SIKA BUSINESS YEAR 2024

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BUILDING TRUST

SUSTAINABILITY REPORT

Sika creates value for all stakeholders – always considering ESG and economic aspects in all its activities by adhering to clear strategic targets.

GHG EMISSIONS (SCOPE 1 AND 2)

–10.3%

LOST TIME ACCIDENTS PER 1,000 FTEs

–36.6%

SHARE OF WOMEN IN GROUP MANAGEMENT

25.0%

CONTENT

Introduction by the Chair of the Sustainability Committee

Dear Shareholders,

On behalf of the Board of Directors and the Sustainability Committee (SC), I am pleased to introduce the Sustainability Report for the fiscal year 2024, a year marked by continued progress and significant achievements.

As a global technology leader, Sika remains committed to creating value for all stakeholders by integrating environmental, social, governance (ESG), and economic considerations into its operations. Guided by our Strategy 2028, sustainability remains at the core of the company, as an opportunity to create long-term value and drive a sense of purpose and inspiration across the organization. I'm proud to say that last year was our safest year ever – a milestone that reflects our care for one another and our commitment to providing a safe and rewarding working environment for all.

Any conversation about sustainability in our industry must acknowledge the need to solve three global challenges – water scarcity, circularity, and decarbonization. Over the past five years, Sika has led the way in making incredible progress designing products to be recyclable and more carbon efficient. We believe the transition to a more sustainable environment is a significant business opportunity for Sika. We are constantly innovating to improve existing solutions and develop new technologies that will address the changing needs of the construction and mobility industries, as well as other industries we serve.

This report highlights Sika's sustainability performance and progress, focusing on the strategic pillars: "Innovation & Sustainability" and "People & Culture". It is structured around the material topics identified in the 2022 materiality assessment, presenting the sustainable impact of Sika's operations, products, and solutions across stakeholders, including employees, suppliers, customers, communities, and the environment.

Throughout the year, the Sustainability Committee has played a crucial role in assisting the Board in defining the Group's strategy and overseeing its activities in the area of sustainability and long-term value creation, with special attention for climate change mitigation, energy, water, resource efficiency and circularity, safety, product stewardship, and regulatory compliance and advocacy. It has been instrumental in defining and setting long-term sustainability goals and targets, aligned with the company's overall strategy. The Sustainability Committee also assessed material sustainability risks and opportunities, and established the necessary processes and governance accordingly. Additionally, it has established a quarterly cadence of reviewing sustainability performance, and monitoring progress toward validated SBTi net zero targets.

Looking ahead, the sustainability journey of Sika will build upon our strong foundations. We will continue using the latest scientific insights to sustainably innovate unique and impactful solutions. We will continue driving Sika's commitment to net zero and ensuring alignment with the EU Corporate Sustainability Reporting Directive (CSRD) by 2026, based on 2025 reporting. Strengthening governance, risk management, and compliance frameworks remains a priority as we navigate evolving sustainability regulations.

We are doubling down on our efforts to bring change – advocating for clear, consistent, and effective regulations, encouraging responsible infrastructure development and educating both customers and other value chain partners about their vital roles.

We remain dedicated to an open dialog with our shareholders. Thank you for your interest in Sika, and for sharing your insights and perspectives. We trust you will find this report both encouraging and valuable.

Sincerely,

Lucrèce Foufopoulos-De Ridder
Chair of the Sustainability Committee

SUSTAINABILITY AT SIKA

The Strategy 2028 lays out ambitious non-financial objectives, pursuing three strategic target areas.

Strategy 2028: non-financial performance

	TARGET AREA	TARGET 2028	PERFORMANCE 2024 vs. BASELINE
INNOVATION & SUSTAINABILITY	**CLIMATE** Sika aims to support the transformation of the construction and manufacturing industries toward net zero.	**–20%** of scope 1 and 2 absolute GHG emissions. 2022 baseline	**–19.5%** of scope 1 and 2 GHG emissions.
		Scope 3 absolute GHG emission reduction in line with net zero pledge. 2022 baseline	**–0.1%** of scope 3 GHG emissions.
	NATURAL RESOURCES Sika takes responsibility for minimizing its impact on natural resources and preventing pollution.	**–15%** of waste disposed per ton sold. 2023 baseline	**–4.0%** of waste disposed per ton sold.
		–15% of water discharge per ton sold. 2023 baseline	**–7.0%** of water discharge per ton sold.
PEOPLE & CULTURE	**EMPLOYEE ENGAGEMENT** Sika aspires to create an attractive, inclusive, and safe work environment where people can grow and unlock their full potential.	**>80** employee engagement score, measured through a Global Employee Survey every two years.[1]	**86/100** employee engagement score.

1 First survey conducted in 2024, the next one will take place in 2026.

SUSTAINABILITY ORGANIZATIONAL STRUCTURE

GRI 2-12 GRI 2-13 GRI 2-14

Over the past years, Sika has strengthened its sustainability organization, defining roles and responsibilities at various levels throughout the entire organization.

BOARD LEVEL

The Board of Directors (BoD) and the Board Chair are responsible for Sika's sustainability performance. The BoD reviews and endorses the development and implementation of sustainability policies and strategies, and the Board Chair oversees sustainability-related topics by receiving regular updates from Group Management. The BoD is committed to the Science Based Target initiative (SBTi) to achieve net zero GHG emissions by 2050 and to oversee the development and implementation of a transition plan. For more information about the percentage of independent BoD members, please see the Corporate Governance Report on p.176 of the Annual Report 2024.

The Sustainability Committee (SC) consists of three Board Members, each of whom brings expertise in a specific ESG area. For more information on BoD members' skills and expertise, please see the Leadership Report on p.166 of the Annual Report 2024. The Group prepares sustainability-related topics for discussion and decision-making in the Board. The SC focuses on the following three areas: completing a formal ESG risk and opportunity assessment via the Materiality Analysis; setting measurable goals that are aligned with the company's overall strategy; and the approval of the annual sustainability report. Sika's strong focus on ensuring the use of accurate and consistent quantitative measures in non-financial reporting is reflected in the close link between the Sustainability Committee and the Audit Committee, with one member sitting on both committees. In 2024, the Sustainability Committee met five times and among others, discussed, reviewed, and approved the following topics: annual sustainability report, non-financial assurance, SBTi net zero targets validation and progression, quarterly updates on sustainability reporting, material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics, and targets adopted to address them. After each meeting, a report was issued to the BoD. For more information on Sika's BoD and Board Committees, please see the Corporate Governance Report on p.176 of the Annual Report 2024.

GROUP MANAGEMENT LEVEL

Group Management is responsible for the development and implementation of actions to ensure the defined sustainability strategy and targets are met. Group Management is also responsible for risk management at the highest executive level and provides regular updates to the Board.

The Chief Financial Officer (CFO) is a Member of Group Management and leads the Corporate Finance function, which is responsible for financial and non-financial (ESG) controlling. The holistic controlling system enables Sika to track finance, operations, quality, and sustainability performance in a coordinated way, ensuring a high quality of non-financial data and information. Furthermore, this organization strengthens the controlling activities and supports management in their decision-making process. Risk management (incl. climate-related risks) also falls under the domain of the Corporate Finance department.

The Chief Innovation & Sustainability Officer is a Member of Group Management and contributes to the agenda of the Sustainability Committee at Board level. Combining leadership for Innovation and Sustainability allows Sika to accelerate the integration of sustainability within the organization at all levels, and to remain a leader within the industry. The Chief Innovation & Sustainability Officer is responsible for taking on the leadership and development of the company's global R&D strategy and organization, as well as the following: external innovation collaborations with parties such as academia or start-ups; aligning sustainability and R&D teams, and strengthening and accelerating the Sika concept for enabling sustainable construction and industrial manufacturing by placing sustainability aspects at the core of development and innovation processes; raising awareness and knowledge about sustainability and innovation throughout the organization; strategizing toward transformational leadership for impactful innovation and competitive advantage through the creation of sustainable values; bringing into focus ESG governance standards and compliance with sustainability-related legal and regulatory obligations; planning and guiding the net zero and innovation journey in Sika's operations and along the entire value chain; and expanding the portfolio of high-performance, sustainable products by using the Sika Sustainability Portfolio Management (SPM) methodology.

The Head Human Resources, Legal & Compliance is a Member of Group Management who leads the Human Resources, Legal, and Compliance functions to ensure business integrity, compliance with the law, respect for human and labor rights, diversity, equity and inclusion (DEI), and people development. The Human Resources function defines the people strategy that drives employee engagement and contributes to sustaining Sika's company culture and shared values. It also fosters continuous learning to support the growth and development of employees, enabling them to unlock their full potential. Human Resources contributes to creating an attractive, safe, and inclusive work environment that drives performance, business growth, and creates value for all stakeholders. Sika has developed a framework to promote diversity, as well as measures to ensure fair, inclusive, and equal treatment of all employees. The Legal and Compliance functions' primary role is to safeguard Sika's interests and reputation by mitigating risks, helping to take sound business decisions and ensuring adherence to legal and regulatory requirements. Legal and Compliance act as strategic business partners, guiding the company through complexities, minimizing potential liabilities, as well as enabling Sika's growth by providing advice on acquisitions. They foster ethical business conduct and a speak-up culture. Through systematic training programs, Legal and Compliance enhance employee awareness of ethical and legal standards, reinforcing Sika's commitment to integrity in all its operations.

The Head Global Procurement & Supply Chain reports directly to the CEO. This function is not a Member of Group Management but attends all meetings and ensures that sustainability is embedded in all procurement and supply chain activities, focusing on sustainable supply and supplier engagement. The function plays a key role in supply chain transparency by selecting, evaluating, and cooperating with suppliers that are committed to ESG standards including scope 3 GHG emissions. With a strong focus on sustainable supply, cost, and efficiency improvement, the Head Global Procurement & Supply Chain ensures responsible sourcing and compliance with sustainability and quality standards within procurement and Sika's upstream supply chain. The procurement function also manages the topic of energy sourcing, assessing renewable energy options that support scope 1 and 2 GHG emissions reduction targets.

The Head Global Operations & EHSQ (environment, health, safety, and quality) is a direct report to the CEO. This function is not a Member of Group Management, but attends all meetings and ensures that sustainability is a key topic for Operations and is supported by the EHSQ function. In Operations, the focus is on the sustainability of the whole value chain, from raw material storage, via production and warehousing of finished goods, up to the delivery to the customer. The broad tasks of the EHSQ function support Sika to achieve ESG targets like safety, waste, and water reduction, as well as the set quality targets in various functions. The Head Global Operations & EHSQ, in overseeing both functions, ensures that Operations within Sika is compliant with sustainability and quality standards.

CORPORATE LEVEL

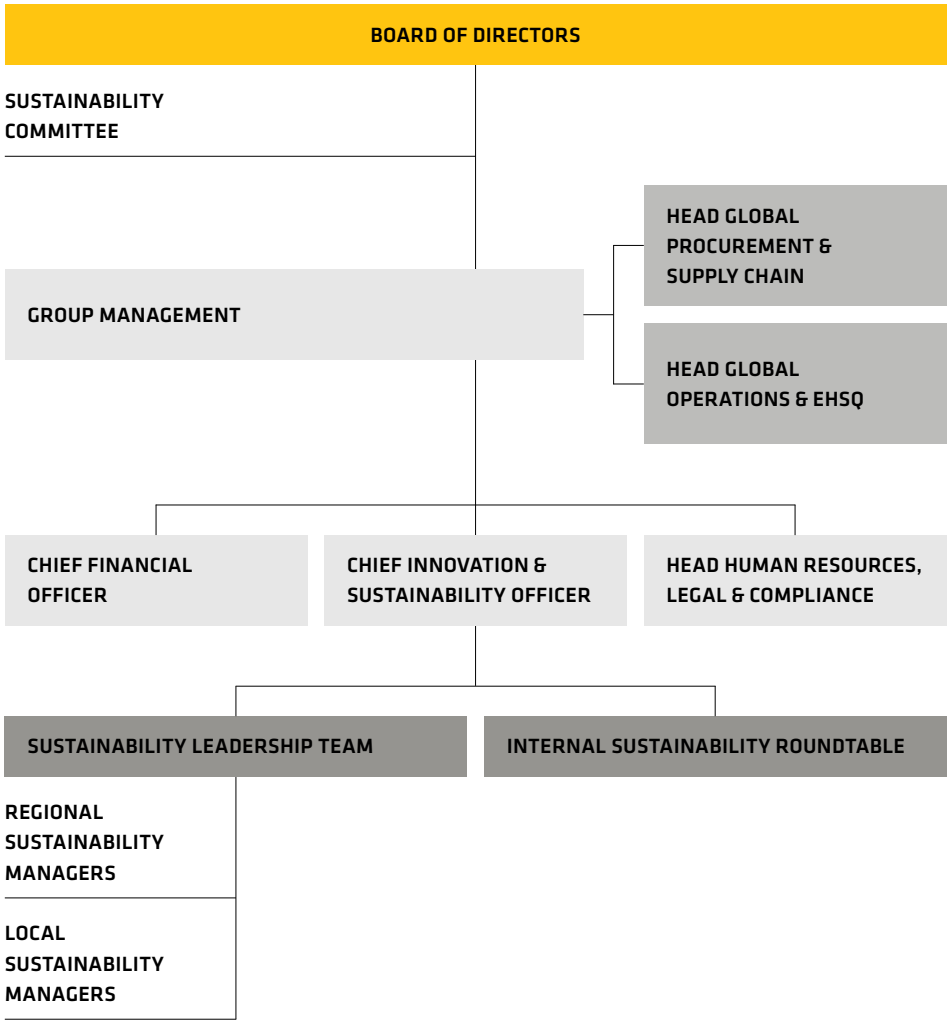
The Sustainability Leadership team orchestrates sustainability-related projects, and facilitates the interaction and information exchange across functions and departments at Group and regional level, combining three areas: Controlling, Sustainable Products, and Sustainable Portfolio. The Sustainability Leadership team reports directly to the Chief Innovation & Sustainability Officer, and is responsible for the following: formulating and reviewing policies and guidelines, and allocating budget for projects and initiatives; ensuring the ESG program – including the net zero roadmap and targets – is integrated into the business strategy and risk management process; supporting all three regions and corporate organizations in their sustainability journey to ensure a consistent approach throughout the Group; raising awareness and knowledge among the workforce about sustainability-related topics; liaising with the Sustainability Committee at Board level and the Internal Sustainability Roundtable; ensuring that relevant sustainability aspects are considered in new product development, from the integration of life cycle assessment (LCA) principles and circular economy approaches to strategic improvements in product carbon footprint and the application of the Sustainable Portfolio Management (SPM) methodology; optimizing Sika's product portfolio, focusing on GHG emissions reduction, the circular economy, and new business models; and ensuring a comprehensive ESG reporting framework to monitor Sika's sustainability performance.

The Internal Sustainability Roundtable is chaired by the Chief Innovation & Sustainability Officer, and it allows corporate functions – Innovation & Sustainability, Operations & EHSQ, Communications & Investor Relations, Controlling, Mergers & Acquisitions, Human Resources, Legal & Compliance, Procurement, Marketing, Target Markets, and Regional Sustainability Managers – to meet quarterly and exchange information about all sustainability-related projects aimed at achieving sustainability targets.

REGIONAL AND LOCAL LEVEL

At the regional level, a network of three Regional Sustainability Managers, coordinated by the Sustainability Leadership team, is tasked with implementing the Sustainability Strategy. Together with Regional EHS and Operations managers, they support local subsidiaries in setting and developing their dedicated sustainability roadmaps and in implementing Group initiatives. At local level, Local Sustainability Managers are responsible for planning sustainability initiatives and developing a sustainability roadmap at country level, with the support of General Managers, Operations & EHSQ, Target Market, and R&D Managers.

Sika sustainability governance



ESG COMPENSATION SCHEME FOR GROUP MANAGEMENT AND SENIOR MANAGEMENT

Sika's compensation scheme for Group Management and Senior Management is aligned with the non-financial pillars of Strategy 2028. The short-term incentive (STI) includes a 10% weighting for safety, with a focus on reducing Lost Time Accidents (LTAs). The long-term incentive (LTI) incorporates environmental targets, with a 20% weighting for specific goals: a 10% absolute reduction in scope 1 and 2 GHG emissions, a 5% reduction in water discharge intensity, and a 5% reduction in waste disposal intensity. For more information about the ESG Compensation scheme, please see the Corporate Governance Report on p.176 of the Annual Report 2024.

BUSINESS MODEL

Sika is a specialty chemicals company with a globally leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protection in the building sector and the industry. The company is well-positioned in both emerging and mature markets thanks to its global network of national subsidiaries in 102 countries, along with its first-class solutions that are tailored to customer needs. Sika creates sustainable value for its stakeholders, to whom the derived economic value is distributed. This includes governments through taxes, employees through compensation and benefits, shareholders through dividends and increased enterprise value, suppliers and service providers through raw material and service prices, and society through taxes and community projects. Part of the value earned is retained and invested to develop new products and solutions, acquisitions, and capital investments. For more information on Sika's business model, please see the "Business Model" chapter on p.13 of the Annual Report 2024.

RISK MANAGEMENT

As a global player in specialty chemicals, Sika is exposed to a variety of risks. To ensure the Group's freedom of action, safeguard its reputation, and protect the capital invested in Sika, the Group Management regularly analyzes potential risks and integrates them into the strategic decision-making process. The Board of Directors (BoD) is Sika's highest governing body and is responsible for the assessment of risk management. Its duties include the annual reassessment of the risk situation at Group level, and it is also the highest governance level of climate-related risks and opportunities. It is responsible for reviewing and endorsing the implementation of sustainability policies, while the Chair of the Board oversees climate-related topics by receiving regular updates from Group Management. The company has a comprehensive risk management system structured at Group level which is effective for all its subsidiaries. Risks are identified at an early stage and integrated into strategic decision-making processes. Risk management helps identify new opportunities and adds value to the business. Sika's risk management framework is in line with the Enterprise Risk Management (ERM) framework. It ensures that business objectives can be achieved, and obligations to customers, shareholders, employees, and society can be met. For more information on the main risks, including environmental, social, and governance matters, please see the Risk Management Report on p.23 of the Annual Report 2024. Furthermore, between 2021–2022, Sika conducted a Materiality Analysis, focusing on potential ESGE – environmental, social, governance, and economic – material topics, to capture the sustainability impact, dependencies, risks, and opportunities of Sika's operations, products, and services along the entire value chain. The analysis resulted in the selection of 29 out of over 100 potential material topics. The Materiality Matrix was reviewed and approved by the Sustainability Committee at Board level.

MATERIALITY ANALYSIS

GRI 3-1 GRI 3-2

A materiality assessment is a process to identify the most important sustainability topics, opportunities, and risks from two perspectives: the importance to stakeholders and the importance to the company. The outcome is a materiality matrix, showing all topics which are identified and prioritized to focus on the ones that matter the most to Sika's business and its stakeholders. The information gained through this process supports decision-making about the direction of the business, and allows the integration of sustainability topics into the business strategy and the selection of relevant topics for sustainability reporting. Between 2021–2022, Sika conducted a Materiality Analysis, focusing on potential ESGE – environmental, social, governance, and economic – material topics, to capture the sustainability impact, dependencies, risks, and opportunities of Sika's operations, products, and services along the entire value chain. The analysis resulted in the selection of 29 out of over 100 potential material topics. The Materiality Matrix was reviewed and approved by the Sustainability Committee at Board level. For more information on the Materiality Analysis conducted in 2022, please see the summary report **Sika Materiality Analysis 2022** available on the corporate website.

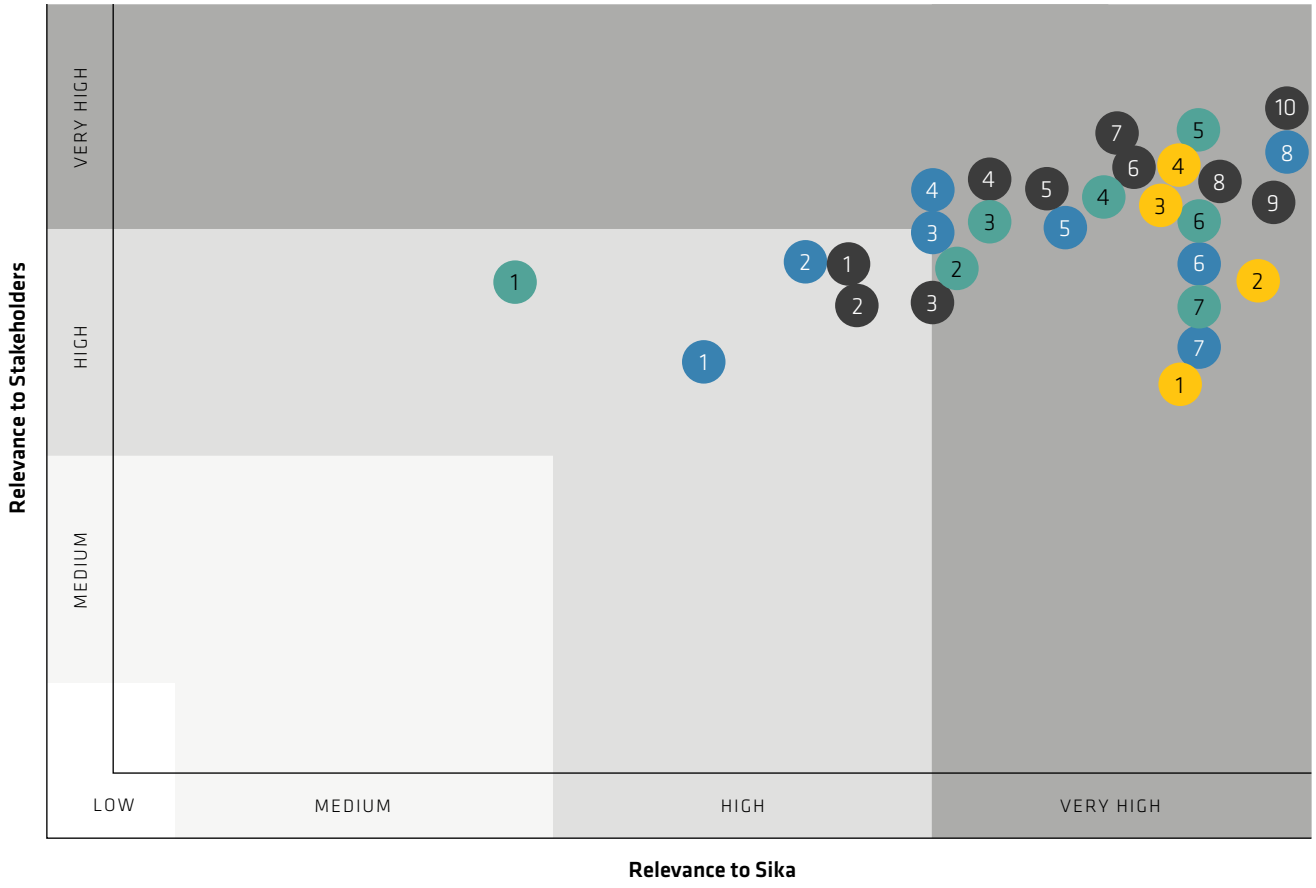
In 2024, the Sustainability Committee reviewed the assessment conducted in 2022, confirming the selection of the 29 material topics and their relevance for the business. In the same reporting year, Sika initiated the Double Materiality Assessment (DMA) project to align with the European Sustainability Reporting Standards (ESRS) and comply with the EU Corporate Sustainability Reporting Directive (CSRD) by 2026, reporting on year 2025. This comprehensive assessment prioritizes Sika's sustainability efforts and reporting requirements by considering both impact and financial materiality. Through the DMA, Sika evaluates a range of ESG topics, including climate change, pollution, water and marine resources, biodiversity and ecosystems, circular economy, own workforce, workers in the value chain, affected communities, consumers and end-users, and business conduct. These topics are currently being assessed across Sika's entire value chain, from upstream to downstream operations.

MATERIAL TOPIC BOUNDARIES

The concept of "topic boundary" is based on the expectation that organizations have a responsibility not only for the direct impact they cause, but also for the indirect impact resulting from their business relationships. These concepts are covered in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for multinational enterprises[1]. Sika structured the Sustainability Report around its material topics, organized by dimensions – environmental, social, governance, economic – and their related sub-topics and boundaries. For more detailed information on material topics and boundaries, please see the document **Material Topic Boundaries 2024** available on the corporate website.

1 **OECD Guidelines for multinational enterprises**

Sika materiality matrix



ENVIRONMENTAL

1. Biodiversity and Nature
2. Water Management
3. Air Emissions
4. Waste Management
5. Product Portfolio
6. Energy Management
7. Climate Change

SOCIAL

1. Community Relations
2. Stakeholder Engagement
3. Labor Management
4. Human Rights
5. Diversity and Inclusion
6. Human Capital Development
7. Talent Attraction and Retention
8. Health and Safety

GOVERNANCE

1. Public Policy
2. Tax Strategy
3. Corporate Governance
4. Responsible Procurement
5. Responsible Marketing
6. Customer Relationship Management
7. Compliance
8. IT Landscape
9. Risk and Crisis Management
10. Business Ethics and Integrity

ECONOMIC

1. Digitalization
2. Economic Performance
3. Circular Economy
4. Innovation Management

STAKEHOLDER ENGAGEMENT ACTIVITIES

GRI 2-29 GRI 3-3

Stakeholders are defined as groups or individuals that are significantly affected by the organization's activities, products, and/or services, or whose actions can affect the organization's ability to achieve its objectives. In the materiality analysis approved by the BoD in 2022, Sika identified the most relevant internal and external stakeholder groups for the company, which were confirmed again for the reporting year 2024. Regular stakeholder engagement is essential for responsible business practice and key to capturing insights from across the business by ensuring inclusiveness. The table below summarizes the engagement activities conducted in 2024, and the key issues raised by stakeholders.

STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholder groups	Why we engage	Engagement activities	Key topics and concerns raised
Board / Management	An open dialog among the Board of Directors and Group Management allows Sika to maintain the alignment between top management's expectations and the running of daily business at local and regional level.	– Meetings – Surveys – Internal workshops and trainings	– All ESGE-related topics
Employees	Sika keeps an open dialog with its people on all levels to capitalize on the full potential of its diverse workforce.	– Company intranet – Surveys – Training programs – Learning and development opportunities – Talent management – Audits – Company events	– Health and safety – Human rights – Labor management – Diversity and inclusion – Digitalization and IT landscape – Talent attraction and retention
Customers	Engaging with customers enables Sika to understand their needs, anticipate market trends, and develop market solutions.	– Audits – Training programs – Claims management – Surveys – Key Account Managers – Conferences and events	– Customer relationship and satisfaction – Climate change – Health and safety – Human rights – Labor management – Product portfolio – Innovation management – Product quality and reliability – Responsible procurement – Traceability

STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholder groups	Why we engage	Engagement activities	Key topics and concerns raised
Suppliers	Supplier engagement and collaboration ensure Sika's suppliers have high standards in business ethics and respect for people and the environment. Moreover, an open dialog with suppliers enables innovation.	– Together for Sustainability – Audits and assessments – Training programs – Meetings – Conferences and events	– Responsible procurement – Health and safety – Human rights – Labor management – Climate change
Financial Community	An active dialog with the capital market ensures transparency and helps Sika improve reporting practices. The relationship with its financial community ensures access to capital and funding for investment opportunities.	– Roadshows – Capital Markets Days – Annual General Meeting – Conferences and events – Meetings and calls with analysts and investors – Corporate website – Media releases – Interim financial reports	– All ESGE-related topics – Financial data and information
Society	Engaging with society – incl. NGOs, sponsoring and donations partners, media, journalists, local communities, and academia – allows Sika to assess its impact through a societal and planetary lens to maximize positive effects and minimize negative ones on people.	– Meetings – Conferences and events – Projects – Partnerships	– All ESGE-related topics, with a focus on: product portfolio, innovation management, talent attraction and retention, public policy, community relations
Peers	Engagement with peers from other industries allows Sika to identify strengths and areas of improvement regarding its strategy and products.	– Meetings – Conferences and events	– Product portfolio – Innovation management – Climate change – Transparency and reporting frameworks – ESG assessments
Authorities / Regulators	To understand regulatory changes and regulators' concerns, Sika engages with local governments and regulators.	– Meetings – Conferences and events	– All ESGE-related topics – Reporting standards

ENVIRONMENT
SUMMARY & HIGHLIGHTS

AMBITION

Sika plays a key role in helping its industry achieve net zero. The company promotes efficient use of resources while minimizing impacts on ecosystems.

APPROACH

Sika contributes to sustainable development by offering sustainable solutions for the construction and transportation industries. Global sustainability trends generate business opportunities.

HIGHLIGHTS

SBTi Targets Validation
Following its commitment in September 2022, Sika's near and long-term emissions reduction targets, aiming for net zero emissions by 2050, have been validated by the Science Based Targets initiative (SBTi) in May 2024.

GHG EMISSIONS (SCOPE 1 AND 2)
in 1,000 tons of CO_2eq — Change vs. 2023

237.4 −10.3%

WATER DISCHARGE
in liter per ton sold — Change vs. 2023

72.6 −7.0%

WASTE DISPOSED
in kg per ton sold — Change vs. 2023

5.8 −4.0%

CLIMATE
CLIMATE CHANGE

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3

Sika's way to net zero

Companies need to match their climate ambition with robust strategies and effective implementation to transition to a net zero economy. Sika supports the Science-Based Target initiative (SBTi) and joined the growing group of leading corporations that are setting emissions reduction targets in line with the objective of the Paris Agreement. By doing so, Sika recognizes the crucial role companies can play in minimizing the risk climate change poses.

SBTI TARGETS

Following its official commitment in September 2022, Sika received the SBTi validation of its near and long-term emissions reduction targets in May 2024. By 2032, Sika is committed to reducing absolute scope 1 and 2 GHG emissions by 50.4% compared to the 2022 baseline. Over the same period, the company is also committed to reducing absolute scope 3 GHG emissions by 30%. By 2050, Sika is committed to reducing absolute scope 1, 2, and 3 GHG emissions by 90% compared to the 2022 baseline.

SBTI TARGETS AND TIME HORIZONS[1]

	Near-term (2032)	Net zero (2050)
Scope 1 and 2 emissions[2]	–50.4% (1.5°C scenario aligned)	–90% (1.5°C scenario aligned)
Scope 3 emissions	–30% (well below 2°C scenario aligned)	–90% (1.5°C scenario aligned)
Total GHG emissions	**–30.4%**	**–90%**

1 As of 2024, scope 1 and 2 emissions account for ~2% of the total GHG emissions emitted by Sika while scope 3 emissions account for ~98%.
2 SBTi target boundaries include land-related emissions and removals from bioenergy feedstocks.

Sika used the absolute contraction approach[1] to set its SBTi targets, which is defined as an overall reduction in the amount of GHG emissions emitted to the atmosphere. To ensure consistency with the most recent climate science and best practices, Sika will review and, if necessary, recalculate and revalidate its targets every five years.

The company has systematically identified and calculated emissions from its material scope 3 GHG categories since 2022, aligning with the Greenhouse Gas Protocol (GHGP). As 2022 marks the first year of a comprehensive and adequate Sika carbon footprint assessment, it has been established as the baseline year for the SBTi-validated emissions reduction targets. For more information on Sika's carbon accounting methodology that serves as a basis for its SBTi commitment, please see the "GHG Emissions" section on p.63 of the Sustainability Report 2024. For more information on Sika's ESG data governance including re-baselining, please see the "Methodological Note" chapter on p.160 of the Sustainability Report 2024.

1 **SBTi Corporate Net-Zero Standard**, Version 1.2 (March 2024)

SIKA NET ZERO ROADMAP

In 2022, Sika initiated a net zero project to develop a detailed roadmap with GHG emissions abatement targets. Steered by the Sustainability Leadership team, the project involves several functions including ESG Controlling, R&D, Procurement, Operations, Logistics, and Target Markets, both at corporate and regional level. In 2024, the net zero project focused on the development of a decarbonization model to best quantify different decarbonization levers. By factoring in several hypotheses and assumptions regarding the availability of alternative raw materials, sectoral trajectories, and future waste treatment infrastructure, the decarbonization model helps to identify the largest decarbonization levers, compare raw material alternatives, and test different scenarios. Based on its outputs, roadmaps are currently being developed by different departments.

Sika is actively working to reduce its scope 1 and 2 emissions by optimizing energy efficiency of its operations, increasing green energy sourcing, reducing fossil fuels, and electrifying production processes. For scope 3 emissions, Sika is focused on alternative and efficient use of raw materials, replacement of cement, portfolio steering (less carbon intensive products), post- and pre-consumer recycling, supplier engagement (sectoral decarbonization) and extending the lifespan and durability of its products.

Achieving net zero requires a collaborative effort from all stakeholders, especially suppliers, upstream and downstream of the company's value chain. Creating strong partnerships and collaboration are essential to this goal. For more information on supplier engagement activities in 2024, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

Engaging employees is crucial for the success of Sika's net zero journey. To support this, Sika has implemented various initiatives, including internal workshops and training programs (e.g., net zero concept, scope 3 emissions methodology), and digital tools (e.g., scope 3 emissions dashboard, visualization of emissions hotspots per material category, integration of GHG emissions data into R&D Development tools for new formulations) are now available to relevant employees to further support them in their projects.

TCFD Recommendations

As outlined in the Risk Management Report on p.23 of the Annual Report 2024, climate change represents one of the top risks in the company Enterprise Risk Management (ERM) framework. Sika recognizes that climate change is having a significant impact on the world and therefore needs to be addressed in the risk management process and considered in strategic planning. Evaluating how climate-related risks and opportunities affect Sika, and developing appropriate response measures as recommended by the Task Force on Climate Related Financial Disclosures (TCFD) helps the company ensure long-term sustainable performance and business continuity. Therefore, over the past five years, Sika has worked to progress the implementation of TCFD recommendations, ensuring transparency on disclosing climate-related risks and opportunities along with their impact on the organization. To face the global challenge, Sika is addressing climate change comprehensively in its strategic development with the commitment to achieve net zero by 2050 in line with the Science Based Targets initiative (SBTi).

In this section, Sika describes how climate change scenarios may impact its business, considering both physical and transition risks. Sika understands that climate change is still an evolving topic, which requires continuous improvement of its climate impact analysis and disclosures. This helps Sika better understand the implications on its current business model and to drive the respective mitigation activities.

2024 TCFD STATUS

2024 TCFD reporting remains stable as compared to 2023. One of the main areas of focus this year was the digitalization process of the physical climate-related risk assessment. With this new process that will go live in 2025, Sika will strengthen its understanding of physical climate-related risks, and have access to additional features (granularity of climate risk assessment at local level, better visualization through interactive dashboards, flexibility in the indicators and metrics considered) that can be leveraged internally for various purposes.

For the future, Sika plans to improve its analysis by:

- Strengthening its understanding of physical and transition climate-related risk, and opportunities with respective financial implications.
- Aligning the physical and transition climate-related risks analysis with the CSRD requirements.
- Analyzing climate-related risks and opportunities and respective mitigation activities with a short, medium, and long-term time horizon[1].
- Evaluating systemic climate-related physical and transition risks beyond Sika operations (upstream and downstream of the value chain).

1 Short-term refers to 5 years (Sika's strategic cycle period). Medium-term refers to 7–10 years (net zero near-term targets for 2032), while long-term refers to 10–30 years (net zero long-term targets by 2050).

CLIMATE SCENARIOS

Sika focuses its scenario analysis on two global warming scenarios:

- "Most optimistic": 1.5°C scenario, in line with the Paris Agreement.
- "To avoid at any cost": 4.4°C scenario, consistent with continued dependence on fossil fuels.

These scenarios are defined based on historical data on climate events since 1900 and scientific projections to 2100. They allow Sika to explore and develop an understanding of how various combinations of climate-related risks and opportunities, both transition and physical, might impact Sika's business and value chain. The two scenarios' narratives are based upon assumptions that consider research done by organizations such as the International Energy Agency (IEA), the Food and Agriculture Organization (FAO), the Central Banks and Supervisors Network for Greening the Financial System (NGFS), and the Intergovernmental Panel on Climate Change (IPCC).

SCENARIO 1 – MOST OPTIMISTIC (1.5°C)

The sustainable and "green" pathway describes an increasingly sustainable world where global CO_2 emissions are cut to net zero around 2050. Global commons are being preserved, and the limits of nature are being respected. More focus is placed on human well-being and not exclusively on GDP growth per capita, which would be higher at global level but medium in High Income Countries (HICs). The population growth is low and investments in education and health go up. Social standards are reinforced on a global scale through a higher level of international cooperation. Income inequalities between and within states are being reduced. Consumption is oriented toward minimizing material resources and energy usage. Circularity becomes mainstream. In this scenario, global economies shift away from fossil fuel-based consumption. Decarbonizing the power sector is a central pillar and requires switching to alternative sources of energy such as solar, wind, or nuclear, as well as some targeted deployment of carbon capture and storage (CSS) for new and existing power plants. Complementary investments are needed in new grid management and storage solutions to ensure continued reliability. Fossil-fired power plants risk losing revenues and becoming stranded. As a result, renewable electricity increases five-fold over the next three decades. Energy intensity decreases by almost 60% between 2020 and 2050. More than half of the energy for buildings, industry, and transport will be electric by 2050. Innovative technologies could be developed to electrify the production of steel, cement, and other industrial products. Global economies switch to carbon-neutral fuels (i.e., green hydrogen, biofuels, and synthetic fuels) and 40% of gaseous, liquid, and solid fuels are carbon neutral in 2050. Investments and policy incentives are required to bring these fuels to scale. Additionally, investment strategies for companies will require an accelerated shift to innovative technologies that reduce or eliminate GHG emissions, and therefore a portion of their capital expenditure budget will be allocated for GHG reduction. Land use is strongly regulated to avoid environmental trade-offs. Thanks to the restoration of biodiversity and more sustainable agricultural practices, agriculture experiences productivity increases. Due to effective international cooperation, there is a rapid diffusion of best practices. Increasing forest cover, as well as reversing deforestation and land clearing, become essential to meet net zero targets. People follow a low-meat diet. This is the only setting where global economies meet the Paris Agreement's goal of keeping global warming to around 1.5°C above preindustrial temperatures, with warming hitting 1.5°C but then dipping back down and stabilizing around 1.4°C by the end of the century. Such an outcome implies that around five gigatons of CO_2 should be removed from the atmosphere every year.

SCENARIO 2 – TO AVOID AT ANY COST (4.4°C)

This is a future where there is no effort to mitigate emissions. Resources are devoted to adapting to the consequences of climate change. CO_2 emissions levels will double by 2050. In the short term, the global economy grows quickly, GDP per capita is high, and people experience a strong open economy where materialism as consumption-orientation is well established. International cooperation is effective for economic development, but not for environmental protection and conservation. Exploitation of fossil fuel resources is intensified with a high usage of oil, coal, and natural gas. Energy investments are directed toward fossil fuels and alternative sources are not actively pursued. Energy efficiency improves only slightly. High population growth and a lower rate of technological development and innovation result in an energy-intensive lifestyle worldwide. There is lower awareness of the severe consequences of climate change, resulting in weaker and fewer environmental and sustainable development goals, decarbonizing trends, and no harmonized carbon tax. There are no stringent regulations to reduce climate change globally, air pollution, or toxic waste. In the medium and long term, due to the severe consequences of climate change, the global economy pathway declines and faces negative growth and drawbacks. Large scale displacements of populations take place, with consequences for human security, economic, and trade systems stability. In this scenario, global economies do not shift away from fossil fuels. Land-use regulations are weak, leading to a slow decline in the rate of deforestation. The agricultural sector is highly exploited and animal pollination of both wild and cultivated plant species is under threat due to multiple environmental pressures acting in unison (use of pesticides, invasive species, land-use changes such as habitat fragmentation, and climate change). The use of cropland and grasslands increases, mostly driven by an increasing global population. People follow a meat-rich diet. Loss of biodiversity not only threatens natural ecosystems but also affects economic activities, such as the health sector, which heavily relies on natural or synthetic products inspired by nature.

PHYSICAL CLIMATE-RELATED IMPACT ANALYSIS

DESCRIPTION OF PHYSICAL RISKS

According to the IPCC's Sixth Assessment Report, physical risks related to global warming will continue for at least a few decades in both scenarios. On a global scale, physical risks are larger in frequency and intensity with every additional increment of global warming, but also depending on the time horizon. For Sika, with more than 400 production sites globally, physical risks will vary significantly within the different geographical regions in terms of risks and intensity in a 4.4°C trajectory in 2050, as described below.

Physical climate risks – 4.4°C trajectory in 2050

Heat extreme

Temperatures will increase globally following a 4.4°C trajectory. Currently high temperature regions (North Africa, Middle East, and central South America) will see the highest increases. These increases will lead to more frequent heatwaves.

Wildfire

The length of the fire season and extreme fire days will increase worldwide with peaks in Europe, in the Middle East, in the United States, and in South America.

Water extreme

Extreme and total precipitation increase in India and North Asia (monsoon regions), North Africa, and central Europe. Water stress increases globally, especially in Africa, the Middle East, and Asia. Flooding areas will remain similar but with a small increase in the height of events.

Cold extreme

A great decrease will be seen globally, especially in affected regions, Europe, and on the USA–Canadian border.

In 2022, a first financial quantification of Sika's direct exposure to climate physical risks was performed. This analysis focused on the comparison of the maximum exposure of the company under two scenarios: a baseline scenario reflecting Sika's current climate exposure versus the exposure in 2050[1] in a 4.4°C trajectory scenario[2]. This assessment focused on quantifying the maximum gross climate risk exposure of Sika's production sites based on 13 different indicators[3]. The baseline scenario reflects Sika's maximum climate exposure to physical-related risks under current climate conditions. For the analysis, it is assumed that the company's exposure in a 1.5°C scenario would be comparable to this baseline scenario.

PHYSICAL RISKS

Category	Physical climate risk	Metric description
Heat extreme	Heatwave	It represents the sum days per year within a period with at least six consecutive days with a daily maximum temperature above the 90th percentile in the region (according to underlying meteorological data).
	Maximum temperature	It represents the annual maximum value of maximum temperature.
Wildfire	Length of fire season	It represents the number of days exceeding the yearly average.
	Extreme fire days	It represents the number of days with high FWI (Fire Weather Index, indicator used to estimate risk of wildfire) risk.
Water extreme	Water stress	It is an indicator of competition for water resources and defined informally as the ratio of demand for water by human society divided by available water.
	Riverine flood	It represents flooding from river overflow and occurs in river basins with an area of at least 10,000 km^2.
	Coastal flood	It represents flooding from storm surges and occurs along coastlines around the world.
	Total rainfall	It represents the total yearly rainfall.
	Heavy rainfall	It represents the average yearly number of days with precipitation over 20 mm.
	Longest dry spell	It represents the maximum number of consecutive days a year when daily precipitation is under 1 mm per day.
Cold extreme	Frost days	It represents the annual count of days when the daily minimum temperature is below 0°C.
	Ice days	It represents the annual count of days when the daily maximum temperature is below 0°C.
	Minimum temperature	It represents the annual minimum value of minimum temperature.

1 Values for a year are calculated as the average climate value for a 20-year period. 2050 reflects the average of climate values over 2041–2060 period. The current climate exposure is based on the average of climate hazards over the 1986–2015 period.

2 Based on IPCC RCP 8.5° scenario (4.4°C in 2100).

3 The following climate events have been considered immaterial for Sika and have not been taken into consideration: wind speed, water seasonal variability, water demand, and water supply.

FINANCIAL QUANTIFICATION OF PHYSICAL RISKS

METHODOLOGY

In assessing the physical impacts of climate change, Sika applied a methodology focusing on Sika's manufacturing sites[1] and its related sales and assets. The modeling did not include the sales from third-party traded products[2] and parts of the intercompany sales from smaller manufacturing sites. The underlying GPS coordinates of each site were taken into consideration to ensure a precise vulnerability assessment per location and per climate indicator.

The financial impact quantification was based on two metrics:

- Internal operations reporting revenues from each manufacturing site were considered, representing the potential business interruption from physical climate risks.
- Insured asset values from each manufacturing site were included in the modeling to assess the potential asset destruction from physical climate risks.

With operations located in 102 countries, Sika faces a wide range of physical climate risks depending on the local context. Thus, Regional Operations Managers defined thresholds of when, for a given region[3], a physical climate risk becomes material. These thresholds were used to quantify the potential impact of business interruption for the 13 different climate risks for each location. For riverine and coastal floods, extreme precipitations, ice days, extreme fire days, and length of fire season[4], a share of impacted asset value was defined by Sika's Corporate Operations Technology Department to define the magnitude of potential asset destruction from each climate risk. The financial impact for each asset was then quantified based on the dedicated climate indicator exceeding the threshold and its defined share of potential asset destruction.

The quantification of both baseline and 2050 scenarios was based on Sika's current footprint[5] and did not consider any potential acquisition or changes in the business plan. For both scenarios, the quantification reflects the gross climate risk exposure since no mitigation activities have been included in the modeling.

Further supply chain impacts were not included in the modeling and therefore corresponding physical climate risks have not been quantified.

Sika built on 2022 TCFD modeling and has therefore not changed the operational footprint related to the latest acquisitions, such as MBCC or Chema. In addition, the underlying data points for sales and insured asset values are based on 2021 numbers. Hence, the financial quantification of physical climate-related impacts described below has not been updated considering the latest footprint changes from 2023 and 2024. Sika will update the TCFD model in 2025 and aims to update its TCFD quantification at least every three years.

1 The assessment covered all operating factories at the end of 2021, with the exclusion of Hamatite factories (Japan, Thailand, United States, China) and Shenzhen Landun Holding Co., Ltd factories (China). Non-production sites such as warehouses not linked to manufacturing locations, sales offices, and headquarters have been excluded from the analysis. Sika's supply chain has not been covered by this assessment.

2 Finished goods materials purchased from third parties for resale.

3 The thresholds have been defined for the following geographical areas: North America, Latin America, Europe, Middle East – Africa, and Asia/Pacific.

4 According to the Corporate Operations Technology Department, heat extreme (highest temperature and heatwaves) and water stress do not have any impact on Sika's assets.

5 Based on 2021 data.

RISK EVOLUTION OF REVENUES[1]

Category	Physical climate risk	Today	2050	Variation – today/2050
Heat extreme	Heatwave	No impact	Low	↗
	Maximum temperature	Low	Medium	↗
Wildfire	Length of fire season	Medium	Medium	↗
	Extreme fire days	Low	Low	↗
Water extreme	Water stress	Low	Medium	↗
	Riverine flood	Very High	Very High	↘
	Coastal flood	Medium	Medium	→
	Total rainfall	Low	Low	↘
	Heavy rainfall	Low	Low	↗
	Longest dry spell	Medium	Medium	↘
Cold extreme	Frost days	High	Medium	↘
	Ice days	Low	Low	↘
	Minimum temperature	Low	Low	→

Financial impact (in CHF mn)
No impact: 0 Low: <100 Medium: 100–250 High: 250–500 Very High: >500

1 Based on gross risks. The maximum risk represents the gross value if all climate events happen at the same time, which is understood to be very unlikely.

In the baseline scenario, Sika's maximum gross value at risk from physical climate hazards represents 28% of its factory operation revenues. The maximum risk represents the gross value if all climate events happen at the same time, which is understood to be very unlikely.

From a revenue perspective, the type of climate risks leading to business interruptions in a 4.4°C scenario in 2050 will differ compared to today, but the magnitude of the related financial impacts will not change significantly, since the increase of heat extreme and wildfire risks will be compensated by the decrease of Sika's exposure to cold extreme risks:

- Heat extreme risks will increase the most (+188%), with the current high temperature regions (North Africa, the Middle East, and central South America) facing the highest increase and more frequent heatwaves.
- Wildfire risks will also increase (+34%) with the length of the fire season and extreme fire days increasing worldwide. EMEA (Europe and the Middle East mainly) and Americas (USA and South America mainly) will face the highest peaks.
- Water extreme risks will remain stable (+1%) but still represent the biggest risk for Sika's direct operations compared to today. The intensity of the exposure at regional level will vary with a major increase expected for Asia/Pacific due to extreme and total precipitation increases in India and North Asia monsoon regions, while the risk will strongly decrease for other regions.
- Cold extreme risks will strongly decrease (–53%) globally, especially in today's most affected regions, Europe and on the USA-Canadian border.

From a regional perspective, Asia/Pacific will be the region that will face the biggest shift in risk exposure (+12%) due to increased heat and water extreme risks. America's risk exposure will remain stable (+1%), since the increase in wildfire and heat extreme in Latin America will be compensated by the decrease in cold extreme risks on the USA-Canadian border. EMEA's exposure will decrease (–10%), mainly driven by the reduction in cold extreme.

RISK EVOLUTION OF ASSETS[1]

Category	Physical climate risk	Today	2050	Variation – today/2050
Wildfire	Length of fire season	High	High	↗
	Extreme fire days	Medium	Medium	→
Water extreme	Riverine flood	Low	Low	→
	Coastal flood	Low	Low	→
	Heavy rainfall	Low	Low	↗
Cold extreme	Ice days	High	High	↘

Financial impact (in CHF mn)
No impact: 0 Low: <5 Medium: 25–50 High: 50–75 Very High: >75

1 Based on gross risks. The maximum risk represents the gross value if all climate events happen at the same time, which is understood to be very unlikely.

In the baseline scenario, Sika's maximum gross value at risk from physical climate hazards represents 4% of the asset value of its manufacturing sites. The maximum risk represents the gross value if all climate events happen at the same time, which is understood to be very unlikely.

From an asset perspective, Sika's exposure to climate risks in a 4.4°C scenario in 2050 is comparable to today's situation, both per type of risk and per region – with slight changes:

- Wildfire risks will slightly increase (+10%) due to a stronger exposure in EMEA. This climate hazard will still represent the biggest risk to Sika's assets considering a high destruction potential.
- Water extreme risks will slightly increase (+11%) – mainly in EMEA and in Americas – but the associated impact on Sika's assets will remain fairly small.
- Cold extreme (ice days) risks related to ice days would decrease (–18%), especially in Europe. EMEA and Asia/Pacific would face differences in cold extreme in 2050 compared to today, mainly because sites in Asia/Pacific are more sensitive to ice days compared to the sites in EMEA.

From a regional perspective, Asia/Pacific will be the region facing the biggest increase in risk exposure (+7%) due to a slight increase in both cold extreme and water extreme risks. EMEA's exposure will decrease (–3%) in 2050, since the increase in wildfire and water extreme risks will be compensated by the decrease of cold extreme risks to Sika's regional assets. Americas' risk exposure will remain stable (–0.1%).

