

MATERIAL TOPIC BOUNDARIES 2024

GRI 3-1

GRI 3-2

The Materiality Analysis conducted between 2021/2022, and approved by the BoD in May 2022, allowed the selection of 29 out of more than 100 potential material topics. Compared to the previous assessment conducted in 2018, the following topics were added: Climate Change; Public Policy; Tax Strategy; Responsible Procurement; Responsible Marketing; Compliance; IT Landscape; Risk and Crisis Management; Stakeholder Engagement; Digitalization; Innovation Management, while others were removed: Emerging Markets; Transport and Logistics; Equal Remuneration; Employee and Management Relations; Employee Fluctuation. All the others not mentioned above were integrated in the definitions of current material topics. The table “Material topic boundaries”

presents the Sika ESGE material topics, the related sub-topics, their boundaries, and where information on the management approach can be found in the Annual Report 2024. The concept of “topic boundary” is based on the expectation that organizations have a responsibility not only for impacts they cause directly, but also for impacts they contribute to or that are directly linked to them through their business relationships. These concepts are covered in the UN “Guiding Principles on Business and Human Rights” and the OECD Guidelines for multinational enterprises¹. In the column “Topic boundary”, Sika lists those stakeholders who are directly impacted by the way the company manages its material topics.

ENVIRONMENTAL DIMENSION

Material topic	Sub-topics ¹	Topic boundary	Management approach ²
Biodiversity and Nature	<ul style="list-style-type: none"> – Site planning to limit land use and impact on nature – Assessment of impact on nature and biodiversity – Protection of animals in risk of extinction – Re-naturalization – Financial risks due to nature loss – Transition risks and stranded assets 		p.81–82

¹ For sub-topics definition, please consult the [Sika Materiality Analysis 2022](#) available on the corporate website.

² Page number(s) refer to the Sika Annual Report 2024.

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ENVIRONMENTAL DIMENSION

Material topic	Sub-topics ¹	Topic boundary							Management approach ²
		○	□	△	▭	⬡	◇	▽	
Water Management	<ul style="list-style-type: none"> – Water consumption – Wastewater and wastewater disposal – Water discharge – Water stress/scarcity – Release of plastic in the waterways – Water quality – Water-related risks 	█							p.75-80
Air Emissions	<ul style="list-style-type: none"> – NO_x, SO_x, dust, and VOC 	█	█						p.70
Waste Management	<ul style="list-style-type: none"> – Waste prevention and reduction – Hazardous and non-hazardous waste and its disposal 	█	█		█				p.83-85
Product Portfolio	<ul style="list-style-type: none"> – Production processes efficiency – Product information/documentation – Product performance/certification – Product safety – Ease of application/use – Product sustainability – Strategy to manage chemicals of concern and their impact on customers – Compliance with chemical regulations – Sustainable construction and transportation – Product packaging – Product pricing 	█	█	█	█		█		p.71-74, 141-142
Energy Management	<ul style="list-style-type: none"> – Energy consumption from non-renewable sources – Energy consumption from renewable sources – Energy efficiency – Certificates purchase policy (move towards carbon removal) 	█	█		█				p.67-69
Climate Change	<ul style="list-style-type: none"> – Climate strategy and targets – Reduction of GHG emissions – Climate governance – Climate-related risks and opportunities – Carbon storage solutions – Low-carbon solutions – Internal carbon pricing 	█	█	█	█			█	p.50-66

1 For sub-topics definition, please consult the [Sika Materiality Analysis 2022](#) available on the corporate website.

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SOCIAL DIMENSION

Material topic	Sub-topics ¹	Topic boundary							Management approach ²
		○	□	△	▭	⬡	◇	▽	
Community Relations	<ul style="list-style-type: none"> – Community engagement – Volunteerism – Community relations 	■			■				p.120-121
Stakeholder Engagement	<ul style="list-style-type: none"> – Stakeholder engagement – Public affairs and lobbying 	■	■	■	■	■	■	■	p.47-48 ■ Sika Materiality Analysis 2022
Labor Management	<ul style="list-style-type: none"> – Labor management 	■			■				p.97-104
Human Rights	<ul style="list-style-type: none"> – Human rights due diligence in the whole value chain – Training on human rights policies – Freedom of association – Child labor 	■	■	■	■				p.111, 118-119
Diversity and Inclusion	<ul style="list-style-type: none"> – Equal treatment – Inclusion – Diversity – Gender pay gaps 	■							p.105-107
Human Capital Development	<ul style="list-style-type: none"> – Employee trainings – Digital skills – Feedback culture 	■							p.108-110
Talent Attraction and Retention	<ul style="list-style-type: none"> – Compensation and social benefits – Incentives programs – Employee turnover – Work-life balance 	■							p.108-110
Health and Safety	<ul style="list-style-type: none"> – Occupational health and safety – Health risks – Safety measures and health programs – Contractors' health and safety 	■	■	■	■		■		p.91-96

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GOVERNANCE DIMENSION

Material topic	Sub-topics ¹	Topic boundary							Management approach ²
		○	□	△	▭	⬡	◇	▽	
Public Policy	– Public policy	█					█		p.133
Tax Strategy	– Tax strategy – Good corporate citizenship – Tax risk	█					█	█	p.134-135
Corporate Governance	– Board structure and diversity – Executive compensation – Sustainability governance and decision-making – Reputation risk – Investor ratings	█				█	█		p.129, 176-184
Responsible Procurement	– Conflict minerals – Due diligence and supplier assessment – Sustainable logistics – Packaging – Direct material sourcing	█	█		█				p.112-117
Responsible Marketing	– Fact-based marketing communications – Product labeling	█		█					p.122-123
Customer Relationship Management	– Customer satisfaction measurement – Customer satisfaction management – Request and analysis of customer data	█		█					p.124-125
Compliance	– Compliance with industry regulations – Compliance with sustainability/ESG regulations – Customer compliance readiness	█		█		█	█		p.130-132
IT Landscape	– Cyber security risk and security measures – IT infrastructure and information security management system – Data protection and customer privacy	█	█	█	█				p.143-145
Risk and Crisis Management	– Process safety – Risk governance – Risks assessment and management	█	█	█	█			█	p.23-31, 89, 91-93
Business Ethics and Integrity	– Codes of Conduct – Anti-corruption – Anti-competitive practices – Integrity	█	█	█	█	█	█	█	p.130-132

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ECONOMIC DIMENSION

Material topic	Sub-topics ¹	Topic boundary							Management approach ²
		○	□	△	▭	⬡	◇	▽	
Digitalization	<ul style="list-style-type: none"> – Automation – Artificial intelligence – 3-D constructions – Predictive maintenance – Virtual reality – Customer engagement via digital channels 	■		■	■				p.143-145, 137-140, 124-125
Economic Performance	<ul style="list-style-type: none"> – Financial results – Shareholder value – Business growth – Cash/Liquidity – Investments CapEX towards environmental topics 	■				■			p.207-262
Circular Economy	<ul style="list-style-type: none"> – Resource consumption – Recycled materials – Renewable and bio-based materials – End-of-life solutions and services – Urban mining – Eco-design of products 	■	■	■	■				p.86-87
Innovation Management	<ul style="list-style-type: none"> – Innovating sustainable solutions – Innovation strategy – R&D projects and expenditures – Clean technology innovation – Innovative partnerships – Technology risk – Intellectual property – Business model innovation 	■	■	■	■				p.137-140

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