SIKA'S SUSTAINABLE PACKAGING CHALLENGE 2023

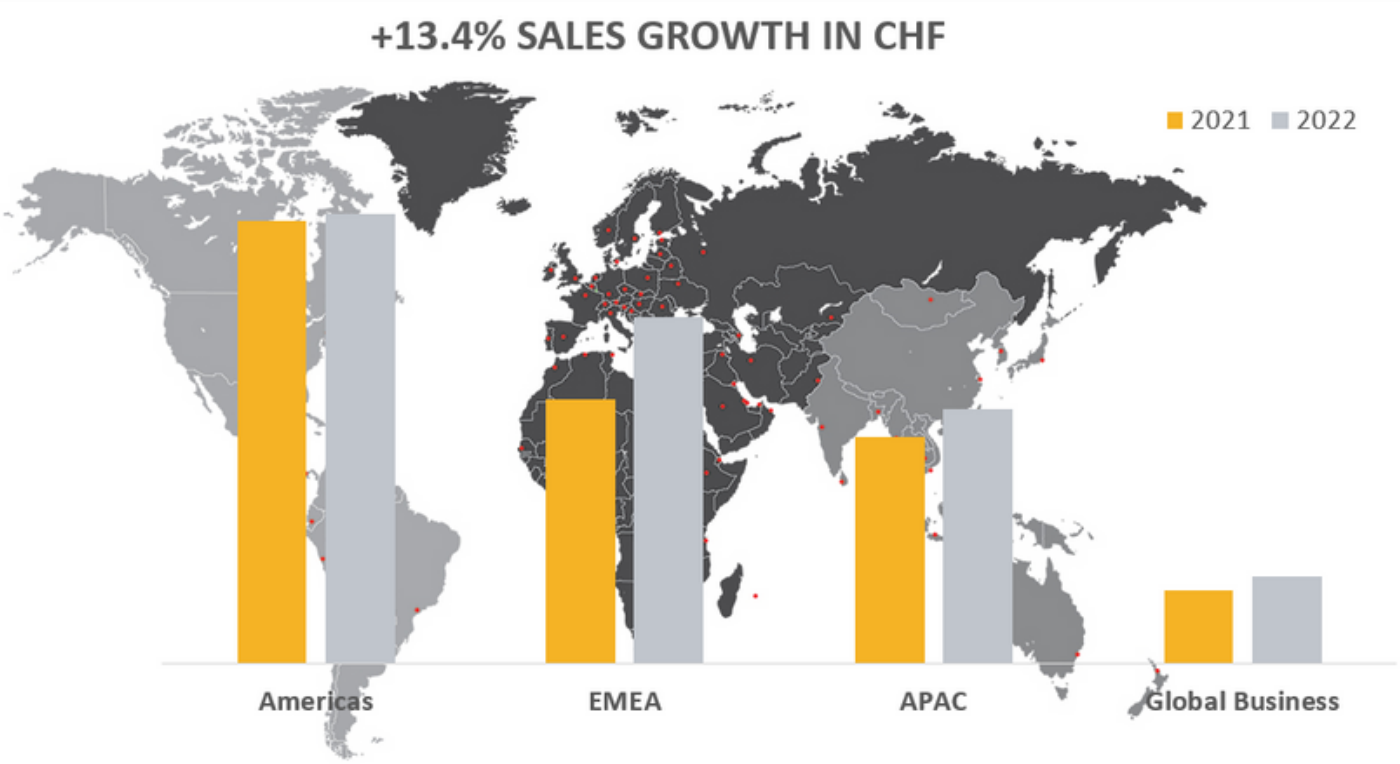
SIKA'S SUSTAINABILITY GOALS & OUR PURSUIT OF SUSTAINABLE PACKAGING SOLUTIONS

COMPANY PROFILE

Sika is a specialty chemical company with a leading position in products for bonding, sealing, damping, reinforcing and protecting in the construction and automotive industries. Sika's product lines include concrete admixtures, mortars, sealants and adhesives, structural reinforcement systems, as well as waterproofing and roofing systems.

Local presence around the world with subsidiaries in 100 countries and more than 27,700 employees (2022) directly connects Sika with its customers and ensures the success of all our partners. In the pursuit of value creation for all stakeholders, Sika achieved annual sales of CHF 10.5 billion in 2022.