RISK EVOLUTION AT GROUP LEVEL

Based on the described method of assessing climate-related physical risks and their financial implications for Sika, the first analysis demonstrates that the financial impact for Sika would not significantly change in a 4.4°C scenario in 2050 compared to today's baseline. In fact, compared to the baseline, revenues at risk would slightly reduce by –0.2%, while the share of assets at risk would remain the same at Group level. Even if this first analysis did not consider the impact of physical climate-related risks beyond Sika's operation, the company acknowledges that climate-related risks could have an impact on the wider value chain (upstream and downstream). For example, physical damage of assets or business disruption at supplier levels could lead to shortages and a price increase of raw materials, and therefore increased operational costs for Sika. Next to financial implications of physical climate-related risk on revenues and insured asset values, the company acknowledges further potential financial implications, such as capital expenditures for mitigation activities, insurance premiums, or increased operational expenditures due to wider value chain disruptions. Sika's climate-related physical risks assessment is based on gross values. However, besides the insurance coverage, mitigation measures related to identified physical risks are already in place for certain sites. Sika will investigate this topic over the coming years and further align on additional necessary mitigations within its operations.

CLIMATE-RELATED TRANSITION IMPACT ANALYSIS

Risks and opportunities arising from efforts to transition to a lower-carbon economy may lead to various policy, legal, technology, and market changes. Addressing mitigation and adaptation requirements related to climate change may pose varying levels of financial impact as well as reputational risks to the company.

Sika's commitment to SBTi and its target to become a net zero company by 2050 will generate various transition risks and opportunities in a 1.5°C aligned scenario. Sika has identified various external factors which create risks and opportunities arising from efforts to address environmental change, including but not limited to abrupt or disorderly introduction of public policies, technological changes, shifts in consumer demand, investor sentiment, and disruptive business model innovation. By offering products and solutions for durable, resource-saving construction and infrastructure, the company can help customers implement measures to prevent and mitigate adverse effects of climate change in all regions.

To limit global warming to 1.5°C, it is expected that significant changes in legislation, policy, and technology will be required and will primarily lead to changes in market dynamics impacting Sika's business practices. The efforts required to align with this 1.5°C trajectory represent transition risks and opportunities. In a 4.4°C world, however, the significant impact lies mainly in potential business interruption arising from a continued increase in severe physical climate events, which outweigh transition efforts.

DESCRIPTION OF TRANSITION RISKS AND OPPORTUNITIES[1]

TRANSITION RISKS

	"Most optimistic" 1.5°C	"To avoid at any cost" 4.4°C
Policy and legal	– **Pricing GHG emissions** Increasing costs (either in the form of carbon tax, direct emission charges, or emissions trading scheme) in manufacturing and product distribution activities around the world. – **Climate-related reporting standards and requirements** Increasing costs (employees, consulting services, IT investments) due to additional reporting requirements and more stringent due diligence processes. – **Sustainable products regulations and megatrends** Sika's business model must consider new megatrends and regulations, which lead to additional costs for developing or applying innovative technologies and identifying or sourcing alternative raw materials. In addition, changes in sustainability regulation create risks that the sustainability ranking of materials may change, leading to frequent reformulation needs and supplier changes. – **Litigation liabilities** Failure to meet new sustainability regulations, combined with a global transparency obligation, causes significant legal and reputational damage, loss of investors and customers globally, and related financial losses. – **Failure to meet net zero commitment** Due to an elevated risk of climate change litigation, Sika must thoroughly select suppliers and cannot partner with those who are not fully aligned with the decarbonization plan. If suppliers face such climate litigations, Sika might have to terminate the partnership, incurring supply chain disruptions and potential higher costs from aligned suppliers.	– **Product performance warranty** If Sika products and solutions underperform due to extreme climate events and conditions, Sika might be exposed to a higher number of warranty claims from customers, impacting Sika's reputation.
Technology	– **Product disruption** To ensure that most of Sika's products become low carbon and circular (extended product responsibility), Sika faces additional costs/expenditure in R&D, quality, manufacturing, marketing, and customer services. It requires an active product portfolio management approach for acquired and its own product lines to rapidly replace less sustainable offerings. Without such additional investments, Sika faces difficulties to secure its market position and keep pace in the low-carbon innovation race fueled by strong and aggressive competition from an increasing number of stakeholders (traditional and disruptive competitors, startups, universities). – **EHS or performance issues from alternative materials** There is considerable technical and EHS risk from the fast introduction of new sustainable materials, which are insufficiently known and tested for their toxicity and long-term behavior and may have strong variations due to missing quality standards or supply chain gaps.	

1 The list of climate-related transition risks and opportunities was reviewed and approved in 2022 by an internal cross-functional team, including Procurement, Marketing and Target Markets, R&D, Controlling, Communication & Investor Relations.

TRANSITION RISKS

	"Most optimistic" 1.5°C	"To avoid at any cost" 4.4°C
Market	– **Raw material prices** The increasing taxation of CO_2-intensive materials and increasing costs of suppliers – due to their own transitions – result in a significant increase in raw material prices. – **Decrease in raw material stock** Due to limited natural resource availability or a reduction in fossil-based chemicals, input material resources become scarce, leading to higher procurement costs or supply chain costs. – **Alternative raw materials** Greater competitiveness of alternative raw materials and higher prices due to too high demand compared to availability. – **Electricity supply instability** Electricity supply issues are expected depending on daytime or season due to a lack of base load and storage capacity from renewable electricity production, resulting in unsteady prices and supply disruption. – **Increase in electricity prices** Higher costs for operations as a result of increased regulations on fuel and energy prices on the transportation and shipping side of the supply chain. Global international supply chains may become increasingly economically unfeasible for low cost (bulk) materials. – **Increase in fuel/energy for transportation and shipping** Higher costs for operations as a result of increased regulations on fuel and energy prices in the transportation and shipping side of the supply chain. Global international supply chains may become increasingly economically unfeasible for low cost (bulk) materials. – **Transition toward a low-carbon economy** The market wants to move to a low-carbon economy; higher investments are needed to decarbonize Sika's processes (sourcing, manufacturing, packaging, and distribution) and higher spending for transitioning toward alternative raw materials, renewable energy sourcing, and low-carbon modes of distribution are required. Higher CapEx costs to increase production footprint to bring finished products closer to end users and reduce the related logistics costs are to be considered. – **Customer behavior and preferences** Due to strong customer demand for low-carbon solutions, Sika must shift its focus toward sustainable solutions very rapidly, which will lead to transitional R&D and operational costs. If the transition is too slow, customers will move to competitors, leading to a loss of market share for Sika. Market demand to generate "green" certificates and quantify product sustainability benefits will add extra costs that may not be recovered in product pricing. Additionally, not having said certificates puts Sika's business at risk if competitors have more compelling sales and marketing documentation. Market dynamics (e.g., inflationary, recessionary) will have an influence on the willingness to invest, and customers might only consider solutions that will not add costs on their side.	– **Lack of adaptation to new market needs** Lack of capacity to adapt Sika's business model and portfolio toward increased needs for climate adaptation products and solutions in the construction and building industry, leading to market share losses in specific target markets. – **Decrease in raw material stock** Exploitation of conventional and carbon-intensive raw materials leads to raw material scarcity and consequential price increases. – **Open market** The global market is mostly focused on economic growth, and a strong open economy with lack of regulations leads to harsh competition and instability regarding profitability. Sika faces competition from companies that sell products at lower prices without considering social and environmental standards/costs. – **Customer behavior and preferences** Lack of customer awareness/education and/or unwillingness to pay higher prices for more sustainable/durable products. This is further impacted by inflationary/recessionary markets where market conditions limit investment.
Reputation	– **Decrease in stock prices** If Sika is not able to meet the claimed targets and is decarbonizing at a slower pace compared to its competitors, the reputation of the company might be affected, causing a decrease in the stock price.	– **Lack of cooperation** Fierce competition among companies and countries reduces the possibility to cooperate with global, regional, and local stakeholders (customers, institutions, universities, etc.) to develop solutions for the construction, transportation, and automotive sectors, which improve performance and adapt to climate change impacts.

TRANSITION OPPORTUNITIES

	"Most optimistic" 1.5°C	"To avoid at any cost" 4.4°C
Energy source	– **Return on investment in energy efficiency** Retrofitting buildings with energy-efficient measures, efficiency optimization of production and distribution processes, and introduction of self-generated electricity sources at relevant factories (e.g., solar, wind, district heating/geothermal). – **Low-carbon energy incentives** Sika makes use of low-carbon energy offerings where policies are introduced to incentivize the renewable energy sector. Sika benefits from supportive local/regional/global incentives which can reduce operational costs. – **Self-production of electricity** As part of its decarbonization plan, Sika increases its capacity of renewable energy self-production and reduces its dependency on market price fluctuations for electricity.	
Markets	– **Access to new markets** Transitioning industries and emerging adaptation practices open new markets for Sika's products (e.g., adaptation infrastructure, low-carbon transportation). Strong customer preferences for durable buildings and infrastructures due to extreme weather events increase the demand for performance products and solutions in the construction sector, strengthening Sika's positioning in the building materials market. This would be an important asset for government tenders in infrastructure projects, for example. – **Incentives for the application of low-carbon products** Sika builds low-carbon product offerings where policies are introduced to incentivize the application of low-carbon products. The company benefits from supportive local/regional/global incentives to develop low-carbon products and solutions.	– **Access to new markets** In the construction and infrastructure industry, due to the exacerbated severity and frequency of climate-related physical risks at Group level, the market demand for products and solutions that facilitate adaptation to climate change increases. It strengthens Sika's positioning in the market.
Products and services	– **General innovation toward development of low-carbon solutions** Strong in-house innovation and an entrepreneurial culture foster the development of breakthrough low-carbon products and solutions. An increase in demand for low-carbon solutions reinforces Sika's market share for those solutions that help to prevent and mitigate adverse effects of climate change. Various external factors encourage new approaches in product development/optimization that lead to other upstream or downstream savings (reduced raw material consumption, reduced waste, reduced material shipping weight, lower production costs, etc.). Additionally, the broad deployment of Sika's SPM concept offers key differentiation potential and reinforces Sika's positioning, resulting in increased market shares and revenues. – **Development of new technologies** Availability of innovative technologies at supplier level can enhance Sika's products and help Sika to develop new sustainable solutions, leading to increased revenues for Sika. New technologies (at supplier level or in-house) give Sika the opportunity to enter new customer fields in new or established markets.	
Resource efficiency	– **Changes in source material** Changes to low-carbon inputs or alterations of current material inputs enable revenue increase by avoiding high carbon taxes or reducing OPEX, respectively. – **Increased circularity of materials** Introduction of circular business practices and further developments in reuse and recycling of products reduces Sika's environmental and climate impact (i.e., waste and emission reduction) and reduces the need to rely on virgin raw materials, which reduces raw material costs. In addition, it would improve Sika's potential to access affordable quality materials, which are becoming increasingly scarce in the hunt for sustainability. – **Return on investment in water efficiency** Reducing water used in products as a raw material and optimizing efficient production and distribution processes leads to cost reduction. Additionally, reducing water in products could reduce the weight of products, which has positive implications on transportation emissions.	

TRANSITION OPPORTUNITIES

	"Most optimistic" 1.5°C	"To avoid at any cost" 4.4°C
Resilience	– **Decentralization** Due to high carbon pricing and transportation costs, shipping of goods between continents is reduced. Sika's decentralized organization and local production represent an important competitive advantage. – **Product and process diversity** Diversifying its product portfolio toward more sustainable solutions, Sika reduces its dependencies on fossil fuels, and significantly increases its business resilience and reputation. – **Alternative revenue streams** Shifting to alternative revenue streams such as service models, digital tools, product leasing/maintenance models could give Sika access to new markets and related sales.	

FINANCIAL QUANTIFICATION OF TRANSITION RISKS

METHODOLOGY

Since 2023, the financial impact of climate-related transition risks was assessed for the two climate scenarios described above (1.5°C and 4.4°C). To estimate the impact, Sika applied the following methodology based on 2022 data:

– Sika Decarbonization Model: Sika has developed an internal decarbonization model (the "Net Zero" Model) to understand its emissions trajectory compared to a business-as-usual scenario and the SBTi net zero absolute contraction trajectory. The model considers all relevant scope 1, 2, and 3 emissions, sectoral trajectories, potential market growth, and decarbonization levers identified internally. The Net Zero Model helps to strengthen the understanding of the impact of different decarbonization levers and supports strategic decisions by providing various emission-reduction trajectories. It helps Sika to comprehend how different business decisions may impact the company's transition to net zero. The outcomes of the Net Zero Model were used as a basis to model the financial impact of Sika's transition to a low-carbon economy.
– NGFS Scenarios[1]: The Network for Greening the Financial System (NGFS) developed a series of scenarios to provide companies with a common starting point to assess climate risks and their impact on the economy. The NGFS climate risk scenarios are linked to the IPCC climate trajectories. The different scenarios provide harmonized physical and transition pathways, driven by different rates of regional policy change, rates of technological change, and usage of carbon removal technologies across different geographies and sectors. The NGFS scenarios were used to evaluate the financial impact of risks related to carbon prices and energy prices in the short (2028), medium (2032), and long term (2050).

When conducting a climate-related transition impact analysis, it is important to cover the range of scenarios that are relevant to Sika's core business operations. All NGFS scenarios consider different impacts on energy and carbon price pathways, which serve as the basis to translate Sika's Net Zero Model emissions into potential financial impacts. The analysis allows Sika to examine the varying rates and costs of transition across different regions. This involves mapping Sika's country and region-specific emissions and energy consumption to the corresponding NGFS carbon and energy prices, providing a nuanced understanding of the transition dynamics for each geography.

FINANCIAL IMPACTS

Sika has assessed the Net Zero Model emission trajectories against different NGFS scenarios and evaluated their potential impacts on its business. The following table depicts the risk level per risk category based on the results from the transition risk scenario analysis:

– The 1.5°C scenario is based on the NGFS "Delayed Transition" scenario, which considers a less aggressive carbon price in the near future compared to other NGFS scenarios.
– The 4.4°C scenario is aligned with the NGFS "Current Policies" scenario. The latter assumes that only currently implemented policies are preserved, leading to higher physical risks instead of transition risks.
– The results under each time horizon show the cost increase that was discounted to 2022 using latest rates aligned to those used for the goodwill impairment test.

1 ↗ **NGFS (2022): NGFS Scenarios for central banks and supervisors**

EVOLUTION OF TRANSITION RISKS

Risk category	"Most optimistic" 1.5°C		"To avoid at any cost" 4.4°C	
	2032	2050	2032	2050
Policy and Legal	Low	Low	More physical risks apply because society is not transitioning the economy	
Technology	Low	N/Q		
Market	High	Medium		
Reputation	N/Q			

Financial impact (in CHF mn)
Low: <300 Medium: 300–600 High: >600 N/Q: Not Quantified

Based on the NGFS Delayed Transition scenario, the various transition risk categories have been quantified by considering the following:

- "Policy and Legal": the impact of the carbon costs of Sika's scope 1 emissions.
- "Market": the carbon costs for scope 2, scope 3.1, 3.4, 3.9, and transition energy costs.
- "Technology": transition costs are based on a high-level assessment considering case studies such as electrification of sand-drying processes.

TRANSITION RISK MITIGATION ACTIVITIES

With its net zero commitment, Sika will continue to work on initiatives to further reduce its overall carbon footprint and thus associated transition risks. In the short to medium term, this includes sand dryer optimization, manufacturing process optimization, utility management, self-production of renewable energy, increase in vehicle fleet electrification, and acceleration of alternative low-carbon supplies. It also requires a combined effort from all stakeholders upstream and downstream of the company's value chain. Therefore, creating strong partnerships and collaboration is key for the success of this initiative. Collaboration with suppliers is a foremost element of Sika's net zero roadmap. For more information on supplier engagement activities in 2024, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024. For more information on Sika's net zero roadmap, please see the corporate webpage ↗ **Sika's Way to Net Zero**.

GHG EMISSIONS[1]

GRI 3-3 | GRI 305-1 | GRI 305-2 | GRI 305-3 | GRI 305-4 | GRI 305-5

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

Sika monitors its greenhouse gas (GHG) emissions as part of the environmental responsibility the company has for the climate. Sika's corporate carbon accounting (scope 1, 2, and 3) follows the reporting guidelines of the Greenhouse Gas Protocol (GHGP).

SCOPE 1 AND 2 GHG EMISSIONS[2]

As part of its Strategy 2028, Sika has set the strategic target of reducing scope 1 and 2 GHG emissions by 20% as compared to 2022 baseline. In 2024, scope 1 and 2 GHG emissions decreased from 264,745 to 237,350 tons of CO_2eq, representing a reduction of –10.3% in absolute volumes compared to 2023. The continuous focus on maximizing renewable electricity sources in Sika operations (–31,367 tons of CO_2eq) and on various energy-saving initiatives (–6,253 tons of CO_2eq) are the most important reduction levers.

1 Scope 1 and 2 GHG emissions for 2022 and 2023 disclosed in this section have been restated to reflect 2023 and 2024 acquisitions (except Chema). Scope 3 GHG emissions for 2022 and 2023 have been restated following the SBTi target review process. 2024 acquisitions are excluded from scope 3 GHG emissions for 2022, 2023, and 2024. These will be integrated within 24 months after the closing date, as specified in the "ESG Data Governance" section in the "Methodological Note" chapter on p.160 of the Sustainability Report 2024.

2 Based on GHG market-based emissions.

SCOPE 1 AND 2 GHG EMISSIONS – MARKET-BASED

in tons of CO_2eq	2022	2023	2024
Scope 1[1]	191,211	169,528	168,946
Scope 2 – Market-based[2]	103,759	95,217	68,404
Total GHG emissions	**294,970**	**264,745**	**237,350**

1 Scope 1 GHG emissions (direct energy and fugitive emissions) are calculated based on Defra/BEIS, 2023 emission factors.

2 For scope 2 market-based GHG emissions, purchased electricity covered by energy attribute certificates is considered with an emission factor of zero. For non-renewable purchased electricity, residual mix emission factors are gathered from AIB 2022 European Residual Mixes (applied to European locations) and 2023 Green-e Residual Mix Emissions Rates (applied to US locations). The location-based 2023 emission factor from the International Energy Agency (IEA) is applied to all other locations. Scope 2 emissions related to district heating are based on Defra/BEIS, 2023 emission factors.

In absolute figures, scope 1 GHG emissions remained stable at Group level compared to previous year (168,946 tons of CO_2eq, –0.3% vs. 2023). Market-based scope 2 emissions decreased to 68,404 tons of CO_2eq (–28.2% vs. 2023) thanks to an increased coverage of energy attribute certificates in high carbon-intensive countries across the various regions.

In accordance with the GHGP, refrigerant gas emissions are considered as fugitive emissions under Sika's scope 1 inventory and represent 1.4% of Sika's scope 1 GHG emissions for 2024. These gases have an extremely high climate impact (up to or above 1,000 kg CO_2eq/kg). All local companies must comply with applicable laws and regulations related to refrigerant gases. Local maintenance teams are responsible for monitoring refills of such gases and equipment changes. In the year under review, 2,356 tons of CO_2eq were emitted due to leakages of refrigerant gases (+47.0% vs. 2023).

BREAKDOWN OF SCOPE 1 AND 2 GHG EMISSIONS PER REGION

in tons of CO_2eq	2022	2023	2024
EMEA	99,308	90,413	91,792
Americas	69,973	60,968	60,452
Asia/Pacific	21,923	18,140	16,697
Corporate Services	7	7	5
Total scope 1 GHG emissions	**191,211**	**169,528**	**168,946**
EMEA	27,292	32,578	13,407
Americas	39,619	26,833	23,042
Asia/Pacific	36,846	35,804	31,953
Corporate Services	2	2	2
Total scope 2 GHG emissions – Market-based	**103,759**	**95,217**	**68,404**
EMEA	67,894	60,759	63,843
Americas	56,124	56,793	57,656
Asia/Pacific	61,535	64,972	66,380
Corporate Services	6	6	8
Total scope 2 GHG emissions – Location-based[1]	**185,559**	**182,530**	**187,887**
EMEA	126,600	122,991	105,199
Americas	109,592	87,801	83,494
Asia/Pacific	58,769	53,944	48,650
Corporate Services	9	9	7
Total scope 1 and 2 GHG emissions – Market-based	**294,970**	**264,745**	**237,350**

1 Scope 2 location-based GHG emission factors are gathered from US EPA eGrid 2021 Emission Rates (applied to US locations) and IEA Emission Factors 2022 (applied to all other locations).

SCOPE 3 GHG EMISSIONS

Sika systematically identifies and calculates emissions from its material scope 3 GHG categories in accordance with the requirements of the GHGP. The calculation of scope 3 GHG emissions is an evolving topic based on various data sources. Sika is continuously reviewing the calculation methodology to ensure transparency and data robustness. This process helps the company to better understand how it can lower its scope 3 emissions and engage within the organization. In 2024, a few methodological changes were applied following SBTi recommendation during the target validation process; those changes were applied to 2022, 2023, and 2024 figures:

- Category 6 – Business travels: Upstream Well-to-Tank (WTT) emissions of fuel are now included in the calculation.
- Category 7 – Commuting: Upstream Well-to-Tank (WTT) emissions of fuel are now included in the calculation.
- Category 8 – Upstream leased assets: The emissions previously reported by Sika under this category were optional according to the GHG protocol. Therefore, this category is excluded from the SBTi target boundaries and is not considered in Sika's carbon footprint.
- Category 9 – Downstream transportation: Emissions coming from the storage of Sika products at retailers' locations are now included in the calculation.

Additionally, to enable consistent tracking of scope 3 GHG emissions throughout the year and to align scope 1, 2, and 3 calculation methodologies, Sika decided to use the same version of scope 3 emission factors databases for both 2023 and 2024, as outlined in the "ESG Data Governance" section, on p.160 of the Sustainability Report 2024. For additional information on the scope 3 assessment and calculation, please see the "Scope 3 Emissions Calculation Methodology" section on p.150 of the Sustainability Report 2024.

The identification of material scope 3 categories provides detailed information to drive scope 3 reduction initiatives. Within the net zero roadmap, Sika focuses on key dedicated reduction opportunities along the company's value chain considering scope 3 emissions' hotspots. For more information, please see the "Climate Change" section on p.50 of the Sustainability Report 2024.

SCOPE 3 GHG EMISSIONS

in 1,000 tons of CO_2eq	2022	2023	2024
Cat. 1 Purchased goods and services	8,728	7,934	8,139
Cat. 12 End-of-life treatment of sold products	4,641	4,554	4,892
Cat. 4 Upstream transportation and distribution	1,149	1,384	1,502
Cat. 9 Downstream transportation and distribution	226	301	334
Cat. 2 Capital goods	253	499	251
Cat. 11 Use of sold products	246	123	122
Cat. 7 Employee commuting	98	100	101
Cat. 5 Waste generated in operations	102	89	92
Cat. 3 Fuel- and energy-related activities	92	89	87
Cat. 6 Business travel	25	31	31
Total Scope 3 GHG emissions	**15,560**	**15,104**	**15,551**

Sika's scope 3 GHG emissions represent 98% of the company's carbon footprint and are driven by category 1 – purchased goods (52%), category 12 – EoL of sold products (31%), and category 4 – upstream transportation (10%). Sika's scope 3 GHG emissions increased slightly from 2023 to 2024 (+3.0%) primarily due to business growth. Capital goods were especially high in 2023 due to additional assets from the MBCC acquisition, but returned to baseline levels in 2024. The increase in upstream and downstream transportation was mainly due to higher quantities transported. Upstream emissions from fuel- and energy-related activities slightly decreased with the update of the emission factors database from Defra/BEIS to IEA for upstream production and transportation emissions of purchased electricity.

TOTAL SCOPE 1, 2, AND 3 GHG EMISSIONS

in 1,000 tons of CO_2eq	2022	2023	2024
Scope 1	191	170	169
Scope 2 – Location-based	186	183	188
Scope 3	15,560	15,104	15,551
Total GHG emissions – Location-based	**15,937**	**15,457**	**15,908**
Scope 1	191	170	169
Scope 2 – Market-based	104	95	68
Scope 3	15,560	15,104	15,551
Total GHG emissions – Market-based	**15,855**	**15,369**	**15,788**

GHG INTENSITY PER NET REVENUE [1]

in tons of CO_2eq/CHF mn	2022	2023	2024
Total GHG emissions (location-based) per net revenue	1,518.9	1,375.3	1,352.4
Total GHG emissions (market-based) per net revenue	1,511.1	1,367.4	1,342.2

1 The net revenue used as a denominator refers to the net revenue stated in the consolidated income statement, in the "Consolidated Financial Statements" section on p.209 of the Annual Report 2024.

According to the GHGP, CO_2 emissions from biogenic sources should be reported separately from the total scope 1, 2, and 3 GHG emissions inventory. In 2023, Sika extended the calculation of out-of-scope emissions to include emissions related to relevant scope 3 categories (cat. 1 and cat. 12). In 2024, Sika generated 59,218 tons of CO_2 emissions from biogenic sources. For scope 1, Sika's biogenic CO_2 emissions (2,524 tons of CO_2eq) come from the consumption of biodiesel and ethanol. For scope 3 category 12, biogenic CO_2 emissions come from the end-of-life incineration or landfilling of biobased materials and are calculated using the carbon content method (56,694 tons of CO_2eq). For scope 3 category 1, biogenic uptake represents the net biogenic uptake in biobased raw materials (342,281 tons of CO_2eq).

