offer customized advancement programs for every type of job and every career stage. We also offer various working-hour models that allow our employees to strike a balance between their work and their private lives. In addition, we do all we can to help employees combine family and career, and we make sure that disabled employees always have a suitable job in the company. As a globally active company, we offer cross-cultural training tailored specifically to the needs of employees due to go abroad.		
Prepare WACKER for demographic change:		
Initial age-pattern analyses.	Group-wide	2006
Derive recruitment, training and retirement strategies from the initial analyses.	Group-wide	As from 2007
Alternately repeat the age-pattern analyses and review the strategies derived therefrom.	Group-wide	As from 2010
Combine all existing corporate policies in a single document.	Group-wide	2008
Corporate Citizenship		
As a corporate citizen, WACKER has taken pains to weave itself into the fabric of society. We are well aware of our social responsibility, to which we are fully committed. For instance, we provide teaching materials for kindergartens and schools, thus instilling an interest in science and technology into children. We sponsor Bavaria's state-wide Young Scientists Competition and support universities both in Germany and abroad. Through our charitable foundation, the WACKER HILFSFONDS, we are actively assisting in the reconstruction and maintenance of a school and a training establishment in a section of the Sri Lankan coast that was devastated by the tsunami.		
Promote pupils' knowledge of chemistry and the environment. Revise the content of the WACKER experimental kit for schools.	Group-wide	2008



INDICATORS

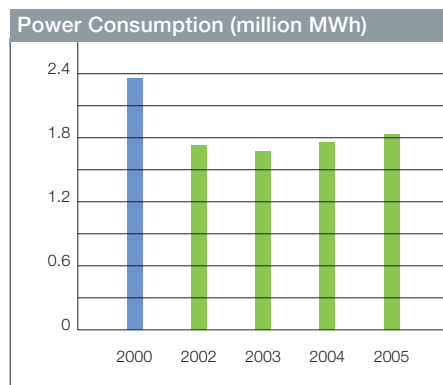
Group-wide environmental and safety indicators have been recorded continuously and published in our company brochures since 1990. WACKER enjoyed steady growth during the period under review (2003–2006). Production volumes and the number of WACKER products have risen

continuously. Specific waste and emission levels as well as the amount of energy consumed per tonne of WACKER product manufactured are lower than they were a few years ago, despite higher production volumes. Here we have included, by way of example, the indicators for power

consumption, carbon dioxide emissions and the cost of our environmental protection activities. You will find further important indicators on the CD-ROM inside the cover.

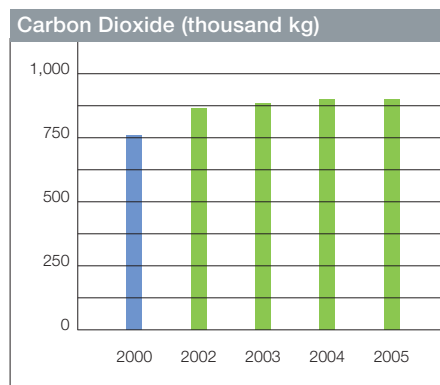
Example: Power Consumption

The switchover from chloralkali to membrane electrolysis technology and the closure of the vinyl chloride integrated production system at the Burghausen site led to a marked reduction in power consumption up till 2002. Additional energy-saving measures were implemented at WACKER's Stetten salt mine, for example, and at Siltronic's Portland and Singapore sites. Increased production (e.g. of polysilicon raw material for solar silicon) caused electricity consumption to rise up till 2005.



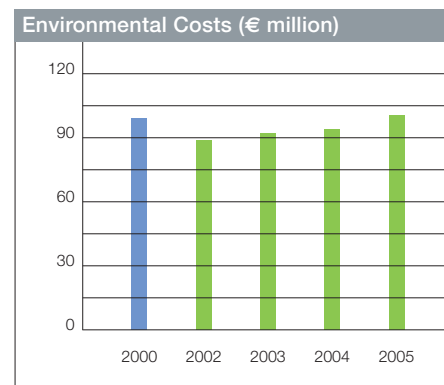
Example: Carbon Dioxide

Increased production at our Burghausen, Freiberg and Nünchritz sites led to a rise in energy consumption. Our ultramodern combined cycle gas turbine (CCGT) power station in Burghausen came on stream in 2001, likewise causing a rise in carbon dioxide emission levels. A second incinerator for disposing of organic waste gases in Nünchritz also increased CO₂ emissions.



Example: Environmental Costs

The consistently high costs of environmental protection have two main causes: dependable compliance with mandatory legislation (including threshold limit values) and the implementation of voluntary measures for continuous improvement to environmental performance, in the spirit of Responsible Care®.



COMMENTS ON THIS REPORT

The report 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.

The following persons helped to compile this brochure and the CD-ROM:

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NACHHALTIGKEITSBERICHT SUSTAINABILITY REPORT WACKER CHEMIE AG 2003 – 2006

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Minimum System Requirements

Recommended hardware:

PC with Pentium III processor or higher; 16x CD-ROM drive, 64 MB RAM, True Color with 1024 x 768 pixel resolution.

The following operating systems are supported:

Windows 98SE, NT, ME, 2000 Prof., XP.

Software requirements:

Internet Explorer, version 6.0 or higher (Java Script activated)

Adobe Acrobat Reader, version 6.0 or higher.

The CD-ROM is ready to run – it does not need to be installed on a PC. It will start automatically after insertion into the CD-ROM drive.

Further information and a detailed description of the functions may be found under “Help” on the CD-ROM.





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