BUILDING TRUST



SIKA'S SALES GROWTH IN 2022

In a difficult economic environment characterized by war in Eastern Europe, high inflationary pressure, and rising interest rates, Sika grew further in all regions. The Asia/Pacific region continued to feel the repercussions of the pandemic.

The Americas region recorded growth of 27.5% over 2021.
Sika generated a large part of this growth from the US infrastructure sector, which saw a significantly higher activity in 2022 compared to the previous year. High demand also came from investments in commercial construction projects (e.g. stadiums and data centers) and in restoring.

SIKA'S GROWTH STRATEGY 2023

Sika's Growth Strategy was developed and launched in 2019. It encompasses both financial and non-financial considerations and targets. The new integrated Strategy for 2028 will be presented in October 2023.
Sika bases its growth strategy on the following pillars:

- Sustainability
- Market Penetration
- Innovation
- Operational efficiencies
- Acquisitions
- Cultural values

Sika's primary goal is to reduce CO2 emissions per ton sold by 12 % by 2023.

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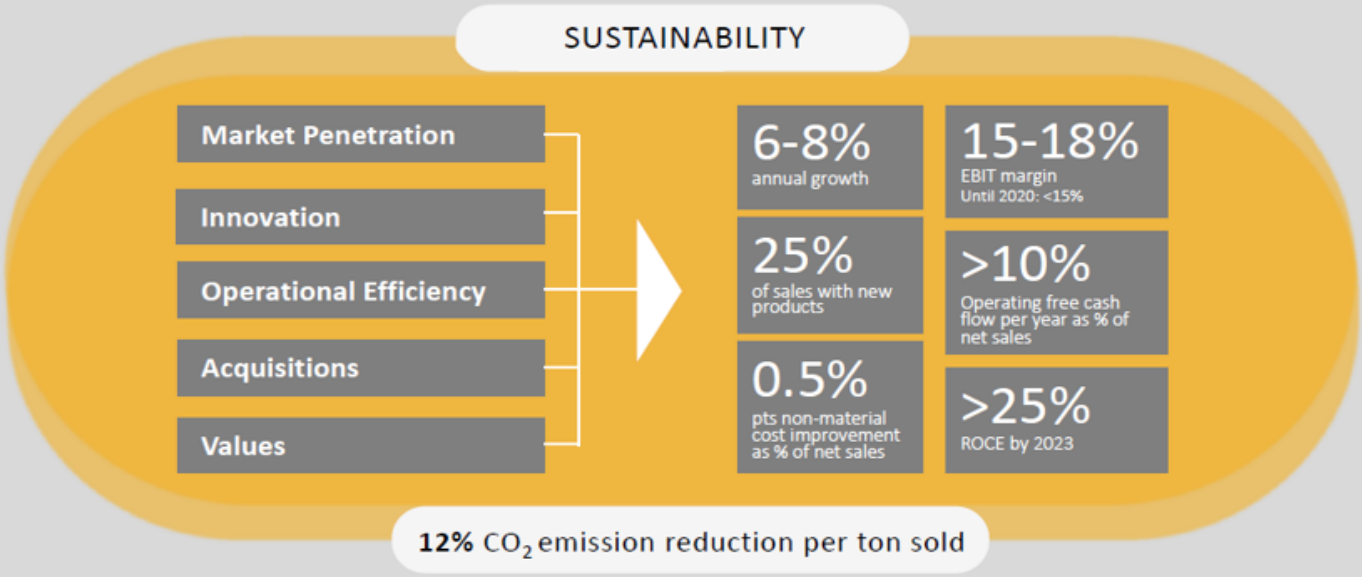


SIKA'S GROWTH STRATEGY 2023

The Corporate Sika's Strategy 2023 was developed and launched in 2019. It encompasses both financial and non-financial considerations and targets. The new integrated Strategy 2028 will be presented in October 2023.
Sika bases its growth strategy on the following pillars:

Sustainability: The Sika Growth Strategy 2023 ensures long-term success and profitable growth. The company's courage to innovate combined with its sustainability ambitions is a key component. Sustainability is the overarching principle with the overall goal to reduce the CO2eq emissions (scope 1 and 2) per ton sold by 12% by 2023.

Market Penetration: growth drivers include targeted sales of a comprehensive product portfolio with complete systems, increased presence in distribution channels, key project management and continued expansion in emerging markets.

Innovation: By 2023, Sika aims to generate 25% of sales with products that have been launched in the last five years. Innovation at Sika is always driven by customer needs. These needs feed both fundamental and applied research. In addition, the company is committed to ensuring that each new product offers enhanced performance as well as additional sustainability benefits.