OUT-OF-SCOPE EMISSIONS[1]

in tons of CO_2eq	2022	2023	2024
CO_2 emissions from biogenic sources (scope 1)	1,233	1,671	2,524
CO_2 emissions from biogenic sources (scope 2)	2,252	–	–
Biogenic uptake in biobased raw materials (scope 3 – cat. 1)	–	–282,000	–342,281
CO_2 emissions from biogenic sources (scope 3 – cat. 12)	–	55,000	56,694

1 Biogenic CO_2 emissions related to biofuels are calculated based on Defra/BEIS 2023. Biogenic CO_2 emissions related to biomass electricity (Brazil) were calculated based on the International Energy Agency (IEA) Emission Factors. This contract was operational until the end of 2022 and therefore no emissions have been calculated for 2023 and 2024. For scope 3 category 1, biogenic uptake in biobased raw materials is based on the IPCC AR6 GWP100 impact assessment. For scope 3 category 12, biogenic CO_2 emissions are calculated based on the carbon content methodology.

INTERNAL CARBON PRICING

Sika has implemented an internal carbon price mechanism, including a shadow price, used to guide major investment decisions globally. In 2024, the internal carbon price was set at a fixed price of CHF 80 per ton of CO_2eq[1]. The carbon price is systematically considered for scope 1 and 2 GHG emissions. Scope 3 GHG emissions are considered for process in-/outsourcing, for example insourcing of a sand-drying process to consider the use of more energy-efficient equipment, helping to improve the overall emission footprint. Embedding a hypothetical cost of carbon emissions in the calculation for potential investments provides a deeper understanding of how pricing GHG emissions affects business cases. This strategic tool will further help Sika to steer its investment decisions toward climate-adapted operations, low-carbon investments, and opportunities. Sika bases its carbon pricing on the ICE Futures Europe ECX Future Contracts (ICE ECX Futures)[2]. These contracts are part of the European Union Emission Trading System (EU ETS)[3], which is designed to reduce GHG emissions. Sika chose this source for internal carbon pricing, as it reflects the official carbon pricing mechanism of the European Union.

1 The price used is a fixed price per year, based on the average yearly price.
2 ↗ **ICE ECX Contracts: User Guide**
3 ↗ **EU Emissions Trading System (EU ETS)**

ENERGY MANAGEMENT[1]

GRI 3-3 | GRI 302-1 | GRI 302-3 | GRI 302-4

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

Even if Sika's own production is not energy-intensive, Sika sees itself as responsible for minimizing its impact by reducing its energy consumption and improving energy efficiency throughout its production processes. Through the Global Energy Efficiency Monitoring program initiated in 2020, which has been rolled out in all regions with the support of the Global Operations Technology Department, Sika continues to implement energy efficiency projects around four categories:

- Sand dryer optimization: Natural gas is the major source of Sika's direct GHG emissions, so the optimization of sand dryer processes is an important energy efficiency lever in mortar production facilities. Installing moisture sensors connected to the control system of the dryer, active drainage systems in sand storage areas, and heat recovery systems can significantly reduce energy consumption.
- Manufacturing process optimization: The optimization and replacement of energy-intensive equipment (chillers, motors, or heating and cooling systems) lead to energy savings. Production process improvements such as energy recovery, compressed air control (leakage detection and elimination of air losses in pressurized air systems), or energy-efficient processes of cooling water in membrane production also have an impact. Checklists, recommendations, and best demonstrated practices (BDPs) related to energy efficiency through process optimization in operations are shared and available to an extensive network of Sustainability and Operations representatives within Sika.
- Utilities management: Sika aims to improve the energy efficiency of its premises with various initiatives, such as LED lighting, building and roofing insulation improvement, air conditioning system improvement, and vehicle fleet optimization. Energy efficiency is integrated into the planning and building of new premises.
- Self-production of renewable energy: Solar panel projects have been installed in several new locations.

Every quarter, regional reporting on this program, its initiatives, and their associated impacts on energy and GHG emissions savings is submitted by Regional Sustainability Managers to ESG Controlling to ensure consistent aggregation and monitoring at Group level and the sharing of best practices. In 2024, a new "Energy Savings Tracker" tool was developed to facilitate the tracking, processing, and communication of energy savings activities worldwide. It will be launched in 2025 and will enable all Sika locations to share insights on local projects and get inspired from best demonstrated practices taking place in other locations. It will provide qualitative insights and additional granularity to the current reporting.

ENERGY CONSUMPTION WITHIN SIKA OPERATIONS

Sika's Strategy 2028 prioritizes energy efficiency as a key component of its net zero commitment. To reduce energy consumption, Sika focuses on optimizing processes across various applications, including drying, stirring, mixing, melting, cooling, ventilation, heating processes, and pumping, as well as buildings' heating or air conditioning, and transportation.

1 Energy indicators for 2022 and 2023 disclosed in this section have been restated to reflect 2023 and 2024 acquisitions (except Chema), in accordance with Sika's ESG Data Governance and the SBTi baseline for GHG emissions.

ENERGY CONSUMPTION AND MIX

in MWh	2022	2023	2024
Heavy liquid fuel	–	2	–
Light liquid fuel	108,355	38,345	38,140
Natural gas	556,639	503,545	506,163
Liquified Petroleum Gas	30,361	40,348	29,510
Vehicle fuel from fossil sources	216,219	232,257	235,615
Fuel consumption from fossil sources	**911,574**	**814,497**	**809,428**
Purchased heating from fossil sources	2,210	1,874	3,650
Purchased electricity from fossil and nuclear sources[1]	231,891	242,720	158,163
Total energy consumption from fossil and nuclear sources	**1,145,675**	**1,059,091**	**971,241**
Share of fossil and nuclear sources (%)	**79.3**	**78.5**	**71.5**
Biodiesel for industrial processes	–	–	731
Vehicle fuel from renewable sources	5,292	7,011	9,697
Fuel consumption from renewable sources	**5,292**	**7,011**	**10,428**
Self-produced electricity from renewable sources	2,004	5,034	8,133
Purchased electricity from renewable sources	291,046	278,360	367,754
Total energy consumption from renewable sources	**298,342**	**290,405**	**386,315**
Share of renewable sources (%)	**20.7**	**21.5**	**28.5**
Total energy consumption	**1,444,017**	**1,349,496**	**1,357,556**

1 The reporting of purchased electricity does not differentiate between the specific sources of non-renewable electricity (fossil vs. nuclear sources). Additional granularity will be implemented from 2025 onwards.

In 2024, Sika's total energy consumption was 1,357,556 MWh, showing a +0.6% increase compared to 2023. Nearly 60% of the energy used in Sika's operations comes from fuel consumption derived from fossil and nuclear sources, including Liquified Petroleum Gas (2.2%), light liquid fuel (2.8%), vehicle fuel such as diesel or petrol (17.3%), and natural gas (37.3%). Purchased electricity from fossil and nuclear sources accounts for 11.7% of the energy used, while district heating represents a minor portion (0.3%).

ENERGY CONSUMPTION AND MIX PER REGION

in MWh	2022	2023	2024
EMEA	544,791	538,422	482,135
Americas	437,433	379,061	359,816
Asia/Pacific	163,353	141,509	129,183
Corporate Services	98	99	107
Total energy consumption from fossil and nuclear sources	**1,145,675**	**1,059,091**	**971,241**
EMEA	186,161	142,210	207,299
Americas	68,494	94,410	115,641
Asia/Pacific	43,687	53,785	63,375
Corporate Services	–	–	–
Total energy consumption from renewable sources	**298,342**	**290,405**	**386,315**
EMEA	730,952	680,632	689,434
Americas	505,927	473,471	475,457
Asia/Pacific	207,040	195,294	192,558
Corporate Services	98	99	107
Total energy consumption	**1,444,017**	**1,349,496**	**1,357,556**

ENERGY FROM RENEWABLE SOURCES

In addition to its focus on energy efficiency, Sika also aims at extending the share of energy from renewable sources. In 2024, 28.5% of Sika's total energy consumption came from renewable sources (+6.9% compared to 2023). The use of fuel from renewable sources increased by 48.7% compared to 2023 (10,427 MWh), due to higher volumes of vehicle fuel derived from renewable sources such as biodiesel and ethanol. Regarding self-produced renewable electricity, Sika continues to invest in on-site renewable electricity self-production. Since 2021, an internal carbon pricing system has been implemented to encourage solar panel investments and increase self-produced renewable energy. For more information, please see the "GHG Emissions" section on p.63 of the Sustainability Report 2024. In 2024, self-produced renewable electricity installations were operational in 22 countries, accounting for 8,133 MWh of self-produced renewable electricity consumption (+61.6% vs. 2023). New installations were completed in countries such as the United States, Czech Republic, Switzerland, France, Guatemala, and China. Additional installations are planned for 2025. Sika does not generate non-renewable energy at its facilities.

Regarding purchased electricity from renewable sources, Sika aims to maximize the share of renewable electricity supply in its operations through various types of renewable instruments. In 2024, 27.1% of Sika's total energy consumption refers to purchased renewable electricity. Overall, Sika's renewable electricity rate increased from 53.9% to 70.4% in 2024 (+16.5 percentage points), driven by a higher coverage of energy attribute certificates in the EMEA and Americas regions. As part of Sika's net zero journey, ensuring a high renewable electricity rate represents a key lever for reducing scope 2 GHG emissions. Securing long-term renewable electricity instruments is preferable, and 47.1% of purchased renewable electricity is covered by those instruments. In addition, 4.8% of renewable electricity comes from two Power Purchase Agreement settled in the United States and in Kenya. However, depending on the local context, the availability of green contracts can be limited. Thus, 46.8% of the purchased renewable electricity comes from one-time Energy Attribute Certificates (EACs) such as RECs (Renewable Energy Certificates), I-RECs (International Renewable Energy Certificates), or quarterly Guarantees of Origins (GOs).

BREAKDOWN OF RENEWABLE ELECTRICITY PER CATEGORY

in MWh	2022	2023	2024
Purchased electricity from renewable sources[1]	291,046	278,360	367,754
One-time purchased EACs	139,183	122,144	171,994
Green Tariffs or long-term RECs/GO contracts	137,740	137,488	173,261
PPA (Power Purchase Agreement)	12,636	17,220	17,715
Others[2]	1,487	1,508	4,784
Self-produced electricity from renewable sources	2,004	5,034	8,133
Total electricity consumption	**524,941**	**526,114**	**534,050**
Share of renewable sources in total electricity consumption (%)	**55.8**	**53.9**	**70.4**

1 This indicator is based on 100% green contracts, Energy Attribute Certificates (EACs) such as Guarantees of Origins (GOs), Renewable Energy Certificates (RECs), or International Renewable Energy Certificates (I-RECs) or Power Purchase Agreements.

2 Ethiopia, Paraguay, and Uruguay report 95% of their electricity as renewable since their local grid is 95% renewable (source: RE100 Technical Criteria 2021).

ENERGY INTENSITY PER NET REVENUE[1]

in MWh/CHF mn	2022	2023	2024
Energy intensity per net revenue	137.6	120.1	115.4

1 The net revenue used as a denominator refers to the net revenue stated in the consolidated income statement, in the "Consolidated Financial Statements" section on p.209 of the Annual Report 2024.

POLLUTION
AIR EMISSIONS[1]

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 305-7

All Sika local companies must comply with applicable laws and regulations related to air emissions parameters. This topic is managed directly by local operation facilities in accordance with local regulations and internal guidelines. The Group monitors the following air emissions parameters: NO_x, SO_x, CO emissions, VOC, and dust.

REPORTING METHODOLOGY

In 2022, Sika conducted a global survey[2] to further assess the materiality of air emission indicators, and evaluate the coverage of air emission measurements and the respective data available. Based on the outcomes of this assessment, Sika's calculation methodology has been defined as follows:

- NO_x, SO_x, and CO emissions are based on and limited to the combustion of fuel and gas.
- For VOC, beside the emissions originating from the combustion of fuel and gas, emissions derived from petrochemical materials and related processes are also quantified. Average intensity per ton produced was calculated based on the measurements of 25 factories, executed either internally or by external laboratories. This average intensity is extrapolated to similar plants based on factory segments[3]. A similarity between factories in the same factory segment is assumed.
- For dust, beside the emissions originating from the combustion of fuel and gas, emissions derived from the mortar production are also quantified. Average intensity per ton produced was calculated based on the measurements of 43 factories, executed either internally or by external laboratories. This average intensity is extrapolated to similar plants based on factory segments. A similarity between factories in the same factory segment is assumed.
- In 2024, MBCC entities and Thiessen Team USA have been added to the scope.

The increase in NO_x emissions by 41.6% compared to 2023 is primarily due to an update in emission factors (+25%) and the inclusion of MBCC and other acquisitions in the scope. Similarly, the rise in SO_x emissions by 20.6%, CO emissions by 25.8%, VOC emissions by 24.4%, and Dust PM 10 emissions by 17.1% compared to 2023 are mainly attributed to the integration of MBCC and other acquisitions in the scope.

AIR EMISSIONS

in tons	2022	2023	2024
Nitrogen oxides (NO_x)	245.4	208.5	295.3
Volatile organic compounds (VOCs)	194.8	175.2	217.9
Dust PM 10	172.9	159.6	186.9
Carbon monoxide (CO)	125.5	113.1	142.3
Sulfur oxides (SO_x)	1.9	2.1	2.5

1 The calculation of air emissions related to the combustion process of Sika fuel and gas consumption is based on the emission factors of the UK National Atmospheric Emissions Inventory (NAEI) and Swedish Environmental Protection Agency (EPA). MBCC entities and Thiessen Team USA have been excluded from 2023 disclosures. Chema is excluded from 2024 disclosures.

2 The survey is planned every three years to ensure a regular materiality review and adjust Sika's management approach if needed.

3 The allocation of a manufacturing site to a particular factory segment depends on the type of production equipment required for the manufacturing technology and product technology (chemical and physical properties). Mortar production facilities have been excluded from the extrapolation since it is assumed that VOC emissions are not material in this production process. This assumption was verified with cross-checks with the largest mortar factories.

PRODUCT SAFETY, QUALITY, AND RELIABILITY[1]

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 416-1 | GRI 416-2

Sika has always placed a strong focus on product quality and reliability. Product governance at Sika involves maintaining product quality and safety, responsibly communicating safe handling procedures for chemicals to customers, accurately labeling chemical products, and marketing products responsibly.

PRODUCT SAFETY AND PRODUCT LABELING

Sika's assessment and improvement of the health and safety impacts of its products is state-of-the-art. The company utilizes global Product Compliance software with one common database, product stewards for all finished goods categories, trainings for all local users, benchmarking, and quality control. Sika strives to avoid any negative impact on customer health and safety through its products. Precautionary measures are taken to mitigate risks related to product safety. Sika issues documentation about occupational safety, how to wear safety equipment, and the safe transportation and storage of goods. All product information, specifically Safety Data Sheets (SDSs) and Product Data Sheets (PDSs), are reviewed regularly. Information on the SDS of individual products can be found on the website of the local Sika companies.

COMMITMENT

Sika is committed to managing chemical product compliance in a careful and diligent way. The company is committed to be compliant with all requirements and obligations arising for substances used in its products. When formulating products, the company only uses raw materials that comply with all relevant regulations, and that have been thoroughly assessed for their health and safety impacts.

GOALS AND TARGETS

The company makes sure that all products comply with all chemical regulations and legal requirements along the entire value chain: from product development to the selection and purchase of raw materials, and then to their handling and the manufacturing of products (workplace safety of employees), packaging of products (transport safety), shipping to customers (transport safety, dangerous goods regulations, customer safety), storage (customer safety), application (customer safety), use phase (customer safety), and finally end of life (customer safety). Sika has the ambition to assess the impact of all its chemical products on health and safety, and that all its products are safe and do not harm human health if handled according to the instructions in the SDS and PDS.

Within the framework of Strategy 2028, starting from 2024 onwards Sika has clearly stated its ambition to reduce usage of hazardous materials and define a reduction plan for selected substances of concern. Moreover, all new product developments are to be validated positively with the Sustainability Portfolio Management (SPM) framework.

RESPONSIBILITIES

Sika products must be accompanied by an SDS in compliance with the country's legal requirements and in the required local language when distributed or sold. Packaging and labeling must meet local compliance standards, as well as the Sika branding and labeling rules. The company creates, maintains, and publishes SDSs, using the global Product Compliance System. To safeguard legal compliance and customer safety, the requirement for all local Sika companies is that the SDSs shall not be older than two years. This is monitored by Global Regulatory & Product Compliance and reported quarterly to all responsible Area Managers, General Managers, Regional Operations Managers, EHS Managers, and Product Stewards.

1 This section does not cover all MBCC entities nor 2024 acquisitions, since the integration process is ongoing.

CORPORATE LEVEL

The Global Regulatory & Product Compliance (RPC) team, which reports to Head Global Quality & EHS, is responsible for providing a globally compliant database and classification system (SAP Product Compliance), to support regions in setting up and deploying RPC processes, and to exchange information on emerging regulatory developments. 350 representatives in regional and local organizations from 125 Sika companies use SAP Product Compliance. Furthermore, the team is responsible for product health and safety-related data being available, correct, and continuously updated. It coordinates the classification of products and the monitoring of new potential hazards related to raw materials according to regional and international regulations.

The Global Product Stewardship team, which is part of the Global Regulatory & Product Compliance team, is responsible for:

- Training and supporting all regional and local Product Stewardship functions and Regulatory Product Compliance teams. Training programs and workshops are specifically held for the local Product Stewards and Regulatory Affairs Managers in all regions and areas, at least every two years.
- Monitoring the raw material database and the chemical substance database that serve as the basis for product composition and the preparation of Safety Data Sheets (SDSs) and labels.
- Acting as a support center for the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals.
- Monitoring Sika Substance Risk Management Rules and the list of hazards and restrictions to be shared with the concerned Sika unit. For more information, please see the paragraph "Sika Reduction Plan".
- Maintaining and updating rules for SDS creation, dangerous goods management, and label information.
- Providing global product stewardship solutions, including SAP Product Compliance, with global content and algorithms, specific analysis and calculation tools, regular performance overview (KPIs), process descriptions, and manuals, etc.

The Global Regulatory Affairs team, which reports to the Global Regulatory & Product Compliance (RPC) team, oversees the compliance of the Sika Group with regulations in chemicals legislation. More specifically, the team supports local line management, which has overall responsibility for ensuring that all products manufactured and/or brought to market comply with local regulatory requirements. In cooperation with corporate functions (R&D, Procurement, Marketing, Operations, Target Markets) and with corporate and local expert teams, the Global Regulatory Affairs team defines and initiates tasks, programs, and compliance projects. It coordinates activities to comply with chemicals legislation and enables the production and marketing of products in the countries through notification and registration activities. It also provides support in the form of chemical and regulatory advice. Based on cost-benefit analysis, and in cooperation with the R&D functions and external consultants, the team prepares registration dossiers for the inclusion of substances and products in local registries.

The Sika Substance Risk Management (SSRM) team is comprised of members from Product Stewardship, Regulatory Affairs, Sustainability, and R&D. The team assesses substances with an elevated risk potential based on the GHS classification.

REGIONAL LEVEL

The regional Regulatory & Product Compliance team is responsible for rolling out RPC processes, querying local requirements, and supporting countries in setting and targeting RPC objectives, as well as organizing training and development programs. The regional Product Stewardship team is responsible for data maintenance and classification of regional/area raw materials and products, creation of SDSs and label information, support for label creation in certain areas, and checking and notifying modifications of chemical substances.

LOCAL LEVEL

The responsibility for the products sold in the individual Sika countries lies with the local organizations, and ultimately with the General Manager. With support from the global and regional Product Stewardship teams, local line management has the overall responsibility for ensuring that all products placed on the market meet local legislation requirements, as well as assigning a Product Stewardship role to manage raw material and finished goods data, customer safety information, and labeling. In particular, the local Product Stewardship team ensures that all products follow the Sika Global Regulatory Product Compliance (RPC) rules and is responsible for:

- Approving local labels and local SDSs, packaging, entry of local raw materials and finished goods data into the databases.
- Supporting local organizations in all product safety-related matters.
- Supporting customers regarding their demands on product safety.
- Implementing and enforcing the Sika Substance Risk Management Process by conducting regular screening of the existing product portfolio.
- Ensuring that Sika products (except non-chemical products) are accompanied by an SDS, meeting the legal requirements of the country and translated into the required language(s).
- Ensuring that packaging and labeling are controlled and managed for local compliance, and compliance with the Sika branding and labeling rules.

TRAINING

Regular internal training and education for local Product Stewards and Regulatory Affairs Managers is provided in all regions and areas at least every two years. Such trainings update local teams on regulations, on the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals, and on the impact of the Product Compliance Reporting tool. In 2024, the Global Product Stewardship team organized 138 trainings, involving Sika employees from various functions (Product Stewardships, Regulatory Affairs, EHS, Risk & Crisis Management, Procurement, Marketing, and R&D) in all Sika regions (EMEA, Asia/Pacific, Americas).

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF SIKA PRODUCTS

Sika is committed to continuously improving the safety and environmental sustainability of its products and operations. This is achieved by working internally on procedures, informing and educating product users through safety data and worker protection requirements, reducing hazardous chemicals, solvents, volatiles, and reactive components wherever possible, and using devices for safe contact-free application. No significant violation of regulations related to the health and safety impact of products was reported in 2024.[1]

A central Chemical Regulatory and Product Stewardship Department (the Global Regulatory & Product Compliance team), including a corporate REACH team, coordinates all corporate activities, covering the requirements of the Globally Harmonized System (GHS), Classification, Labeling and Packaging (CLP), national or regional substance registration and notification schemes, as well as other relevant chemicals legislations to ensure the protection of human health and the environment from risks that can arise from chemicals.

As part of Sika's commitment to manage chemical product compliance, potential water pollutants such as synthetic organic compounds are identified and classified by suppliers or by Sika according to the CLP regulation. Sika strives to minimize adverse impacts of such potential pollutants during the product use phase. Best practice instructions on product use are documented and issued in SDSs and PDSs.

Sika maintains a comprehensive Product Stewardship process and global network, including a database for impact assessments, toxicological evaluations and product registration, classification, and labeling.

CHEMICAL SUBSTANCES RISK MANAGEMENT

Sika has a comprehensive risk management system structured at Group level which is effective for all its subsidiaries. Risks are identified at an early stage and integrated into strategic decision-making processes. As part of the Enterprise Risk Management (ERM), reviewed and approved by the Board of Directors (BoD) yearly, "Changing product compliance requirements and regulations" was confirmed to be one of the top risks. The risk is defined as "Changing product compliance requirements for products, product solutions, production processes, and procurement, driven by changing customer requirements and regulations". In the due diligence process for acquisitions, the teams involved, such as EHS, Regulatory & Product Compliance, and Legal, collect information including substance and material management, substances of concern, and environmental compliance. Potential acquisitions can be stopped if the analysis of a company's product portfolio does not meet the necessary requirements. For more information on the risk management approach, top risks, and related measures, please see the Risk Management Report on p.23 of the Annual Report 2024.

SUBSTANCES OF CONCERN

The company aims to reduce substances of concern from products and production processes wherever possible. These types of substances can be fundamental to achieving the technical requirements such as loadbearing strength and longevity of buildings and structures. In 2024, Sika has continued to refine the Sika Substance Risk Management (SSRM) process to further accelerate progress in this important area and to continue to review and evaluate the use of substances of concern. This process, which is applied at Group level, supports the organization in the assessment and treatment of substances with increased risk potential based on the hazard classification of the Globally Harmonized System (GHS). This internal process complements local legal requirements and underscores Sika's uncompromising commitment to quality, safety, and environmental sustainability.

The Regulatory & Product Compliance team continuously screens the Sika substance and product portfolio for identification of critical substances of concern. The SSRM team conducts substance risk assessments, proposes phase-out priorities, informs local and corporate expert teams and R&D, and consults Group Management. The extended SSRM team, enhanced with regional marketing, sustainability, and R&D functions, proactively manages the reduction of hazardous substances across regions. It ensures the implementation of the SSRM process and the achievement of progress.

The Sika Substance Risk Management (SSRM) Policy regulates the use of defined hazardous substances in Sika operations and in products. Depending on the category, Sika prohibits or restricts the use of these substances in products above a defined concentration limit. Their use in production is subject to specific permits. Sika has defined two categories according to GHS as a basis for the assessment of the SSRM:

- Category 1: Substances which shall not be used in any products sold (both manufactured and trading products), materials handled in manufacturing plants, or in the supply chain. Only substances used for R&D purposes are exempt.
- Category 2: Substances which may be used in controlled manufacturing processes if the defined concentration limits are not exceeded in the final product.

In 2023, Sika established its own priority list for "Substances of Concern". This list is updated every year and must be checked for replacement by alternative substances in all processes defined in the Sika Product Creation Process (PCP) and processes of Regulatory & Product Compliance. The list builds on the two SSRM categories described above and on substances which are known as persistent in the environment.

Furthermore, the SPM complements the SSRM process, ensuring that products positioned as sustainable solutions are not only in compliance with SSRM, but consider the most relevant global regulations and frameworks, both current and upcoming, regarding hazardous substances. SPM guarantees compliance of product developments with both regulations and internal company policies, such as the SSRM. Integrated into the Sika Product Creation Process (PCP), SPM improves transparency and allows early and relevant decision making.

