

Group Tax Policy of WACKER

WACKER is aware of all relevant tax obligations and is committed to be always a good corporate tax citizen. The management of WACKER and all respective officers are responsible for ensuring that all applicable national and international regulations as well as internal guidelines and governance procedures relating to taxation are observed. This enables WACKER to use diligent care and judgement, including ensuring decisions are made on an appropriate level and supported by proper documentation and facts.

Our tax policy focuses on the following principles:

Tax Compliance

WACKER's tax affairs are principally based on its commercial business activities. In structuring our business activities, we consider tax law and guidelines. Adequate standards and procedures are in place to ensure that tax compliance obligations are met. The WACKER inhouse tax department has a global governance role and manages WACKER's tax affairs supported by external tax service providers. It acts as an advisor to, and partner for, the central and operational organizational units.

Tax Risk Management

Tax Risk Management is embedded in the general WACKER Risk Management. Potential tax risks are assessed, and processes and controls are implemented to mitigate the risks to an acceptable low level. Internal control procedures and processes are subject to regular reviews and self-assessment programs. Advice is sought from external advisers where appropriate. If uncertainty and financial risk cannot be fully eliminated, adequate tax risks are recorded in the Group financial statements in accordance with accounting policies based on international standards.

Transfer Pricing

We apply the arm's length standards of the Organization for Economic Cooperation and Development (OECD) and local country requirements to ensure our intercompany arrangements result in appropriate remuneration. As a result, profit is allocated to countries in which value is created in line with business activities.

Tax Planning

Active tax planning makes an important contribution toward increasing our company's value. WACKER seeks to utilize tax incentives, tax credits, and related tax favorable deductions where applicable as well as relevant bilateral tax treaties aimed at avoiding double taxation. However, WACKER does not undertake aggressive tax planning, with the sole purpose of obtaining a tax advantage. WACKER strives to ensure that any structure or transactions will support the business strategy and as such all decisions will have a sound commercial rationale, will be compliant with tax laws and regulations and will be considered in light of any impact such planning could have on our reputation.

Transparency

In accordance with domestic regulations, WACKER is committed to the principles of being open and transparent with tax authorities. We aim to avoid disputes and risks by being committed to maintain a trustful and respectful dialogue.

Signed



Dr. Tobias Ohler, Member of the Executive Board & CFO of Wacker Chemie AG
Munich, August 2023