Operational Efficiency: To a large extent, margin improvement will be achieved through operational efficiency. Projects in the areas of operations, logistics, purchasing and product formulation should result in an annual improvement in operating expenses equivalent to 0.5% of sales.

Acquisitions: are an important element of Sika's growth strategy, enabling the company to enhance its core business with complementary technologies, improved market access or expanded distribution channels. The focused approach allows Sika to establish acquired businesses as platforms for further growth.

Values: Sika's strong corporate culture lays the foundation for its success. Customer first, value for innovation, sustainability and integrity, empowerment and respect, and managing for results: these are the values that drive business and that employees put into practice every day, all over the world.

With its defined sustainability targets for the reduction of energy and water consumption as well as waste, Sika will minimize its need for resources and the environmental impacts of the production process. Sika's primary goal is to reduce CO2 emissions per ton sold by 12 % by 2023.

Scope 1 (direct) and Scope 2 (indirect)

Commitment to Net Zero by 2050
Scope 1 & 2 1.5°C aligned:

- - 42% by 2032
- - 90% by 2050

*Baseline: 2022

Scope 3 (indirect)

Scope 3 well below 2°C aligned by 2032 and 1.5°C aligned by 2050:

- -25% by 2032
- -90% by 2050

*Baseline: 2022

COMPANY/FINANCIAL INSTITUTION	TARGETS			ORGANIZATION TYPE
	NEAR TERM	LONG TERM	NET-ZERO	
Sika AG ★ Switzerland, Europe	COMMITTED	-	COMMITTED	Company

SIKA'S NET ZERO PLEDGE

The construction sector is responsible for 40% of global CO2 emissions, while road traffic accounts for 20% of global CO2 emissions. Sustainability is a key factor in Sika's corporate strategy and, as a leading player in its industry, Sika possesses the product solutions, technologies, and necessary innovative strength to drive forward a meaningful transformation in the construction and transportation sectors.

In 2022, Sika initiated a net zero project to develop a roadmap with GHG emissions abatement targets. The findings of the net zero project will flow into the 2028 Strategy development process. During the first phase of the net zero project, Sika conducted a high-level assessment to identify potential decarbonization levers.

Starting from the official commitment day – September 16, 2022 – Sika has up to 24 months to submit its targets for SBTi validation. The commitment focuses on two time horizons for both scope 1, 2 and scope 3 with a near-term interim target in ten years (2032), and a net zero target by 2050.

In such a context, the Sustainable Packaging Challenge aims to help reduce Sika Scope 3 emissions and packaging waste, while pursuing its net zero goals.

Sika is committed to reducing the impact of climate change through its products, solutions and services. It's our ambition to combine sustainability with high performance. We help our customers reduce their carbon footprint through technology plat forms that provide sustainable solutions for industry and construction."

Patricia Heidtman, Sika Chief Innovation and Sustainability Officer

FROM SIKA'S SUSTAINABILITY STRATEGY TO THE LAUNCH OF OUR FIRST SUSTAINABLE PACKAGING CHALLENGE FOR EUROPE

Given the significance of sustainability and innovation in Sika's growth plan, and our dedication to society, we extend an invitation to collaborate with Sika on a challenge aimed at discovering novel possibilities that enhance the sustainability and innovation of our packaging supply chain.

Objective: To find proposals from packaging suppliers that are innovative, sustainable, attractive and cost-effective for Sika and that meet one of the following general conditions:

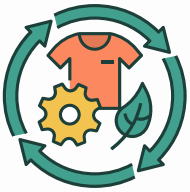
Circular Economy

Recycling

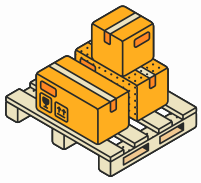
New Materials

New Technologies

AREAS OF INNOVATION



Circular Economy model: This model involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.



Packaging Sustainability & Innovation: Intelligent packaging involves using recycled materials, simplifying product codes, and adopting eco-friendly packaging that uses less material, space, and generates minimal waste.

Operational and logistical efficiencies: Sika aims to optimize value chains across all sites in the coming years while simultaneously reducing energy consumption and CO2 emissions.

Increased cost efficiency: Sika strives to uphold its quality standards while remaining cost-competitive to address global trends such as resource-saving construction methods, energy-efficient materials, and low emissions.