At supplier level, it is important that the chosen suppliers are committed to the same standards as Sika. Suppliers must operate in full compliance with all laws, regulations, and international standards applicable both to their operations and products. Suppliers shall provide Sika with all required product safety and labeling documentation

1 Based on the data collected through the ESG Confirmation.

and ensure full compliance with all applicable product safety regulations, in particular concerning dangerous goods and hazardous substances. For more information on the Sika Supplier Relationship Management approach, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

REGULATORY LANDSCAPE

Sika continuously follows regulatory, scientific, and toxicological developments on chemical substances. This also provides the company with early knowledge of future regulatory changes and requirements. These are discussed in Sika's expert teams with Research & Development, Marketing, Operations, Procurement, and Product Stewardship, and appropriate steps for substitution are coordinated with all process participants. Sika is also taking part in several meetings and public consultations through associations (FEICA, CEFIC) to monitor the developments of upcoming regulations within the European Union Chemicals Strategy for Sustainability (EU CSS) on topics like restrictions roadmap, review of REACH regulation, Classification, Labeling, Packaging (CLP) reform, grouping approach, etc. The same procedure is followed by the local organizations in all Sika regions.

SUSTAINABILITY PORTFOLIO MANAGEMENT (SPM)

The SPM framework defines how Sika structures the innovation of products that combine both performance and sustainability benefits. The sustainability evaluation is a comprehensive evaluation of the product profile along 12 Sustainability Categories, following a 360° perspective. Among key focus areas are Chemical Hazard and Exposure (Sustainability Category 3), Regulatory Trends and Forthcoming Regulation (Sustainability Category 4), and Health and Safety (Sustainability Category 6), which require Sika to look beyond current regulation and compliance, and innovate products with improved chemical profiles. A dedicated procedure has been developed for all categories to support SPM project teams in undertaking risk assessments in line with the requirements of the criteria included within the categories. For instance:

- In the Sustainability Category 3 "Chemical Hazard and Exposure", products are evaluated based on human and environmental exposures, assessing any potential risks.
- In the Sustainability Category 4 "Regulatory Trends and Forthcoming Regulation", substances used in products are evaluated based on current and upcoming regulations as well as globally relevant conventions (e.g., Montreal Protocol, Stockholm Convention, Rotterdam Convention, IARC list, California Prop. 65, REACH Annex XIV and XVII, REACH Candidate List of Substances of Very High Concern).
- In the Sustainability Category 6 "Health and Safety", products are assessed for safety, exposure to chemical substances, and prevention of physical injuries during the production process and in their application.

For more information, please see the "Product Portfolio" section on p.141 of the Sustainability Report 2024 and the ↗ **SPM Methodology Paper** available in the download center of the corporate website.

SIKA REDUCTION PLAN

The Sika Substance Risk Management (SSRM) Steering team continuously reviews substances of high concern. As of the end of 2024, Sika did not generate any revenue with products listed under the EU Persistent Organic Pollutants (POPs) Regulation. Moreover, the company has generated 5.1%[1] of its global turnover with substances listed in the EU Candidate List of Substances of Very High Concern (SVHC) above 0.1% by weight (previous year: 4.7%). In 2024, 37 substances[2] are classified as Priority 1; some are included in the list of SVHC. The SSRM Steering team works with the different corporate functions (R&D, Procurement, EHS, Marketing, and ESG Controlling) and regions on prioritizing the reduction of these Priority 1 substances in the medium term through specific reduction plans including alternative substitutes. In 2024, the involved products generated less than 0.7% of total sales[1]. Within Strategy 2028 a further reduction of these substances is targeted.

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS) OR "FOREVER CHEMICALS"

Sika is not a PFAS producer and the amount of PFAS used in product formulations is very small. In 2024, the use of products containing PFAS accounted for 0.5% of Group sales[1] (0.4% in 2023). The evaluation of MBCC's portfolio is ongoing. Within this project, Sika is contacting its suppliers and conducting investigations on how a reduction of these substances can be reached in the most efficient way. The main challenges are:

- PFAS definition varies across countries/regions.
- Due to legal requirements being in the development stage, Sika has to rely on information provided by suppliers, since not all information needed is currently available on raw materials' Safety Data Sheets (SDSs). Similarly, as for other sustainability-related topics (e.g., GHG emissions accounting), suppliers' knowledge may not be equally distributed. Therefore, continuous engagement activities are pivotal to progress.

1 The net revenue used as a denominator refers to net revenue stated in the consolidated income statement, in the "Consolidated Financial Statements" section on p.209 of the Annual Report 2024. The assessment does not cover all MBCC entities nor 2024 acquisitions, since the integration process is ongoing.

2 The number of substances considered under Priority 1 are subject to change depending on regulatory changes, new listings, changes to the global harmonization system or acquisitions.

WATER
WATER MANAGEMENT[1]

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 303-1 | GRI 303-2 | GRI 303-3 | GRI 303-4 | GRI 303-5 | GRI 306-1 | GRI 306-5

Although Sika's production is less water-intensive than other industrial companies within the chemical sector, Sika takes full responsibility for minimizing its impact on water resources throughout the value chain. Water is needed for the following uses:

- Input material: Some Sika products are water-based in the product range of concrete admixtures, coatings, and adhesives solutions, among others.
- Direct operations: Water is used directly in Sika's operations for process and cooling purposes but also for cleaning.
- Indirect operations: Water is not only used by suppliers in their operations but also by customers when using or applying some of Sika's products. Water can be a mixing component or used for cleaning tools once the product has been applied.

As water scarcity and water-related extreme weather events intensify in many regions of the world, this may pose a threat to business operations. Especially in areas where freshwater is scarce, businesses may be exposed to water shortages, lower water quality, water price volatility, and reputational issues. Therefore, Sika continues to implement dedicated water efficiency initiatives globally to reduce the amount of processed freshwater withdrawal and optimize water-related production processes with closed-loop cooling systems or cooling towers, cleaning processes, and reuse of treated wastewater.

WATER WITHDRAWAL

Water is withdrawn across the operations from groundwater wells (50.4%), public supply (48.4%), surface waterbodies (0.8%), and rainwater (0.4%). In line with water usage, the volume of water withdrawal increased by +1.1% compared to 2023.

1 2023 water indicators disclosed in this section have been restated to reflect 2023 and 2024 acquisitions (except Chema), in accordance with Sika's ESG Data Governance.

BREAKDOWN OF WATER WITHDRAWAL PER SOURCE

in m³	2022	2023	2024
Public supply	1,959,347	2,262,181	2,283,528
Groundwater	2,284,007	2,320,721	2,379,310
Surface waterbodies	29,200	60,712	37,386
Rainwater	24,862	23,891	20,770
Total water withdrawal [1]	**4,297,416**	**4,667,505**	**4,720,994**

1 Including the volume of water used as an input material.

To reduce the amount of processed freshwater withdrawal and limit the dependency on public water supply reservoirs, several initiatives were implemented:

- Several factories have switched from public water supply to groundwater sourcing.
- A few factories – 22 locations in 13 countries – collect rainwater (0.4% of total water withdrawal) to cover part of their freshwater demand, especially where the public water supply is limited. The rainwater is then either used for cleaning processes and sanitary purposes, or filtered/treated and used in the production instead of fresh water.
- In the concrete admixture production, one key initiative is to reduce the amount of water withdrawal by collecting cleaning and rinsing water from production processes and reusing it as a raw material input.

WATER USAGE AND WATER CONSUMPTION

In its direct operations, Sika used approximately 4.7 million m³ of water (+1.2% compared to 2023). This slight rise is mainly due to increased sales of water-based products (+3.9% of water in products as compared to 2023). Nearly one-third of the water used at Sika serves as an input material for products (29.3%), with 1.0% coming from reused water. Water is also used for processing and cooling (54.8%), as well as for sanitary purposes (15.9%).

A significant portion of the process and cooling water used in operations (76.5%) comes from three sites: Verona (Italy), Sarnen (Switzerland), and Innsbruck (Austria). These factories withdraw large quantities of water for cooling processes and then discharge it back to the original sources with negligible losses or variation in quality.

BREAKDOWN OF WATER USAGE PER TYPE

in m³	2022	2023	2024
Water in products	949,160	1,335,625	1,387,434
Thereof water reused in products [1]	–	–	13,933
Process and cooling water	2,699,077	2,533,254	2,592,307
Sanitary water	649,418	806,841	753,020
Total water usage [2]	**4,297,655**	**4,675,720**	**4,732,761**

1 In 2024, water recycled and reused in products was added as a new category in the water reporting. 2022 and 2023 data have not been restated accordingly.

2 The difference between water withdrawal and water usage is related to water storage and water recycled and reused.

In terms of water usage, the main water initiatives focus on optimizing the equipment, production processes, and cleaning processes:

- Sika aims to reduce the volume of wastewater generated. Some facilities have their own wastewater treatment installation, which allows reuse of the treated wastewater in production, cooling, cleaning or sanitary processes through water sedimentation, distillation, or filtration. The optimization of producing and cleaning processes is also a major source of wastewater reduction. As an example, implementing a production matrix and defining a color change routine can minimize the need for cleaning between different production batches.
- Closed-loop systems have been implemented in Sika's factories across the world for many years to ensure water efficiency.
- Cooling processes can be water intensive. Several actions are rolled out through the Group to reduce the related impacts.
- Lastly, flow reducers and automatic valves are commonly installed to reduce the water used in R&D laboratories or social areas.

In 2024, the water consumption[1] was around 1.5 million m³ of water (+2.3% compared to 2023). This increase is in line with the increase of water used as an input material (+3.9% compared to 2023).

Although Sika's strategic target focuses on water discharge and does not specifically address water consumption, the company also aims to optimize water consumption. In the coming years, Sika plans to enhance the "Energy Savings Tracker" tool and expand its scope to include water initiatives. This will enable all Sika locations to share best practices while providing qualitative insights and additional granularity to the current reporting, as a preparatory step for Sika's future Corporate Sustainability Reporting Directive (CSRD)-aligned reporting.

WATER INTENSITY PER NET REVENUE [1]

	2022	2023	2024
Water consumption (m³)	1,087,272	1,456,666	1,489,505
Water intensity per net revenue (m³/CHF mn)	103.6	129.6	126.6

1 The net revenue used as a denominator refers to the net revenue stated in the consolidated income statement, in the "Consolidated Financial Statements" section on p.209 of the Annual Report 2024.

WATER DISCHARGE

As part of Strategy 2028, Sika has set the strategic target of reducing water discharge per ton sold by –15% as compared to the 2023 baseline. This focus aims at minimizing water discharge volumes, increasing the proportion of reused and recycled wastewater, and treating wastewater using low carbon technologies in line with net zero targets. Verona (Italy), Sarnen (Switzerland), and Innsbruck (Austria) withdraw large quantities of water for cooling processes and then discharge it back to original sources with negligible losses or variation in quality. Hence, those three sites have been excluded from the water discharge target set under Strategy 2028. In 2024, excluding those three sites, the water discharge was 72.6 liter per ton sold, a decrease of –7.0% compared to 2023. This improvement is mainly driven by the continuous implementation of water initiatives, resulting in an absolute reduction of water discharge volumes by –3.9% as compared to 2023 and increased sales.

WATER DISCHARGE PER TON SOLD

in liter per ton sold	2022	2023	2024
Water discharge intensity per ton sold	84.2	78.0	72.6

Including the three sites that are not in the scope of Strategy 2028 water discharge target (Verona, Sarnen and Innsbruck), the water discharge per ton sold was 191.9 liter per ton sold, a decrease of –2.6% compared to 2023.

1 In 2024, Sika aligned its water consumption definition with the main reporting standards. Water consumption is now calculated as the difference between water withdrawal and water discharge. 2022 and 2023 data have been restated accordingly.

All local companies must discharge water in line with local legislation and permits, either to sewers or sewage plants, or directly to surface waterbodies or to underground water formations. In many Sika factories, the water used for processing and cooling is collected in tanks and treated in Sika's own treatment plants or through external treatment facilities. In 2024, Sika discharged 3.2 million m^3 of water (+0.6% compared to 2023). 36.8% of water used is discharged to underground water formations, 31.9% of water used goes to sewers or sewage plants, whereas 29.2% of water used is discharged directly into surface waterbodies. In addition, 2.1% of water used is sent off-site for treatment by a third-party. The difference between the water discharge and the water use comes from storage or from the evaporation that takes place during the cooling process of some production technologies.

BREAKDOWN OF WATER DISCHARGE PER DESTINATION

in m^3	2022	2023	2024
Water to sewage	874,591	1,047,403	1,029,376
Water to surface waterbodies	1,184,128	919,553	944,740
Water to ground	1,113,542	1,171,876	1,190,340
Water sent off-site for treatment [1]	37,884	72,007	67,033
Total water discharge	**3,210,145**	**3,210,839**	**3,231,489**

1 The indicator "Water sent off-site for treatment" captures the water that is treated off-site by a third party. It includes effluents (treated or untreated wastewater) including wastewater that shall be disposed separately due to local regulations.

WATER DISCHARGE PARAMETERS

All local companies must comply with applicable laws and regulations related to water discharge parameters. For example, the quality of effluent is monitored through discharge analysis measurements and several indicators (e.g., PH, temperature, chemical oxygen demand (COD), and solids in suspension) at site level depending on local regulations.

WATER-RELATED RISKS, IMPACTS, AND MITIGATION ACTIVITIES

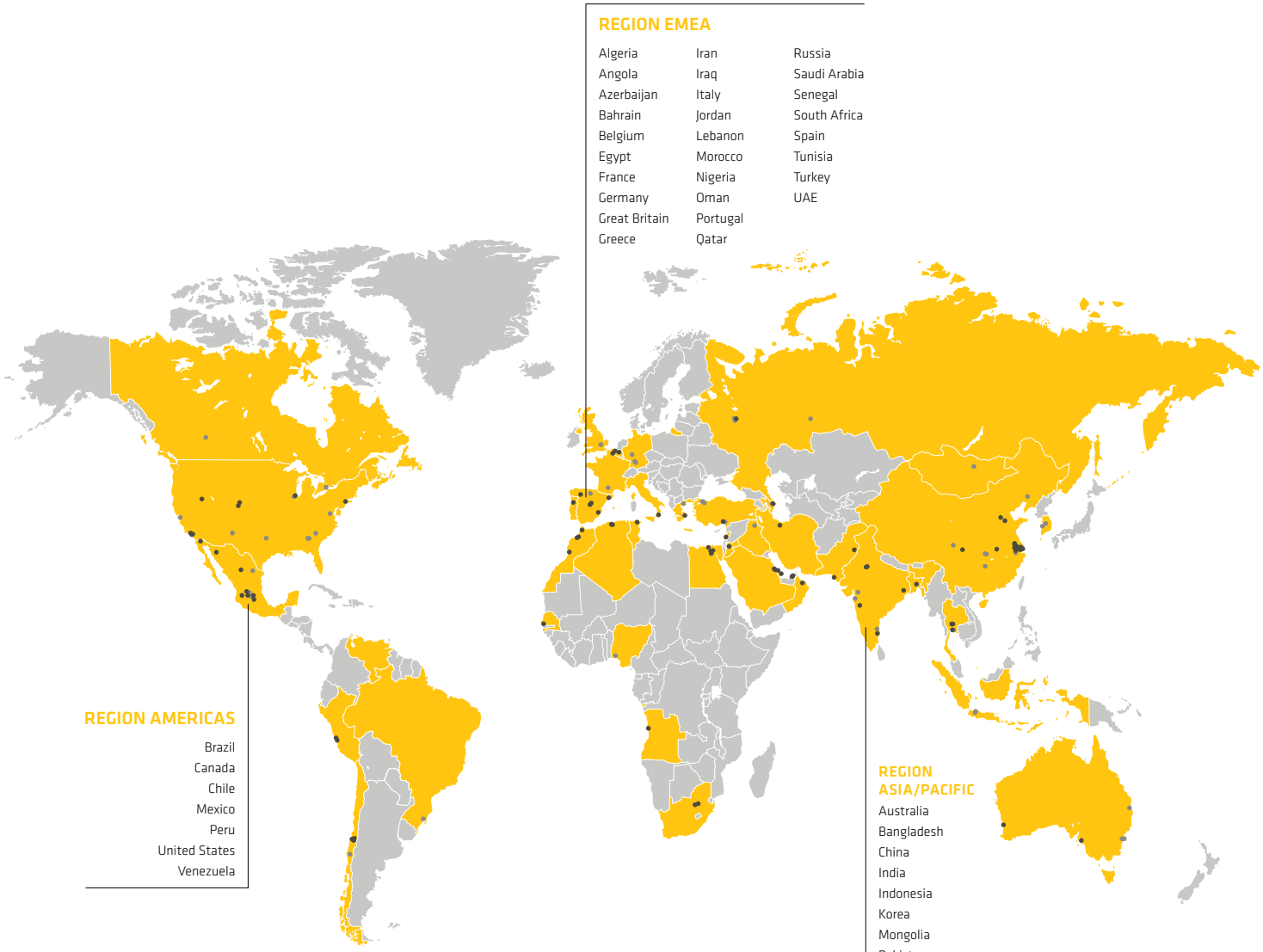
Water availability is a crucial need along Sika's value chain. Thus, water scarcity and water stress expose Sika's business to various risks, such as lower water quality, freshwater shortage, and reduced water accessibility. It could result in increased water supply and manufacturing costs, manufacturing disruption in Sika's factories or throughout the value chain, and increased regulatory burden or reputational issues. As water becomes scarcer, this presents an opportunity for Sika to reinforce its market share and sales, especially in high water-stressed areas. As an example, the application of Sika's waterproofing products helps reduce water loss, and Sika's concrete admixtures allow less water use during the production of concrete. According to the World Resource Institute (WRI) Aqueduct tool[1], 152 manufacturing sites in 44 countries are in areas with extremely high or high water stress. As part of Strategy 2028, the focus on water-stress areas and related mitigation plans will be strengthened to reduce freshwater usage. Sika will perform a comprehensive water-risk assessment and prioritize factories that are exposed to significant water risks.

MANUFACTURING SITES IN WATER-STRESS AREAS

in numbers	Factories in extremely high water stress	Factories in high water stress
EMEA	42	17
Americas	24	18
Asia/Pacific	30	21
Group	**96**	**56**

1 Using the Aqueduct Water Risk Atlas, Sika identifies the projected exposure of each manufacturing location to baseline water stress. Baseline water stress measures the ratio of demand for water by human society divided by available water. It is an indicator of competition for water. Locations facing extremely high water stress (>80%) and high water stress (40–80%) were identified by applying the indicator "BSW" (Baseline Water Stress).

Water stress map – manufacturing sites



- Factories located in high water-stress areas
- Factories located in extremely high water-stress areas

In 2024, water withdrawal in extremely high water-stress locations represented 722,564 m³ (15.3% of the total Group) and 399,368 m³ in high water-stress locations (8.5% of the total Group). In these locations, water was mainly withdrawn from public water supply (88.4%) but also from groundwater wells (10.9%) and surface waterbodies (0.5%). 0.2% of water withdrawal came from rainwater.

For the year under review, the water usage of extremely high water-stress locations was 725,181 m³ (15.3% of the total Group) and 399,992 m³ in high water-stress locations (8.5% of the total Group). In these locations, 68.7% was used as an input material into Sika products, with 0.9% coming from reused water. 22.2% for sanitary purposes, and 9.1% as process and cooling water in production.

Water discharge in extremely high water-stress locations was 195,012 m³ (6.0% of the total Group) and 132,358 m³ in high water-stress locations (4.1% of the total Group). 78.6% of water used goes to sewers or sewage plants, 7.4% is discharged directly into surface waterbodies, whereas 3.9% is discharged to underground water formations. In addition, 10.1% of water used is sent off-site for treatment by a third-party.

WATER WITHDRAWAL, USAGE, AND DISCHARGE IN WATER-STRESS AREAS

in m³	2022[1]	2023	2024
Public supply	299,872	960,181	991,750
Groundwater	33,062	123,584	122,249
Surface waterbodies	12,310	14,138	5,959
Rainwater	1,120	3,697	1,974
Water withdrawal	**346,364**	**1,101,600**	**1,121,932**
Water in products	219,451	722,616	773,305
Thereof water reused in products[2]	–	–	3,299
Process and cooling water	40,245	124,039	101,899
Sanitary water	86,710	257,709	249,969
Water usage	**346,406**	**1,104,364**	**1,125,173**
Water to sewage	85,233	260,661	257,288
Water to surface waterbodies	12,220	32,992	24,293
Water to ground	5,035	9,056	12,825
Water sent off-site for treatment	3,422	40,247	32,964
Water discharge	**105,910**	**342,956**	**327,370**
Water consumption	**240,454**	**758,644**	**794,562**

1 2022 figures as disclosed in Sustainability Report 2022 only considering locations in extremely high water-stress areas.

2 In 2024, water recycled and reused in products was added as a new category in the water reporting. 2022 and 2023 data have not been restated accordingly.

In these extremely high and high water-stress areas, several mitigation measures have been implemented:

- Scheduling and optimization of production sequence in the admixture line.
- Use of air conditioning drain water for domestic usage.
- Collection and filtration of rainwater then used for domestic usage.
- Installation of water saver filter taps for optimized water discharges in washrooms.
- Storm drainage collection system to collect rainwater separately for roofs and paved areas.
- Treatment and reuse of cleaning water/wastewater in production processes (e.g., in the blending process of admixtures production).
- Treatment of water through sewage treatment plants used for flushing activities.
- Reuse of treated water for sanitary services and domestic usage.
- Reuse of water from the cooling process for domestic usage.

Not only water stress but also other water-related risks are monitored by the company. More information on the assessment of Sika's direct exposure to other water extreme risks (riverine and coastal flood, rainfall, heavy rainfall, and longest dry spell) is available in the "TCFD Recommendations" section on p.51 of the Sustainability Report 2024.

Even if the current analysis did not consider the impact of water-related risks beyond Sika's operation, the company acknowledges that such risks could have an impact up and down the value chain. For example, business disruption at supplier level leading to shortages and price increases of raw materials and, therefore, increased operational costs for Sika. Moreover, in alignment with the TNFD guidance, Sika is building an understanding of the importance of nature-related issues and has started gathering the required information and resources. For more information, please see the "Biodiversity and Nature" section on p.81 of the Sustainability Report 2024.

WATER-RELATED IMPACTS IN THE SUPPLY CHAIN

At supplier level, it is important that the chosen suppliers are committed to the same sustainability standards as Sika. Suppliers must operate in full compliance with all applicable laws, regulations, and international standards – including health, safety, and environmental laws and regulations – effective both for their operations and products. A core pillar of Sika's supplier qualification process is the Sika Supplier Code of Conduct, which sets out Sika's expectations for the supplier network, as well as clear rules and guidelines regarding the environmental standards that must be implemented by Sika suppliers. For more information on the Sika Supplier Relationship Management approach, including ESG risk assessments and evaluations, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

HOW SIKA ENGAGES CUSTOMERS WITH SIGNIFICANT WATER-RELATED IMPACTS

Water consumption is a major issue for Sika's customers. A variety of Sika solutions are available for water infrastructure, such as:

- Water reservoirs: Sika products comply with public water authorities' strict regulations and can be designed and adapted to meet the specific needs and requirements of all customers.
- Water dams: Sika solutions make a positive contribution to the overall performance of all types of hydraulic structures, while also potentially reducing construction and operating costs.
- Sewage and wastewater treatment plants: Sika has innovative solutions to prevent leaks and protect water quality for new construction and maintenance.

Overall, Sika solutions help to reduce water consumption and improve quality of water, contributing to mastering the challenge of providing a growing global population with access to clean drinking water. For instance, concrete admixtures such as Sika® ViscoCrete® reduce the amount of water required for manufacturing concrete by up to 40%. The concrete remains flowable, achieves a higher strength when cured, and valuable resources are saved.

ACCESS TO WASH SERVICES

Sika is devoted to contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs). Goal 6 focuses on the universal provision of safely managed water, sanitation, and hygiene services (WASH services). The provision of such services at the workplace is managed by Sika at local level across its operations. All HR managers[1] have confirmed that access to safe water, sanitation and hygiene is provided at all Sika premises.

1 Based on the data collected through the HR questionnaire. For more information, please see the "Labor Management" section on p.97 of the Sustainability Report 2024.

BIODIVERSITY
BIODIVERSITY AND NATURE

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

GRI 3-3

Biological diversity is essential for our ecosystem and well-being. Businesses are as dependent on biodiversity as humans are – without it, raw materials and supply chains would be heavily disrupted. Biodiversity is highly interconnected with other environmental issues, including deforestation, pollution, climate change, urbanization, and water scarcity. In 2022, "Biodiversity and Nature" was identified as one of the material topics (for more information, please see ↗ **Sika Materiality Analysis 2022**), and in the same year, Sika joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum[1], a global multidisciplinary consultative group of institutions with over 1,600 Forum members. With its participation in the TNFD Forum, Sika shares the ambition of the TNFD to develop a risk management framework for organizations to report and act on evolving nature-related risks. This supports a shift in global financial flows toward nature-positive outcomes. Moreover, the TNFD and Science Based Targets Network (SBTN)[2] are working to align further to make it more efficient for corporates to apply both frameworks.

LEAP APPROACH

Nature-related risks and opportunities have not been investigated by Sika before. Therefore, in alignment with the TNFD "getting started" guidance, Sika is building an understanding of the importance of nature-related issues and has started gathering the required information and resources. As a start, Sika has used the tools and resources provided by the TNFD to gain an understanding of TNFD's LEAP (Locate, Evaluate, Assess, Prepare) approach:

- Locate your interface with nature.
- Evaluate your dependencies and impacts.
- Assess your risks and opportunities.
- Prepare to respond and report.

In 2023, in alignment with the guidance for the "Locate" step, Sika performed a first analysis to identify and prioritize potential nature-related issues and main business interfaces focusing only on direct operations. For this purpose, four different tools were used: ENCORE[3], SBTN Sectoral Materiality[4], World Resource Institute (WRI) Aqueduct[5], and IBAT[6].

1 ↗ **Taskforce on Nature-related Financial Disclosures**
2 ↗ **SBTN – Science Based Targets Network**
3 ↗ **ENCORE** (Exploring Natural Capital Opportunities, Risks and Exposure) was developed by a partnership consisting of Global Canopy, UNEP FI, and UNEP-WCMC. ENCORE is a tool used to assess the dependencies and impacts of different economic sectors and subsectors.
4 This tool was used as an additional screening source to ensure the comprehensiveness and consistency of the ENCORE screening.
5 ↗ **Aqueduct | World Resources Institute**
6 IBAT (Integrative Biodiversity Assessment Tool) offers visual screening of critical biodiversity and provides geographic data linked to global databases on protected areas, IUCN Red List of Threatened Species, and key biodiversity areas.

Sika used the first two tools to screen and investigate the moderate, high, and very high dependencies and impacts on nature for the specialty chemicals sector[1]. By leveraging ENCORE to screen this sector, moderate and high impacts and dependencies were identified for Sika's direct operations. The analysis excludes impacts and dependencies that occur within the supply chain.

IMPACTS FOR THE SPECIALTY CHEMICALS SECTOR

Materiality	Impact driver[1]
High	Water use Non-GHG air pollutants Water pollutants GHG emissions Solid waste Soil pollutants Terrestrial ecosystem use

1 Impact drivers are defined as a measurable quantity of a natural resource that is used as an input to production or a measurable non-product output of business activity.

Dependencies on nature are evaluated by considering the ecosystem services and the flows of benefits to people and the economy that are relevant for the organization's business model. Similar to impacts, ecosystem services can be screened with a sector-specific lens. As with impacts, all moderate, high, and very high dependencies on ecosystem services will be considered for further assessment in alignment with the LEAP approach. Based on the analysis, two ecosystem services are material for Sika's direct operations:

- Direct physical inputs.
- Protection from disruption.

Direct physical inputs are inputs needed for production that derive from an environmental asset. The specialty chemicals sector can be considered highly dependent on both groundwater and surface water. Production processes within the sector benefit from clean water. This clean water is provided by ecosystem services for groundwater and surface water. Also, ecosystem services that provide protection from a disruption to the production processes were recognized as material for the sector. Among these services, flood and storm protection can be considered as a moderate dependency. Various natural habitats and the planted vegetation within are able to shelter and buffer the impacts of floods and storms and thus provide a benefit to the sector.

As a second step, the WRI Aqueduct and IBAT were used to prioritize Sika's locations of direct operations[2]. Three criteria – baseline water stress[3], proximity to key biodiversity areas[4], and proximity to protected areas[4] – were chosen to identify sensitive locations. After screening the company's sensitive locations accordingly, further work will be needed to identify, quantify, and assess the potentially material nature-related impacts and dependencies at these locations. Subsequently, this materiality assessment can be used to understand the main nature-related risks and opportunities.

In the coming years, Sika will further investigate the magnitude of impacts and dependencies at these sensitive locations and will leverage the LEAP process to understand the key nature-related risks and opportunities. Sika will further develop a nature-related risk assessment and work toward integrating various elements of the TNFD framework.

1 ENCORE uses a classification of production processes per sector. The production processes of the specialty chemicals sector were evaluated to be the most relevant for Sika. As such, all products produced by Sika were assumed to fall within this sector.

2 Value chain locations have not yet been considered but will be investigated in the future to expand the analysis on nature-related risks and opportunities.

3 Assessment based on the Aqueduct Water Risk Atlas. For more information on water stress, please see the "Water Management" section on p.77 of the Sustainability Report 2024.

4 Assessment based on the IBAT.

RESOURCE USE AND CIRCULAR ECONOMY
WASTE MANAGEMENT[1]

GRI 3-3 | GRI 306-1 | GRI 306-2 | GRI 306-4 | GRI 306-5

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

Improving Sika's material efficiency through applying circular principles along the value chain is critical for Sika's path to net zero. Sika is committed to preventing waste in its activities and ensuring optimal waste management along the value chain. The promotion of circular principles, the efficient use of input materials for production, and the reuse or recycling of materials to reduce waste are key priorities for Sika. The company reduces the amount of waste disposed per ton sold by optimizing production planning, streamlining the production process layout, and reusing production offal. In addition, Sika has started to implement performance enhancements by using more recycled materials. The company waste management approach focuses on several reduction and optimization levers:

- At raw material level, Sika optimizes the sourcing of purchased materials, for example by seeking ideal packaging units (primary and secondary), bigger supply units (bulk, tanker lorry, and big bags vs. small packaging units), and recycling supply units. Developing weekly materials supply programs, optimizing the specific tolerances of raw materials, and minimizing quality control sampling also reduce the quantity of waste generated during the procurement phase.
- At production level, Sika focuses on streamlining the production process layout and on optimizing production planning and processes. Sika aims to reuse and recycle production offal. Wastewater from rinsing or cleaning processes for tanks, delivery trucks, or production equipment can be separated and reused in production processes. Through recycling or by-product reuse in manufacturing processes, Sika diverts material from disposal.
- At warehouse level, innovative warehouse management helps to improve product turnover and reduce the quantity of expired products. Regarding downstream logistics, the reuse of raw materials' pallets and bulk containers for transportation of finished products is a strong focus that helps reduce the amount of virgin packaging needed downstream.

1 2023 waste indicators disclosed in this section have been restated to reflect 2023 and 2024 acquisitions (except Chema), in accordance with Sika's ESG Data Governance.

NON-RECOVERABLE WASTE

As part of Strategy 2028, Sika has set the target to reduce non-recoverable waste disposed per ton sold by –15% as compared to 2023. This focus on minimizing waste disposal to landfill and incineration highlights Sika's ambition to transition from a linear to a circular approach in which resources are reused or recycled.

In 2024, the quantity of non-recoverable waste per ton sold was 5.8 kg, a decrease of –4.0% compared to 2023. This improvement is mainly driven by the continuous implementation of various waste management initiatives, particularly in Latin America, and increased sales. In absolute numbers, non-recoverable waste volumes remained stable compared to 2023 (–0.9%), with a shift from waste to landfill (64,225 tons, –5,8% compared to 2023) to incineration (33,055, +10.3% compared to 2023).

NON-RECOVERABLE WASTE PER TON SOLD[1]

	2022	2023	2024
Non-recoverable waste (tons)	90,776	98,137	97,280
Non-recoverable waste intensity (kg per ton sold)	**6.5**	**6.0**	**5.8**

1 The indicator "non-recoverable waste" refers to the volume of waste that is directed to landfill and incineration.

BREAKDOWN OF WASTE DIRECTED TO AND DIVERTED FROM DISPOSAL

in tons	2022	2023	2024
Non-hazardous waste directed to disposal	77,042	81,647	79,424
Hazardous waste directed to disposal	13,734	16,490	17,856
Waste directed to disposal	**90,776**	**98,137**	**97,280**
Waste directed to disposal (%)	59.6	56.8	50.8
Non-hazardous waste diverted from disposal due to recycling	57,343	68,411	87,983
Hazardous waste diverted from disposal due to recycling	4,117	6,370	6,289
Waste diverted from disposal due to recycling[1]	**61,460**	**74,781**	**94,272**
Waste diverted from disposal due to recycling (%)	40.4	43.2	49.2
Total waste directed to and diverted from disposal	**152,236**	**172,918**	**191,552**
Waste intensity compared to total input materials (%)	**1.3**	**1.3**	**1.3**

1 In 2024, the indicator "recycling on-site" was added to the waste reporting. This indicator is part of the total volume of waste diverted from disposal. 2022 and 2023 data have not been restated accordingly.

Sika's waste is mainly non-hazardous, with 87.4% classified as such (167,407 tons), while hazardous waste accounts for 12.6% (24,145 tons). In 2024, approximately half of the waste volume (50.8%) was directed to disposal, of which 66.0% went into landfill and 34.0% was incinerated with or without energy recovery. The remaining 49.2% was diverted from disposal, either through internal or external recycling. Non-hazardous waste went mainly to off-site recycling (40.0%) and to landfill (35.9%), 12.6% to internal recycling and the remaining (11.5%) was incinerated. Hazardous waste went mainly to incineration (57.1%) and to off-site recycling (24.1%), 16.9% to landfill and the remaining (1.9%) to internal recycling. In the coming years, Sika will keep working on diverting waste from disposal and reducing waste to landfill where possible. The waste intensity compared to total input materials remained stable at 1.3%.

BREAKDOWN OF WASTE DIRECTED TO DISPOSAL

in tons	2022	2023	2024
Landfill	**61,701**	**68,169**	**64,225**
Non-hazardous waste	59,052	64,433	60,145
Hazardous waste	2,649	3,736	4,080
Incineration	**29,075**	**29,968**	**33,055**
Non-hazardous waste	17,990	17,214	19,279
Hazardous waste	11,085	12,754	13,776
Waste directed to disposal	**90,776**	**98,137**	**97,280**

WASTE TO RECYCLING

In 2024, the waste recycling rate increased to 49.2% (+6.0 percentage points compared to 2023). This increase is mainly driven by the change in methodology, with the introduction of a new indicator "recycling on-site" to the waste reporting. For a like-to-like comparison, considering only off-site recycling, the recycling rate was at 42.8%, quite stable as compared to 2023 (–0.5 percentage points). In 2024, 77.2% of the waste diverted from disposal was recycled off-site while 22.8% was recycled internally. 52.6% of non-hazardous waste was diverted from disposal either through off-site or internal recycling, while 26.0% of hazardous waste was recycled.

BREAKDOWN OF WASTE DIVERTED FROM DISPOSAL

in tons	2022	2023	2024
Recycling off-site	**61,460**	**74,781**	**72,768**
Non-hazardous waste	57,343	68,411	66,939
Hazardous waste	4,117	6,370	5,829
Recycling on-site	**–**	**–**	**21,504**
Non-hazardous waste	–	–	21,044
Hazardous waste	–	–	460
Waste diverted from disposal due to recycling	**61,460**	**74,781**	**94,272**

1 In 2024, the indicator "recycling on-site" was added to the waste reporting. Internal recycling refers to the internal reprocessing or recovery operations of products, components, and materials that would otherwise become waste, to make new materials. 2022 and 2023 data have not been restated accordingly.

NON-RECYCLED AND RECYCLED WASTE

	2022	2023	2024
Non-recycled waste (tons)[1]	90,776	98,137	97,280
Non-recycled waste (%)	**59.6**	**56.8**	**50.8**
Recycled waste (tons)[2]	61,460	74,781	94,272
Recycled waste (%)	**40.4**	**43.2**	**49.2**

1 The indicator "non-recycled waste" refers to the volume of waste that is directed to landfill and incineration.

2 The indicator "recycled waste" refers to the volume of waste that is diverted from disposal due to recycling.

CIRCULAR ECONOMY[1]

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 301-1 | GRI 301-2

Circularity principles are becoming increasingly compelling due to higher awareness and shifting demand toward more sustainable solutions among customers in construction and transportation markets. Sika's initiatives help the development of a circular economy in its industry. These include partnering with downstream customers, universities, and startups to co-design and implement products. Collaboration projects are essential because deep circularity interventions rely on access to cost-effective sustainable energy and renewable/recyclable feedstock with appropriate specifications. Sika has started to seek performance enhancements by using recycled materials and alternative non-fossil-based raw materials. One example is the development of mortars formulated with recycled fillers or residues that come from other industries.

Moreover, Sustainability Portfolio Management (SPM) defines how Sika structures the innovation of products that combine performance and sustainability benefits. The sustainability evaluation carried out in accordance with SPM is a comprehensive evaluation of the product profile along the 12 most relevant Sustainability Categories for Sika and its stakeholders, following a 360° perspective beyond current regulations. "Resources & Circularity" is one of the 12 Sustainability Categories, against which new product developments are systematically evaluated. For more information on Sika's SPM concept, please see the "Product Portfolio" section on p.141 of the Sustainability Report 2024.

MATERIALS USED BY WEIGHT OR VOLUME

Sika strives to constantly increase efficiency in the use of input materials. R&D is governed by the principles of sustainable development and enhanced customer utility, such as the demand for resource-saving construction methods, energy-efficient construction materials, or lighter and safer vehicles.

With the deployment of the SPM methodology, product development projects are geared toward a higher inherent sustainability profile in raw material sourcing, consumption, production, marketing, use phase, and end-of-life treatment. Through its sustainable solutions, the company strives to reduce the resource consumption in downstream industries, such as in construction or industrial manufacturing, where Sika solutions enable customers to increase the use of recycled input materials.

Three-quarters of all materials used in production[2] are minerals, such as inorganic fillers and cement. The remaining volume of materials – e.g., for adhesives, resin products, roofing and waterproofing membranes, polymer concrete admixtures, or parts for the automotive industry – are based on crude oil derivatives (downstream products) or require fossil fuels for conversion.

The company uses a small amount of renewable raw materials from plant-based sources. The expanded use of renewable raw materials going forward depends on availability, economic viability, quality, and limitations in the use in formulations compared to non-renewable feedstock. However, through R&D, the company is constantly exploring ways to use non-petroleum-derived materials for Sika products. For more information on Sika's raw material procurement, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

In 2024, Sika used 14.4 million tons of input materials, an increase of +10,8% compared to 2023, in line with increased sales. For the year under review, 1.7% of total input materials used in production were recycled materials, a decrease by –0.2 percentage points compared to 2023. In 2024, over 400 ktons of Supplementary Cementitious Materials (SCM) were used such as fly ash or slag.

1 Acquisitions that occurred in 2023 and 2024 did not lead to a restatement of 2022 indicators disclosed in this section.
2 Based on quantities.

INPUT MATERIALS USED

	2022	2023	2024
Volume of input materials used (millions of tons)[1]	11.9	13.0	14.4
Thereof recycled input materials (%)	3.2	1.9	1.7

1 Excluding water, packaging, and semi-finished products (raw materials already processed by Sika through a first production/assembly process).

For many other secondary materials, such as packaging or solvents, local Sika companies use circular systems or rely on the recycling systems in place in their respective countries.

PACKAGING MATERIALS

Sika has started to seek sustainability performance enhancement in its approach to packaging. Its products are mainly delivered in the following types of primary packaging:

- Plastic is mainly used for water-based products like mortars and concrete products, flooring, and adhesives.
- Tinplate and steel are mainly used in solvent-based and multicomponent products like adhesives, flooring, and coatings.
- Aluminum is used for sealants, adhesives, and pre-treatments.
- Paper packaging is used for cementitious and mortar products.

As part of Sika's net zero journey, using less carbon-intensive packaging materials, increasing the share of recycled packaging materials and reusable packaging solutions, and reducing the amount of packaging materials will be a strong focus in the future. For this reason, Sika is cooperating with various stakeholders (suppliers, distributors, customers, and universities) to develop packaging solutions with a lower environmental impact. For example, the following initiatives took place in 2024:

- Operations Technology developed internal guidelines for circularity in packaging, sharing conceptual information and best demonstrated practices from internal projects, research institutes, and external benchmarking.
- The packaging manufacturer Muhr & Söhne GmbH & Co. KG, Germany, and Sika were awarded the Worldstar Global Packaging Award under the category Packaging Materials and Components, among 435 participants in 41 countries. The award-winning concept, already rewarded in Germany in 2023, relies on a nearly 100% recyclable tinplate cartridge made from certified recycled steel, which contributes significantly to circularity and CO_2 reduction. Sika uses tinplate made of certified recycled steel with an increased proportion of scrap in the balance sheet for tinplate containers in Austria, Germany, Portugal, Canada and the USA.
- At supplier level, in 2024, Sika rolled out another Sustainable Packaging Challenge initiative in Asia/Pacific, following the successful launch of this initiative in other regions. The goal is to engage with current and potential new suppliers to seek innovative sustainability performance enhancement in packaging. For more information on this initiative, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

ENVIRONMENTAL COMPLIANCE

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 2-27

Environmental compliance is a material topic for Sika operations across all regions. However, regulations related to the environment vary widely between regions and countries. Sika therefore delegates the responsibility for environmental compliance to the operating subsidiaries. Each site strictly adheres to the applicable legislation on environmental matters.

ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS

In 2024, among 739 Sika sites under ISO scope[1]:

- 45% were certified according to ISO 14001. The percentage of certified Sika locations has slightly increased due to the ongoing integration process of acquisitions, including MBCC sites.
- 4% were certified according to ISO 50001. The number of certified Sika sites is stagnating due to a change of focus.

ISO 14001 – ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

	2022	2023	2024
Sites certified ISO 14001 (No.)	297	313	331
Coverage of sites under ISO scope (%)	49	43	45

ISO 50001 – ENERGY MANAGEMENT SYSTEM CERTIFICATION

	2022	2023	2024
Sites certified ISO 50001 (No.)	27	27	32
Coverage of sites under ISO scope (%)	5	4	4

1 Considered under ISO scope are: headquarters, plants, warehouses, and technology centers. Sales offices, administrative offices, and training centers are excluded as these activities do not fall under the scope of respective ISO standards.

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Sika strives for full legal and regulatory compliance with all environmental regulations. It maintains a Corporate Management System (CMS) that applies to all locations and employees and fulfils the requirements of ISO 14001 and ISO 50001. Sika companies implement their local Sika Management Systems based on the CMS and local regulatory and legal requirements. Newly acquired companies are integrated under the CMS. The CMS is maintained by the corporate Quality and EHS function and deployed through a network of Quality and EHS professionals throughout the organizations. Both the CMS and local Sika Management Systems are audited by external parties as part of the ongoing ISO certification efforts. Internal audits and regular EHS reviews support the continuous improvement of the CMS and its implementation.

With the rollout of Sika's global incident management system and the implementation of the "Process Safety and Risk Management" program, Sika reported more incidents[1] in 2024 as compared to 2023. These incidents refer to spills, small process safety incidents, process safety incidents, or notifications to authorities. Process safety events and spills were contained locally without causing any environmental damage. For more information on the Process Safety and Risk Management program, please see the "Health and Safety" section on p.91 of the Sustainability Report 2024. Regarding the involuntary violation of the Law n. 20.283/08 on Native Forest Recovery and Forest Promotion reported by Sika Chile in 2023, the reforestation plan was approved by the National Forestry Corporation (CONAF) in December 2024, and implementation is set to begin in 2025.

INCIDENTS

in numbers	2022	2023[1]	2024
Incidents	5	12	30

1 2023 figures have been restated due to two additional notifications about spills reported by the authorities in Uruguay in 2024 and 2025. Both cases were resolved with the payment of a fine.

1 An incident is considered when reported to authorities, having media coverage, or creating a cost above CHF 2,000.

SOCIAL
SUMMARY & HIGHLIGHTS

AMBITION

Sika aspires to create an attractive, inclusive, and safe work environment where people can grow and unlock their full potential while building relationships with suppliers, customers, and communities. The ambition is to be the employer of choice, fostering high commitment and engagingement.

APPROACH

The goal is to shape a positive employee experience and encourage everyone to live the Sika Spirit by fostering effective leadership and the corporate culture. Sika is dedicated to building strong relationships with suppliers, customers, and communities through sustainable practices, and the development of innovative solutions.

HIGHLIGHTS

Employee engagement
In 2024, Sika launched its second global engagement survey to all employees worldwide, with an engagement score of 86/100.

Supplier assessments
In 2024, under the TfS framework, 1,481 suppliers were assessed by EcoVadis, reinforcing Sika's commitment to responsible sourcing, enhancing supply chain transparency, and cultivating long-term ethical partnerships.

EMPLOYEES

Change vs. 2023

34,476 +2.8%

LOST TIME ACCIDENTS

per 1,000 FTEs

Change vs. 2023

3.4 –36.6%

TIER 1 SUPPLIER AUDITS

218

OWN WORKFORCE
HEALTH AND SAFETY

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 2-27	GRI 3-3	GRI 403-1	GRI 403-2	GRI 403-3	GRI 403-4
GRI 403-5	GRI 403-6	GRI 403-7	GRI 403-9	GRI 403-10	

In 2024, Sika continued to focus on increasing awareness on health and safety across the company via a dedicated communications campaign and continuation of the key initiatives launched in 2022 (e.g., Start with Safety, Visual Performance, Safety Walks, and EHS tool deployment). Building on this foundation, the company continued to improve its occupational health and safety programs with further attention given to safe conduct, employee participation in safety programs, and a focus on prevention. Two key initiatives have been implemented in 2024 – the EHS Audit program, and the Process Safety and Risk Management program.

COMMITMENT

As part of the Sika Strategy 2028 Sika's commitment to health and safety has been further elevated. The company commits to creating a workplace where safety is a value embedded in every action, decision, and interaction. Sika's vision is a future where every employee, contractor, and stakeholder returns home safely, every day. Through innovation, education, and collaboration, Sika aspires to eliminate all accidents, prioritize the well-being of the workforce, and set an industry-leading benchmark for safety excellence.

GOALS AND TARGETS

Sika has set strategic targets for health and safety as part of Strategy 2028 in line with the safety commitment and vision. These go beyond lost time accidents and fatalities to include a significant reduction in recordable injuries and a measurable improvement in the company safety culture. Sika has targeted a significant improvement in the company safety culture on the dss+ Bradley Curve™ as measured by the dss+ Safety Perception Survey™, moving from the 2023 baseline assessment of "dependent" to "interdependent" by 2028. In 2024, two questions on safety were included in the global employee engagement survey. 89% of the employees consider that Sika is committed to providing a safe workplace and 91% that workplace safety is a high priority in the work environment. For more information on the global employee engagement survey, please see the "Labor Management" section on p.104 of the Sustainability Report 2024. The full dss+ Safety Perception Survey™ will be conducted again in 2025.

RESPONSIBILITIES

General Managers bear full responsibility for the implementation of labor practices and safe working conditions in Sika's local operations. They report to area and regional management, who oversee the development of regional strategic plans and targets in accordance with the Group strategy. At local level, all General Managers, Operations Managers, and line managers are responsible for meeting Sika's occupational health and safety targets and for setting local targets accordingly. Since 2023, the compensation scheme of Group Management and Sika Senior Managers has been linked to the safety performance of the company. For more information, please see the "Sustainability at Sika" chapter, on p.44 of the Sustainability Report 2024.

THE SIKA VISION ZERO PROGRAM

At Group level, the four key initiatives implemented in 2022 as part of a systematic approach for improving EHS performance continued in 2024 and have become the foundations of the Sika Vision Zero Program:

- "Start with Safety": Behavior at all management levels throughout the company is crucial. Managers demonstrate that safety is a core value for Sika by role-modeling it. This leadership behavior is known to be a key factor in establishing a strong safety culture. Since January 2023, each Group Management meeting starts with a review of safety performance, lost time and serious event lessons learned, and an update on the safety program.
- "Safety Walks" to the shop floor that aim to proactively change unsafe behaviors and conditions. Such visits are organized at local level, and involve on-site teams (production, R&D, EHS, or administration) to immediately implement changes and improvements. This routine strengthens the safety leadership and management commitment on safety.
- "Manage Visual Safety Performance" through setting up visible EHS corners to display safety performance, news, best demonstrated practices, etc., and using them as meeting points where employees can talk about safety.

– "Report EHS events": Fully operational since January 2023, the Global Incident Management tool enables employees to report incidents, near misses, and safety observations, supporting investigations and corrective actions. In 2024, in addition to accidents and injuries, more than 2,000 near misses (+55% vs. 2023) and more than 32,000 hazard observations (+126% vs. 2023) have been reported in the Global Incident Management tool, highlighting substantial progress in proactive reporting and safety culture. These figures underline enhanced data collection and analysis capabilities, contributing to a stronger preventive approach.

To further strengthen safety awareness and improve EHS performance, four new initiatives have been rolled out in 2024 in line with Strategy 2028:

– "Training and competence" to ensure that employees are well trained and have the necessary skills to perform their tasks safely. As examples, the set of EHS minimum requirements has been translated into more languages and Global EHS has developed a template for regional and local teams to support the safety induction of new employees.
– "Root cause, data analysis, and intervention" with continuous learning when accidents or near misses occur, through investigations and effective actions, all documented in the Global Incident Management tool.
– "Process Safety and Risk Management" through regular performance of risk assessments to identify hazards and the implementation of controls and preventive measures.
– Regular EHS audits to ensure that procedures are in place, being followed, and to share best demonstrated practices.

In addition, on a regional level, the following activities took place during 2024:

– Five regional Safety Summits involving Regional Managers, Regional EHS Managers, General Managers, and Local EHS Managers were organized to raise awareness and generate specific action plans for improvement at regional and country level.
– Behavior-Based Safety (BBS) programs led by regional and local EHS Managers continued in each region to further develop safety awareness in the workplace.
– Several communication initiatives were continued to strengthen Sika's safety message and awareness through the company. A new Global Safety Campaign was rolled out across the regions with new visuals and the message "Safety starts with you", and four global "Safety@Sika" newsletters were published. These included key messages from the CEO and EHS management, the most recent safety performance results, as well as updates on global safety programs, best practices, and leadership and employee testimonials on safety.

EHS AUDIT PROGRAM

Sika is committed to fostering a culture where safety is prioritized in every action, decision, and interaction. The EHS Audit program, launched in January 2024, is a cornerstone of this commitment, strengthening safety practices across the company. Through a comprehensive approach, Sika ensures compliance with global standards and local regulations and promotes best practices. In 2024, 54 audits were conducted globally, focusing on organization, product safety, occupational health and safety, process safety, and environmental and energy management. A dedicated global EHS auditor team, comprising lead and co-auditors in each region, oversees the audit process. Detailed audit reports are generated, outlining the site's performance across the various topics and providing specific recommendations. These reports are shared with Group Management for information and with regional and local teams for action and follow-up. The overall progress and outcomes of the program, including the tracking of open actions, are reviewed during each Group Management meeting.

PROCESS SAFETY AND RISK MANAGEMENT

In 2024, Sika has leveraged the experience and expertise from the 2023 acquisition of MBCC and deployed a "Process Safety and Risk Management" program. This program consists of designing, operating, and maintaining facilities in a manner that prevents and controls catastrophic events which could endanger lives, assets, and natural resources. This is complementary to occupational health and safety, which focuses on preventing and reducing injuries and illnesses to individual workers due to hazards in their work environment, such as falls, slips, trips, ergonomic issues, or exposure to noise, dust, or radiation. "Process Safety" deals with events that have the potential to cause large-scale and severe consequences, such as multiple fatalities, environmental damage, or economic losses. A dedicated role has been put in place within the Global EHS team, with regional positions staffed throughout the year. Specific process safety minimum requirements have been established. During the year, teams have been trained via workshops organized across the three regions to combine learnings and diagnosis on sites.

OCCUPATIONAL HEALTH AND SAFETY AND QUALITY MANAGEMENT SYSTEM

Sika maintains a Corporate Management System (CMS) which applies to all Sika locations and employees, and fulfils the requirements of ISO 45001 "Occupational Health and Safety Management System" and ISO 9001 "Quality Management System". Local Sika companies implement their own Sika Management Systems based on the CMS, and local regulatory and legal requirements. Newly acquired companies are integrated under the CMS as part of the integration approach. The CMS is maintained by the corporate EHSQ function and deployed through a network of quality and EHS professionals throughout the regional and country organizations. Both the corporate and local management systems are audited by external parties as part of the ongoing ISO certification program. Internal audits and monthly reviews of health and safety performance support the continuous improvement of the management system and its implementation. In 2024, among 739 Sika locations under ISO scope[1]:

- 31% were certified according to ISO 45001. The percentage of certified Sika locations slightly increased in line with the greater focus on global safety initiatives.
- 55% were certified according to ISO 9001. The percentage of certified Sika locations slightly decreased, due to the ongoing integration process of acquisitions, including ex-MBCC sites.

ISO 45001 – OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION

	2022	2023	2024
Sites certified ISO 45001 (No.)	196	206	230
Coverage of sites under ISO scope (%)	33	28	31

ISO 9001 – QUALITY MANAGEMENT SYSTEM CERTIFICATION

	2022	2023	2024
Sites certified ISO 9001 (No.)	361	422	405
Coverage of sites under ISO scope (%)	60	58	55

NON-COMPLIANCE WITH HEALTH AND SAFETY LAWS AND REGULATIONS

Sika is committed to mitigating any potential negative impacts with regard to its health and safety management system. This includes all major non-compliance cases that have been detected by third parties. In 2024, Sika had one case in Sika Corporation (USA) – Gastonia – related to a 2023 incident, involving loss of containment and material exposure, which resulted in employees being hospitalized. Sika has worked together with local authorities to address all findings and implement the necessary improvements.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

Sika considers hazard identification to be the basis of safe work, and applies the STOP principle (Substitution, Technical measures, Organizational measures, Personal protective measures) to all risk and incident investigations. Sika companies are required to regularly assess hazards and analyze risks within their premises, and operations, and to define corrective and preventive measures accordingly. Each site conducts adequate risk assessments within the workplace. These are led by EHS professionals and serve to give a comprehensive and valid judgment regarding the protection level of occupational health and safety. Risk analyses are reviewed when new information becomes available, e.g., new legal requirements, changes to systems, equipment, raw material, incidents, accidents, near misses, etc.

It is the responsibility of all employees to ensure that accidents or incidents, as well as near misses, are promptly reported to line management to ensure timely investigation and corrective action. All incidents that happen within Sika entities and premises involving Sika employees or temporary employees, as well as contractors and visitors, are included in the scope. Additionally, incidents involving Sika employees working off-premises, e.g., customer sites, construction sites, business travel, are in scope. Incidents with high or potentially high severity (including all accidents resulting in lost time) must be reported within 24 hours through a central notification system. Investigation and root cause analysis are significant drivers of continuous improvement in Sika health and safety performance. Each incident is investigated, a root cause analysis performed, and lessons learned are shared across the organization for assessment at other locations and implementation of risk mitigation measures. Since January 2023, this process has been fully supported by the Global EHS Incident Management tool. The latter enables all employees to report, manage, analyze, and share EHS observations, near misses, and incidents.

1 Considered under ISO scope are headquarters, plants, warehouses, and technology centers. Sales offices, administrative offices, and training centers are excluded as these activities do not fall under the scope of respective ISO standards.

EMPLOYEE AND CONTRACTOR TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety training is organized at various levels within the company for Sika employees and external workers:

- At Group level, 13 e-learning modules are in place. They cover the "Sika Life Saving Rules" and the 12 "Sika EHS minimum requirements". All employees are required to complete the "Sika Life-Saving Rules", "General Site Rules", "Personal Protective Equipment", and "Rules for Visitors" training. The remaining e-learnings are elective based on the activity of the employee and are included in local curricula. New e-learnings covering process safety topics and updates to existing modules have been developed during the second half of 2024. They will be launched for issue in early 2025.
- At local level, new employees receive safety induction training, embedded in the introductory program, which covers safety policies, guidelines, and procedures. Regular refresher training on health and safety is also performed. In addition to the mandatory health and safety induction training sessions, local management teams are responsible for setting up and deploying specific additional health and safety training. Each country develops a program to ensure employees are trained to these standards and the adherence to local regulations. Temporary staff also fall under these requirements.
- For contract workers, both the contracted party and Sika must be fully aware of and prepared for potential hazards. Contractors must demonstrate a clear understanding of the task being performed and have a system to identify and control the risks. Training needs assessment, content, and effectiveness are completed at local level under EHS Managers', HR, and General Managers' responsibilities. The same safety rules apply to contractors as for employees and temporary staff.

OCCUPATIONAL HEALTH SERVICES AND WORKERS' HEALTH PROMOTION

The provision of occupational health services is the responsibility of local management teams in accordance with the Sika-internal Safety Manual and Sika "Life-Saving Rules", which might differ depending on local regulations and healthcare systems, for example:

- In Canada, a telehealth program allows employees to access medical services remotely, alongside first-aid training, emergency procedures, and Employee Assistance Programs (EAPs) for workers and their families. The EAP is a benefit program funded by Sika, which offers confidential services to help employees and their eligible family members address work, health, or life concerns.
- In Latin America, countries including Brazil, Argentina, Mexico, Guatemala, and Ecuador have on-site doctors for consultations and occupational risk assessments. Colombia, Chile, and Uruguay provide access to preventive technicians and operational third-party doctors paid by Sika.
- In the USA, sites comply with OSHA 1910.151 FIRST AID and use emergency plans to choose between on-site first-aid responders or external emergency services. Many sites also rely on third-party Emergency Medical Technicians (EMTs) for timely first-aid responses. On-site responders must keep their certifications in CPR[1], First Aid, AED[2], and Blood Borne Pathogens.
- In Asia/Pacific, the EHS team launched a regional "Fit for Duty" program including communication tools such as posters; local entities developed and implemented a "Fitness for Duty" policy accordingly.
- In EMEA, a team of first aiders is available on-site to all employees to answer questions on occupational safety and first-aid measures in emergency situations. They are the first contact for any health-related incident.

All local companies are responsible for promoting employee health beyond the workplace and for facilitating access to non-occupational medical and healthcare services, depending on the local context and according to local regulations. Sika promotes employee health globally via different channels, such as health campaigns, financial support for participating in sports events, dedicated sessions delivered by mental health professionals, lectures on stress release techniques, and first-aid training. For instance:

- In many countries (e.g., Brazil, Germany, Switzerland), HR departments conduct an annual flu vaccination campaign for employees and their families.
- In several Middle Eastern countries, as part of a comprehensive health insurance, Sika offers access to a program called "Health on Track". This program gives employees the possibility to consult with a psychologist or listen to podcasts that address various mental health issues.
- In Latin America and EMEA, several initiatives promote health services and workers' health, such as health communication campaigns (high blood pressure, heart care, breast and prostate cancer, use of prescription glasses, etc.), warm-up sessions to start the day with active breaks and exercises for body posture to improve ergonomics and healthy nutrition in canteens and for meeting catering.
- In the UK, an anonymous mental health hotline is available to all employees.
- In Singapore, flexible benefits programs promote employee wellbeing.

1 Cardiopulmonary resuscitation
2 Automated external defibrillator

EMPLOYEE PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

In addition to the Safety Campaign and the regular Safety Perception Survey, Sika ensures that employees can always have direct contact with superiors and management on occupational health and safety issues. This allows employees to raise their concerns to improve health and safety at work. All local entities are responsible for organizing formal joint management–worker health and safety meetings on a regular basis to address key EHS topics, such as identifying workplace hazards, reviewing incidents and near misses, implementing corrective actions, and discussing safety improvement initiatives. In addition, all employees are encouraged to raise safety observations via the Global Incident Management tool.

At regional and country levels, several initiatives have been rolled out in 2024, for example:

- In several countries, including China, France, Malaysia, and Argentina, an annual "Safety Day" is organized at the initiative of local management to enhance safety awareness among teams.
- In the USA, the Operations Leadership team and Cluster Communities of Practice hold monthly meetings to review incidents, performance, and EHS objectives. Investigations are conducted in the Global Incident Management tool with input from supervisors, EHS representatives, and stakeholders.
- In Canada, safety is addressed in monthly Joint Health and Safety Committee (JHSC) meetings and biweekly safety lead sessions. Incident updates are shared through TV screens, and EHS floor visits encourage one-on-one engagement.
- In Latin America, several incentive programs motivate employees to speak up, sharing results and fostering transparency, during daily business activities, monthly EHS meetings, and quarterly town halls.
- In Asia/Pacific, EHS corners and visual performance management boards are installed in all factories to communicate regular information on safety issues and EHS-related updates. These corners also invite employees to provide input and suggestions for EHS improvements and protection measures. Non-managerial representatives are invited to contribute to the local EHS Committee. In May 2024, a commuting safety program was started in the region to promote safe commuting practices.
- In EMEA, employees participate in the preventive program as event reporters and report on near misses and observations. As part of the personal commitment, everyone is asked to report at least one hazard observation per year. Additionally, through hazard hunting groups, employees and managers conduct safety walks together as part of the Safety Leadership program. In alignment with the four EMEA Safety Pillars, all employees and management teams have implemented key safety initiatives, including "5 Minutes for Safety", "Safety Walks by Management", "Visualization of Incident Numbers and Celebrating Success", and "Reporting Unsafe Situations, Behaviors, and Near Misses through the Global Incident Management tool".

EMPLOYEE WORK-RELATED INJURIES

No work-related fatalities of Sika employees occurred during 2024. For each serious incident or accident with lost time, a root cause investigation was conducted, and corrective and preventive actions defined. An internal report summarizing circumstances, causes, and lessons learned was circulated across the Group for follow-up and action to prevent similar events. In 2024, the number of lost time accidents decreased by 30.9% versus 2023, leading to a lower Lost Time Injury rate per 1,000 FTE of 3.4, (–36.6% vs. 2023). The number of recordable work-related accidents also fell from 337 to 295, with the corresponding rate falling from 10.0/1,000 FTE to 8.1/1,000 FTE. Analysis of accidents showed that the majority were related to slips, trips, falls, and manual handling, with the most prevalent injuries being sprains and strains, cuts, and fractures. In addition to accidents, Sika also captures all near misses and encourages the reporting of safety hazard observations for action and follow-up.

WORK-RELATED INCIDENTS OF SIKA EMPLOYEES[1]

	2022	2023[2]	2024
Fatalities (No.)	0	1	0
Lost Time Accidents (No.)[3]	209	181	125
Days lost due to Lost Time Accidents (No.)	5,716	4,875	4,437
Average days lost per Lost Time Accident (No.)	27.3	26.9	35.5
LTAs per 1,000 FTEs (Rate)	7.1	5.4	3.4
LTIFR per 1,000,000 hours (Rate)[4]	3.52	2.64	1.71
Recordable work-related accidents (No.)	361	337	295
Recordable work-related accidents per 1,000 FTEs (Rate)	12.2	10.0	8.1
Recordable work-related accidents per 1,000,000 hours (Rate)	6.08	4.91	4.03
Work-related ill health (No.)	12	22	11
Work-related ill health per 1,000,000 hours (Rate)	0.20	0.32	0.15

1 Apprentices and interns are excluded from FTEs and worked hours used for the calculation of LTAs per 1,000 FTEs, LTIFR, recordable work-related accidents rates, and work-related ill health rates.

2 2023 figures related to LTA and recordable work-related accidents of Sika employees have been revised upwards to take account of the incorrect classification of two incidents identified after publication (one LTA, one injury with impact beyond first aid).

3 Lost Time Accident is an accident which results in one or more lost days, not including the day of the accident.

4 Lost Time Injury Frequency Rate.

WORK-RELATED INCIDENTS OF CONTRACTORS

in numbers	2022	2023	2024
Fatalities	0	0	1
Lost Time Accidents	27	19	13

Sika places equal importance on the health, safety, and well-being of contractors as on Sika employees. In December 2024, a delivery driver was fatally injured while preparing to unload pressurized material in Saudi Arabia. The investigation into this tragic event is ongoing. Preventive actions will be defined and shared across the company upon its conclusion. The number of contractor lost time injuries decreased by 31.6% versus 2023. Implementation of Group-wide minimum requirements for on-site contractors' management continued to contribute to this improvement.

OCCUPATIONAL ILLNESSES

In 2024, 11 work-related ill health cases were reported for Sika employees, a decrease by 11 cases compared to 2023 (–50.0%), as reflected in the work-related ill health rate development. The most common causes were related to musculoskeletal disorders (50%), with a high proportion of cases occurring in Mexico, where a high level of manual handling led to occupational illnesses. In all cases, employees were supported by local HR and EHS functions.

CUSTOMER HEALTH AND SAFETY

Customer health and safety is crucial for Sika and is factored into product development processes (formulation work, system design, etc.) where product characteristics are determined. Moreover, Sika ensures that its customers are fully aware of handling requirements so that they can work safely. For this reason, customers and product users can attend application training sessions to learn the proper use of the products. For more information on how Sika guarantees customer health and safety through product safety, please see the "Product Safety, Quality, and Reliability" section on p.71 of the Sustainability Report 2024.

LABOR MANAGEMENT

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 2-7 | GRI 2-8 | GRI 2-30 | GRI 3-3 | GRI 401-1 | GRI 401-2 | GRI 402-1 | GRI 405-2

Sika's success is only possible with committed employees, who have the necessary specialist knowledge and share a common purpose. Each day, more than 34,000 employees worldwide are highly dedicated to working for the company. Sika's commitments reflect the following priorities and goals: Empowerment and Respect; Sustainability and Integrity; Development and Training.

WORKFORCE CHARACTERISTICS

The number of employees increased by +2.8% during the year under review to 34,476 (previous year: 33,547). Female employees in the Group account for 24.8% of the total workforce (previous year: 24.3%). Together, the workforce generated a net added value of CHF 3,954 million in 2024 (previous year: CHF 3,357 million). This corresponds to an annual average net added value per employee of CHF 116,000 (previous year: CHF 116,000). In 2024, the Americas region saw the highest increase in number of employees (+8.1% compared to the previous year), driven by the acquisitions of Kwik Bond Polymers (USA), Vinaldom (Dominican Republic), and Chema (Peru).

TOTAL NUMBER OF EMPLOYEES AND BREAKDOWN PER REGION

in numbers	2022	2023	2024
EMEA	12,177	15,307	15,380
Americas	7,394	8,825	9,538
Asia/Pacific	7,423	8,636	8,724
Corporate Services	714	779	834
Group	**27,708**	**33,547**	**34,476**

The age structure at Sika is as follows: 12.2% of employees are under 30 years old (previous year: 11.9%), 61.8% are between 30–50 years old (previous year: 62.1%), and 26.0% are over 50 years old, which remains unchanged from the previous year. To attract, engage, and promote more women, the company provides numerous trainee programs (e.g., Women in Sales initiative) that cater to the needs of young women and support their professional development.

To increase the number of employees under 30 years old, Sika's employer branding strategy positions the company as the employer of choice for the next generations. As a project sponsor of several universities, Sika engages in a lively dialog with young talents and offers a wide range of internship and traineeship opportunities for a variety of different academic backgrounds, including chemistry, business studies, industrial engineering, chemical engineering, civil engineering, architecture, and material sciences. Trainee programs offer valuable opportunities for young women to advance in their careers and should contribute to a higher share of women in the company and senior management over time. For more information on Sika's approach to diversity, please see the "Diversity and Inclusion" section on p.105 of the Sustainability Report 2024.

BREAKDOWN OF EMPLOYEES PER AGE AND PER GENDER

	2022		2023		2024	
	Employees (No.)	Employees (%)	Employees (No.)	Employees (%)	Employees (No.)	Employees (%)
<30 years	**3,534**	**12.8**	**3,991**	**11.9**	**4,201**	**12.2**
Female	1,128	31.9	1,309	32.8	1,388	33.0
Male	2,406	68.1	2,682	67.2	2,813	67.0
30–50 years	**17,176**	**62.0**	**20,831**	**62.1**	**21,321**	**61.8**
Female	4,218	24.6	5,194	24.9	5,411	25.4
Male	12,958	75.4	15,637	75.1	15,910	74.6
>50 years	**6,998**	**25.2**	**8,725**	**26.0**	**8,954**	**26.0**
Female	1,305	18.6	1,635	18.7	1,750	19.5
Male	5,693	81.4	7,090	81.3	7,204	80.5

Sika is committed to offering long-term prospects to its employees within the company and supports internal promotions. 88.6% of employees (89.1% of men and 87.1% of women) have permanent employment contracts (previous year: 89.5%), ensuring that the workforce has the stability and security it needs to thrive. 41.8% of apprentices and interns are women, which is higher than the average percentage of women at Sika and is providing opportunities for women to gain valuable experience and training through apprenticeship programs.

BREAKDOWN OF EMPLOYEES PER CONTRACT TYPE AND PER GENDER

	2022		2023		2024	
	Employees (No.)	Employees (%)	Employees (No.)	Employees (%)	Employees (No.)	Employees (%)
Permanent	**24,552**	**88.6**	**30,016**	**89.5**	**30,536**	**88.6**
Female	5,770	23.5	7,164	23.9	7,448	24.4
Male	18,782	76.5	22,852	76.1	23,088	75.6
Temporary	**2,943**	**10.6**	**3,209**	**9.6**	**3,526**	**10.2**
Female	789	26.8	845	26.3	928	26.3
Male	2,154	73.2	2,364	73.7	2,598	73.7
Apprenticeship/internship	**213**	**0.8**	**322**	**0.9**	**414**	**1.2**
Female	92	43.2	129	40.1	173	41.8
Male	121	56.8	193	59.9	241	58.2

The percentage of temporary workers in the Asia/Pacific region is higher due to higher rates in China, where the use of temporary contracts is a strategic approach to navigate the complexities of local labor practices, balancing workforce needs with operational requirements, always in compliance with local legal requirements.

BREAKDOWN OF EMPLOYEES PER CONTRACT TYPE AND PER REGION IN 2024

in numbers	Permanent	Temporary	Apprenticeship/ internship
EMEA	14,569	506	305
Americas	8,986	478	74
Asia/Pacific	6,210	2,513	1
Corporate Services	771	29	34
Group	**30,536**	**3,526**	**414**

DISTRIBUTION OF EMPLOYEES PER CONTRACT TYPE AND PER REGION

	2022			2023			2024		
in %	Permanent	Temporary	Apprenticehip/ internship	Permanent	Temporary	Apprenticehip/ internship	Permanent	Temporary	Apprenticehip/ internship
EMEA	95.3	3.2	1.5	94.8	3.4	1.8	94.7	3.3	2.0
Americas	97.9	2.0	0.1	98.2	1.7	0.1	94.2	5.0	0.8
Asia/Pacific	67.9	32.1	0.0	70.9	29.1	0.0	71.2	28.8	0.0
Corporate Services	93.1	2.7	4.2	92.3	3.1	4.6	92.4	3.5	4.1
Group	**88.6**	**10.6**	**0.8**	**89.5**	**9.6**	**0.9**	**88.6**	**10.2**	**1.2**

EXTERNAL TEMPORARY WORKERS

Sika is committed to limiting the use of external temporary workers to specialized, non-core activities, during peak times, or to an acceptable maximum percentage only, in accordance with applicable national labor laws. Where external temporary working arrangements are used, Sika takes adequate measures to reduce possible negative effects of such arrangements.

External temporary workers engaged through employment agencies and service providers, accounted for 9.0% of Sika's total workforce by the end of the year (previous year: 9.1%)[1]. These external temporary workers are not Sika employees, but under contract with employment agencies/service providers. The number of external temporary workers varies depending on the seasonality of the business in the individual Sika companies. The work performed by these external temporary workers is mainly related to manufacturing, warehousing, and logistics. The number of external temporary workers fluctuated between 9.0% and 10.5% throughout 2024.

COLLECTIVE BARGAINING AGREEMENTS AND TRADE UNIONS

Sika operates in a variety of countries with both small and large subsidiaries. In many of the smaller companies, the number of employees is low and no collective bargaining agreements exist. However, in many big countries, e.g., USA, Germany, France, etc., collective bargaining agreements for workers are the rule, and most workers at these locations are covered. In 2024, approximately 45% of the total workforce was covered either by trade unions or work councils (2023: 37%), while roughly 40% (2023: 36%) of the total workforce was bound by collective bargaining agreements.[2]

EXPERIENCING GROWTH OPPORTUNITIES ALL AROUND THE WORLD

Sika is growing fast and can offer employees adaptable career paths. With its flexible and nurturing culture, the company offers a vast array of individual career opportunities. Sika thus encourages employees to enrich their experiences and accelerate their growth through working abroad for other Sika companies, offering international career opportunities. Internal candidates are given preference for job openings. Sika is proud to employ individuals who remain with the company for a long time and contribute with their knowledge and experience over several years. The company has fully embraced digital communications channels to connect with younger generations and enhance its reputation as a top employer. Sika recognizes the importance of exploring the potential of new technologies and embracing them together with the workforce. Through digital enablement, Sika encourages the strategic use of technology and digital tools, empowering employees and teams to work more efficiently, effectively, and innovatively. Sika also invests in upskilling and reskilling of long-term employees to improve their knowledge and ensure their continuous employability.

ENHANCED REPORTING PROCESSES

The HR organization has made further improvements in its reporting capabilities to generate meaningful insights that will allow Sika to attract, engage, retain, and promote employees. The dashboards are continuously updated to reflect the most relevant Key Performance Indicators to the business and help drive the strategic agenda. Current dashboards include analysis on headcount development, fluctuation, age, and gender distribution. To give some examples, the analysis on gender reveals areas where there may be under-representation of certain groups, highlighting the need for targeted recruitment efforts to increase diversity. A deep dive on voluntary fluctuation, a newly introduced dashboard in 2024, may reveal differences in certain gender or age groups, allowing for more targeted retention efforts to maintain a balanced workforce. Another new dashboard launched in 2024 reflects the Performance Debrief Dialogue (PDD). It helps managers to monitor the status of employee performance reviews, track employee development activities, and supports informed performance and development planning.

An enhanced HR questionnaire[3] was launched in 2024 to further increase transparency at Group level on key social topics related to Sika's workforce, such as local social protection systems, family-related leave of absence, and social dialog, among others, and complements Sika's global HRIS landscape. This additional reporting process will help Sika to align with the new disclosure requirements of the European Sustainability Reporting Standards (ESRS) and is a preparatory step for Sika's future Corporate Sustainability Reporting Directive (CSRD)-aligned reporting. For more information on the timeline related to CSRD compliance activities, please see the "Methodological Note" chapter on p.147 of the Sustainability Report 2024.

1 Based on FTEs.

2 Based on the data collected through the HR questionnaire.

3 The HR questionnaire was shared with HR Managers in all countries globally during Q4 2024 and covers all Sika entities with a minimum headcount of five employees as of September 2024. Consequently, Chema is excluded as its acquisition was closed in November 2024.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Sika monitors the turnover of employees, including newly hired ones, in real time using targeted dashboards. Corporate and local HR departments regularly analyze reports based on different dimensions such as "gender" and "age", and take action to ensure a balanced workforce.

GROUP RECRUITMENT RATE PER GENDER [1]

in %	2022	2023	2024
Recruitment rate	**15.1**	**13.3**	**14.1**
Female	18.9	16.0	15.5
Male	13.9	12.5	13.6

1 The recruitment rate is calculated as follows:
number of recruitments/((headcount at the beginning of the year + headcount at the end of the year)/2)

Sika hired 4,780 new employees in 2024 (4,083 in 2023). In addition to external recruitments, 619 employees joined Sika through acquisitions. 27.1% of new employees are women, which is lower than in 2023 (29.0%) but still above the current percentage of women in the workforce. The recruitment rate for the Group increased from 13.3% in 2023 to 14.1% in 2024. The female ratio decreased to 15.5% (16.0% in 2023) and the male ratio increased to 13.6% (12.5% in 2023).

While the recruitment rate remained stable in Americas and Asia/Pacific, Sika observed a slightly higher recruitment rate in EMEA in 2024. This is mainly due to an increased turnover rate in that region in 2024. For Corporate Services, the lower recruitment rate in 2024 vis-a-vis 2023 is driven by a higher average headcount in 2024, as opposed to 2023, following the MBCC acquisition and the integration of former MBCC corporate roles into Sika's corporate organization mid-year.

BREAKDOWN OF RECRUITMENT RATE PER REGION

in %	2022	2023	2024
EMEA	10.7	10.5	12.5
Americas	22.4	16.9	17.0
Asia/Pacific	15.3	13.8	13.7
Corporate Services	15.3	21.0	14.8

BREAKDOWN OF RECRUITMENTS PER REGION AND PER GENDER

	2022				2023				2024			
	Recruitments (No.)		Recruitment Rate (%)		Recruitments (No.)		Recruitment Rate (%)		Recruitments (No.)		Recruitment Rate (%)	
	F	M	F	M	F	M	F	M	F	M	F	M
EMEA	422	888	15.2	9.4	454	994	14.0	9.5	534	1,378	14.4	11.8
Americas	455	1,139	27.5	20.9	369	999	19.0	16.2	419	1,140	18.5	16.5
Asia/Pacific	292	834	16.2	15.0	293	817	15.1	13.4	278	912	13.4	13.8
Corporate Services	53	54	22.5	11.7	67	90	25.2	18.7	65	54	21.6	10.7
Group	**1,222**	**2,915**	**18.9**	**13.9**	**1,183**	**2,900**	**16.0**	**12.5**	**1,296**	**3,484**	**15.5**	**13.6**

In 2024, 39.0% of new hires were under the age of 30 (35.3% in 2023), 53.2% were between the ages of 30–50 (54.8% in 2023), and 7.7% were over the age of 50 (9.9% in 2023). Sika analyzes the recruitment rate per age category to ensure the achievement of its diversity targets, and a balanced recruitment of talents from all age categories.

BREAKDOWN OF RECRUITMENT RATE PER AGE CATEGORY[1]

	2023		2024	
	Recruitments (No.)	Recruitment Rate (%)	Recruitments (No.)	Recruitment Rate (%)
<30 years	1,438	38.2	1,866	45.6
30–50 years	2,236	11.8	2,544	12.1
>50 years	403	5.1	370	4.2

1 Since 2023, Sika added granularity to the reporting of recruitment related indicators. The breakdown of hirings is now available per age category from the global HR system which covers 98.2% of all employees in 2024.

INTERNAL PROMOTIONS

Sika invests in the development of its managers who demonstrate the leadership skills and competencies to drive superior performance. In 2024, Sika promoted 874 employees into higher management positions (previous year: 802), resulting in an internal promotion rate of 2.5% (previous year: 2.4%).

INTERNAL PROMOTIONS

	2022	2023	2024
Internal promotions to a higher management position (No.)	399	802	874
Internal promotions to a higher management position (%)	1.4	2.4	2.5

Regarding workforce turnover, Sika experienced a reduction in employee turnover from 13.5% to 13.1%, indicating an improvement in workforce retention, especially among female employees. The turnover rate for female employees was 12.7% (13.9% in 2023), while the turnover rate for male employees was 13.2% (13.3% in 2023).

Considering only the voluntary fluctuation rate, women were at 8.3% (previous year: 9.5%) and men at 7.7% (previous year: 8.1%). The overall voluntary fluctuation rate amounts to 7.9% (previous year: 8.5%). Despite the decreased fluctuation rates, Sika continues to emphasize the importance of people and culture topics in the organization and will continue to closely monitor the turnover rate at global and regional level as part of the Sustainability Performance Reporting to Group Management on a quarterly basis.

GROUP TURNOVER RATE PER GENDER

in %	2022	2023	2024
Employee turnover rate[1]	**13.6**	**13.5**	**13.1**
Female	14.3	13.9	12.7
Male	13.4	13.3	13.2
Employee voluntary turnover rate	**9.3**	**8.5**	**7.9**

1 The employee turnover rate considers all departures: natural fluctuations, voluntary leavers, and involuntary leavers. It is calculated as follows: all departures/((headcount at the beginning of the year + headcount at the end of the year)/2).
Natural fluctuations refer to retirement or death, for example.

The turnover rate in Asia/Pacific remained stable in 2024 (+0.1 percentage point compared to 2023). In the Americas, it decreased by 3.9 percentage points due to fewer employees leaving Sika and a higher average headcount driven by acquisitions. In EMEA, the turnover rate increased by 1.5 percentage points but remained at an acceptable level. This rise resulted from a combination of factors, including a slight increase in voluntary turnover, more natural fluctuations related to retirement, and departures associated with organizational changes, such as those in Germany following the integration of MBCC.

BREAKDOWN OF TURNOVER RATE PER REGION

in %	2022	2023	2024
EMEA	10.3	10.4	11.9
Americas	20.0	19.7	15.8
Asia/Pacific	13.5	12.5	12.6
Corporate Services	7.7	12.5	10.2

Sika's voluntary fluctuation for employees under the age of 30 is 20.0% (previous year: 19.1%) with 821 employees leaving in 2024. Although this is in line with current market trends, Sika continues to carry out several initiatives to reduce attrition among younger employees, such as:

- A global exit interview process to gather feedback from departing employees, identify areas of improvement, and develop retention strategies.
- A reinforced Performance Debrief Dialogue (PDD) process, which allows continuous feedback as well as development and skill enhancement opportunities for employees.
- Young Leadership programs are promoted to highlight growth opportunities at Sika.

BREAKDOWN OF VOLUNTARY TURNOVER RATE PER AGE CATEGORY[1]

	2023		2024	
	Voluntary Leavers (No.)	Voluntary Turnover Rate (%)	Voluntary Leavers (No.)	Voluntary Turnover Rate (%)
<30 years	718	19.1	821	20.0
30–50 years	1,554	8.2	1,522	7.2
>50 years	309	3.9	327	3.7

1 Since 2023, Sika added granularity to the reporting of turnover-related indicators. The breakdown of departures is now available per age category from the global HR system which covers 98.2% of all employees in 2024.

BREAKDOWN OF TURNOVER PER REGION AND PER GENDER

	2022				2023				2024			
	Leavers (No.)		Turnover Rate (%)		Leavers (No.)		Turnover Rate (%)		Leavers (No.)		Turnover Rate (%)	
	F	M	F	M	F	M	F	M	F	M	F	M
EMEA	323	937	11.7	9.9	371	1,063	11.4	10.1	454	1,379	12.3	11.8
Americas	303	1,115	18.3	20.5	375	1,222	19.3	19.8	329	1,122	14.5	16.2
Asia/Pacific	284	708	15.7	12.7	247	758	12.8	12.4	248	847	11.9	12.8
Corporate Services	18	36	7.6	7.8	38	55	14.3	11.4	29	53	9.7	10.5
Group	**928**	**2,796**	**14.3**	**13.4**	**1,031**	**3,098**	**13.9**	**13.3**	**1,060**	**3,401**	**12.7**	**13.2**

In 2024, the percentage of part-time employees slightly decreased to 2.8% (previous year: 3.1%). 8.0% of women and 1.1% of men were employed in a part-time position.

BREAKDOWN OF EMPLOYEES PER EMPLOYMENT TYPE AND PER GENDER

in numbers	2022	2023	2024
Full-time	**26,923**	**32,513**	**33,511**
Female	6,100	7,391	7,863
Male	20,823	25,122	25,648
Part-time	**785**	**1,034**	**965**
Female	551	747	686
Male	234	287	279

TEMPORARY OR PART-TIME EMPLOYEES' BENEFITS AGAINST FULL-TIME EMPLOYEES' BENEFITS

There are no intended differences between benefits provided to full-time employees and temporary or part-time employees, although differences in individual cases cannot be excluded.

FLEXIBLE WORKING HOURS AND HOME OFFICE

Sika's success stems from a collaborative work environment and personal relationships. Sika is a people company, and the Sika culture is to be nurtured and lived every day. This is especially fostered through face-to-face formal and informal exchanges on site. Sika allows flexible working arrangements (part-time and flextime) for a high percentage of the workforce, including work from home for suitable jobs in accordance with local labor law.

PARENTAL LEAVE

Local management teams in all countries worldwide enable Sika to act with flexibility and agility. The local legislation and cultural background on parental leave vary across the organization. Sika promotes a family-friendly job environment and is extending parental leave beyond local laws for most of its employees in many countries.

MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES

Sika commits to transparency, fairness, and strict compliance with local employment laws. Adhering to all applicable laws is the first principle stated in Sika's Code of Conduct, compliance with which has been confirmed by all General Managers by means of the 2024 ESG Confirmation. This includes compliance with legal minimum notice periods. Local notice period policies align with local legal requirements to ensure employees receive ample time to prepare for transitions and foster seamless handovers of responsibilities.

PAY EQUALITY

Sika is committed to pay equality and fairness in all countries the company operates in. The company supports regular internal analysis, where required by law, to ensure that employees are paid fairly and to address any potential pay gap.

To facilitate a systematic approach to evaluating pay equality, among other things, the company is continuing the roll-out of standardized job grades, which has been completed in the majority of countries in 2024; remaining ones will be finalized early 2025. This constitutes a prerequisite to enhance fairness, transparency, and gender equality. This approach ensures uniform job evaluation criteria, provides clear progression paths, and promotes pay equity.

Following local legislation, Sika has completed equal pay analyses in several countries. Examples are the UK (gender pay gap report), France (gender equality index), and Peru (law No. 30709 prohibiting remunerative discrimination between men and women). Furthermore, in preparation of the EU Pay Transparency Directive, Sika has performed a first pilot, in Italy, to validate pay equity between male and female employees. The regression analysis, supported by an external tool, was primarily based on employees' education and professional experience, among other criteria, and returned a <5% deviation between the pay of comparable groups of male and female employees.

ADHERENCE TO LOCAL MINIMUM WAGE AND RATIOS OF STANDARD ENTRY-LEVEL WAGES BY GENDER

Fair employment conditions strengthen Sika's reputation as an ethical company and its position as an employer of choice. All entities within Sika Group are required to provide employees with fair compensation in accordance with applicable local labor laws. HR Managers in all countries have confirmed in the 2024 HR questionnaire that local legal minimum wages, where applicable, are respected for all eligible employees.

The majority of countries where Sika operates have a legal minimum wage, with Sika mostly paying well above the legal minimum. Where no legal minimum wage exists, Sika does not differentiate by gender when it comes to standard entry-level wages. This has been confirmed by the respective HR Managers in the 2024 HR questionnaire.

EMPLOYEE ENGAGEMENT

2024 Global Employee Engagement Survey

EMPLOYEES: THE KEY TO SUCCESS

The outstanding engagement of Sika's employees and their strong identification with the company are key to success. Their great dedication and customer-focused work significantly contribute to the achievement of Sika's strategic targets. Sika's ambition is to create an attractive, inclusive, and safe work environment where people can grow and unlock their full potential. Employee engagement is seen as a key performance metric to measure the resilience and sustainability of an organization. It is highly engaged employees who drive Sika's business success, and it is Sika's strong corporate culture which is its most competitive advantage. Recognizing the importance of an engaged workforce, Sika set out employee engagement as Key Performance Indicator in its Strategy 2028, striving for an engagement score of above 80 index points as non-financial target.

GLOBAL ENGAGEMENT SURVEY

In 2024, Sika launched its second global engagement survey to all employees worldwide, including plant workers as well as employees who had recently joined Sika via acquisitions. The survey was hosted on an external platform and administered by an external provider to ensure upmost anonymity. It comprised close to 80 questions, including two open questions, and was available in 33 languages. An external benchmark, covering ca. 100 companies across all industries globally, was used to compare Sika's results to the market. The survey encompassed the following core topics related to employee engagement:

Clusters	Topics
Work	Job, work processes, safety, working time and work-life balance, working conditions, and new ways of work
Relations	My immediate superior, top management, collaboration across teams, teamwork
Growth	Customer orientation, learning culture, change, sustainability, strategic alignment
Structure and Framework	Recognition and remuneration, career development opportunities, company-wide communication
Diversity and Integrity	Diversity and inclusion, culture of belonging, compliance

With 28,260 employees participating, the employee survey received a global response rate of 86%, which is to be seen as a first sign of high employee commitment, dedication, and willingness to actively contribute to shaping the future of Sika throughout the organization. Furthermore, this high response rate ensures a very stable and reliable database for evaluating and analyzing employee engagement at Sika.

The employee survey returned a global engagement score of 86 index points, out of 100. This result is above the external benchmark and showcases Sika's strong corporate culture as one of its most competitive advantages. The company scored very well or well in all categories, excelling on safety awareness, teamwork, and leadership, according to employees' feedback. At the same time, employees report a strong sense of purpose and confidence in Sika's strategy. The result, which is a confirmation of the 86 engagement points Sika scored in its first 2019 employee survey, is particularly remarkable given the many employees who have joined Sika and the two large acquisitions the company has made in the past five years.

High-level global results were shared with Group Management in May 2024 and then with all employees during the Sika Day in June 2024. Consequently, detailed country and team results were made accessible to line managers and HR, and shared with employees via e-mail communication and posters. Results were analyzed in management and team workshops resulting in identification of focus areas as well as specific follow-up actions. Those were consolidated on country and regional level and are regularly reported back to Group Management to ensure continuously high attention on implementation of follow-up actions.

DIVERSITY AND INCLUSION

GRI 3-3 | GRI 202-2 | GRI 405-1 | GRI 405-2 | GRI 406-1

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

SIKA'S FIRM COMMITMENT TO DIVERSITY

Sika's global presence and proximity to customers makes it extremely important to understand diverse cultures and share experience across national boundaries. A diverse and inclusive workforce enables a wider talent pool, drives innovation, and enhances profitability and competitiveness. The company's ambition is to improve gender balance aiming toward equal representation of women at all levels and a steady increase in the share of women in the total workforce towards 30%. At courses and seminars, Sika managers are encouraged to give high priority to diversity in team and project planning. More specifically, Sika is committed to:

- Fight against discrimination based on race, religion, gender, nationality, disability, age, or any other discriminatory characteristic which is of high importance due to its global presence. This is also reflected in a diverse senior management team.
- Provide equal opportunities for all its employees.
- Recruit and integrate people with disabilities through improving working conditions. Sika supports non-discriminatory practices in terms of employment, and practices equal opportunities in the recruitment process and in the professional development of its employees.
- Increase the percentage of women, particularly in sales and management positions.
- Attract and retain the young generation of employees by means of a strong employer value proposition.

Through fostering inclusive and ethical leadership, Sika creates a working environment that nurtures a strong sense of belonging, drives innovation and high performance, and helps to attract and retain talents. Dedicated initiatives are developed around three pillars – attract, engage, and promote – focusing on three levels of actions: the individual level, to challenge the conscious and unconscious biases of both women and men; the company level, to provide equal opportunities; the society level, to be a role model and contribute to changing mindsets.

EQUAL REPRESENTATION AND GENDER DIVERSITY

Sika pursues the ambition of an equal representation of women at all levels of the organization and to steadily increase the proportion of women in the total workforce towards 30%. The company implements several initiatives which are regularly measured and discussed by Sika's Global Diversity Steering Committee (GDSC). GDSC's meetings cover critical topics such as Sika's Speak-up Culture initiative, awareness raising for bias, and equity analysis to inform company policies. Similar focus groups are operating at the regional and local level. In 2024, the GDSC met again to reconfirm the governance model, to deep dive into the development of Sika's female workforce, and to discuss Sika's way forward for increasing gender diversity in light of the action plans that have been implemented so far.

Sika's strategy is to attract, engage, and promote more women, particularly in sales. Therefore, recruitment campaigns across various channels are increasingly targeting them and, as part of the Women of Sika (WoS) campaign, an action plan with dedicated toolkits was developed for the organization. At Group level, examples of actions taken so far are the following:

- Next to building an internal awareness campaign and increasing transparency on Diversity, Equity, and Inclusion (DEI) by means of elaborate and frequent internal reporting, Sika Group is fostering the sharing of best demonstrated practices to enable the organization to learn from each other and benefit from successful initiatives.
- In the field of talent management, care is taken to have a fair share of female talents reflected in Sika's internal talent pool as well as for leadership training nominations.
- In the area of employer branding, Sika has elaborated its career page to include a new ↗ **Diversity and Inclusion** Corporate career page. Job Adverts have been redesigned to reflect a diversity-friendly work environment and employee videos telling "my Sika story" from the perspective of a diverse group of Sika employees have been prepared.

At regional level, the following initiatives are taking place:

- In EMEA, Sika has committed to a regional Diversity & Inclusion strategy with "Culture", "Performance and Talent Management", and "Recruiting" as the strategic pillars. Each of these pillars has different workstreams, including training for all HR departments across the region on "Diversity Friendly Recruitment" to educate HR colleagues on inclusive language and practices within the hiring process. For Talent Management, there is specific focus on identifying and developing female talent across all functions of the business to be able to meet the targets for gender mix. EMEA also introduced an employee awareness campaign as part of the "Culture" pillar, which was fully rolled out in 2024. It takes employees on a journey to learn more about diversity, equity, and inclusion, unconscious bias, and creating a safe environment at work where everyone feels empowered to speak up and/or speak out, fostering a sense of belonging for all employees at Sika.
- In Germany, a "Women of Sika" kick-off workshop has taken place in late 2024. Over 30 participants – female and male employees from different German entities, locations, and functions – participated in an on-site event to discuss the way forward to increasing gender diversity in Sika Germany. The workshop centered around four core topics: bringing more women into Sika, retaining more female employees, making female employees at Sika more visible, and promoting more women within Sika.
- In the Americas, the initiatives initiated in previous years continue to be in place. An action plan, with defined performance indicators, along the three pillars "attract", "engage", and "promote" is regularly being monitored. In North America, Sika has set up a Women of Sika (WoS) Committee, which is sponsored by the local top management and consists of several dedicated sub-committees. Those sub-committees focus on specific topics, e.g., communication, recruiting, networking, and training, and each has a dedicated team, defined goals, and clearly outlined actions. In Latin America, Sika's programs to support career and leadership development for women continue. The Women in Salesforce program seeks to develop women with little experience in construction and/or sales through a commercial training curriculum where participants are given the opportunity to learn Sika's business while being immersed in another country and culture. The program provides eleven positions for women throughout Latin America, four of which are filled while the remaining ones are currently being recruited.
- In Asia/Pacific, the main focus is related to increasing the number of women in leadership positions. A Regional Management Trainee program is in place to accelerate the professional development of talented graduates. While the first cohort in 2022 included 20% female participants, the second cohort in 2024 includes 57% women. Successful participants of the 18-month-long program will take entry-level manager roles after completion.

At Group level, improvements are measured through yearly corporate HR reporting which is executed to monitor data not only on gender but also on age and nationality. In addition, the share of women in the workforce, on a global level as well as in Sika's regions, is reported to Group Management as part of the Sustainability Performance Reporting on a quarterly basis. For details, please see the "Labor Management" section on p.99 of the Sustainability Report 2024.

GENDER MIX

Sika is constantly working on increasing the percentage of women in all regions and conducted many initiatives during the period under review. For the company, the quota of female employees improved from 24.3% in 2023 to 24.8% in 2024 (+0.5 percentage points). The region with the highest ratio of female employees is Corporate Services, with 38.5% women in 2024 (35.9% in 2023).

The most significant improvement in gender ratio can be observed in the Americas, with an increase in the percentage of women from 24.2% in 2023 to 25.1% in 2024. This progress is driven by both an increasing hiring ratio of women and a lower voluntary turnover rate among women in the region.

BREAKDOWN OF EMPLOYEES PER GENDER AND PER REGION

	2022		2023		2024	
in numbers	**F**	**M**	**F**	**M**	**F**	**M**
EMEA	2,833	9,344	3,660	11,647	3,741	11,639
Americas	1,757	5,637	2,136	6,689	2,398	7,140
Asia/Pacific	1,809	5,614	2,062	6,574	2,089	6,635
Corporate Services	252	462	280	499	321	513
Group	**6,651**	**21,057**	**8,138**	**25,409**	**8,549**	**25,927**

In 2024, the percentage of women at Staff level increased by +0.3 percentage points to 24.9%; the percentage of women in Middle Management increased by +1.5 percentage points to 24.3%. The number of women in Company Management increased by +2.3 percentage points to 24.5%.

BREAKDOWN OF EMPLOYEES PER GENDER AND PER CATEGORY

	2022		2023		2024	
in numbers	**F**	**M**	**F**	**M**	**F**	**M**
Staff	5,439	16,933	6,731	20,615	6,989	21,087
Middle Management	983	3,252	1,113	3,761	1,259	3,914
Company Management [1]	229	872	294	1,033	301	926
Thereof Group Management	2	6	2	6	2	6

1 Sika Senior Managers and local Company Management teams are included in this category.

DIVERSITY OF SIKA BOARD MEMBERS AND SENIOR MANAGEMENT

At the end of 2024, the Board of Directors consists of eight members – five men and three women. All eight members are over 50 years old. For more information on BoD members nationalities and experiences, please see the Leadership Report on p.169–171 of the Annual Report 2024.

BOARD OF DIRECTORS – BREAKDOWN PER GENDER AND PER AGE

in numbers	2022	2023	2024
Male	5	5	5
Female	3	3	3
30–50 years	0	0	0
>50 years	8	8	8

The company believes that employee diversity is a major factor in its success, especially among senior management. Sika counts 68 nationalities among its senior managers (previous year: 67). 65% of Sika General Managers are from the country they manage. The regional split of Sika senior managers has remained stable over the last three years. 36% of Sika senior managers are in countries that belong to the EMEA region. 26% belong to Corporate Services, 20% to Americas, and 18% to Asia/Pacific.

The share of senior management roles held by women remains stable at 17%. Likewise, 12% of General Manager positions are currently occupied by women (11% in 2023), highlighting Sika's commitment to fostering gender diversity at all levels.

Sika has widened its management pool, further strengthening the diversity of its senior management. In 2023, the company had decided to adapt the organizational set-up to install a new group of Regional Senior Managers (RSM) and Corporate Senior Managers (CSM). This new structure increases the agility and dynamism of the organization and complements the Sika Senior Management (SSM) group. As current and future leaders, they are actively shaping the development of the company, functioning as ambassadors for Sika's culture and values, and being tasked with implementing the strategy within the organization. Sharing knowledge fosters innovation by bringing together different perspectives and broadening the horizons of managers across the company. In 2024, Sika had a total of 229 RSM, thereof 108 in EMEA, 71 in Americas, and 50 in Asia/Pacific, as well as a total of 79 CSM. 18.8% of RSM were female while 20.3% of CSM were female.

BREAKDOWN OF SENIOR MANAGERS PER REGION

in numbers	2022	2023	2024
EMEA	62	164	187
Americas	32	95	98
Asia/Pacific	29	73	82
Corporate Services[1]	35	84	90

1 Including Group Management members.

EMPLOYEES WITH DISABILITY

Sika values diversity and inclusion, and considers itself to be an equal opportunity employer. The company strives to promote an inclusive work environment that enables people with disabilities to be part of the workforce. In line with the definitions of the International Labor Organization (ILO) and the European Sustainability Reporting Standards (ESRS), Sika defines persons with disabilities at work as "individuals whose prospects of securing, returning to, retaining, and advancing in suitable employment are substantially reduced as a result of a duly recognized physical, sensory, intellectual, or mental impairment" (ILO) and as "persons who have long-term physical, mental, intellectual, or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others" (ESRS). If divergent, definitions as provided in local legislation prevail for the purposes of reporting on employees with disabilities. Sika carefully observes any legal requirements that might exist in the different jurisdictions the company operates in. It is noteworthy that most countries rely on employees to voluntarily self-disclose their disability status.

HUMAN CAPITAL DEVELOPMENT

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 404-1 | GRI 404-2 | GRI 404-3

Even as a large, multinational company, Sika has maintained its agility, which allows the company to implement business opportunities quickly. To ensure that this remains the case, employee knowledge must keep up with current trends and market demands. That is why Sika invests in its employees to promote business resilience by improving their skills, knowledge, and expertise as well as attracting diverse talents, in terms of age, gender, and culture.

MEASURES TO ATTRACT, DEVELOP, AND RETAIN TALENT

The attraction, retention, and development of talent is key for future Sika growth prospects. Therefore, talent shortage is deemed as one of the top risks for Sika in the Enterprise Risk Management framework. Sika's fast growth and the diversification of the markets will demand numerous management and technical talents, so highly targeted hiring and retention measures are important to mitigate another risk: the loss of the unique Sika culture. To mitigate such risks, the company implements several measures which are reviewed and updated yearly. For more information, please see the Risk Management Report on p.23 of the Annual Report 2024, and the "Labor Management" section on p.97 of the Sustainability Report 2024.

Sika undertakes the following core measures to attract, develop, and retain talent. Specifically, under the "Attract" pillar, Sika implemented the following:

- HR marketing and branding initiatives, such as the global employer branding campaign called "Going Beyond. Together" to emphasize Sika's work environment, where employees generate a meaningful impact, have a safe place to work, and enjoy a great team spirit.
- Implementation of SmartRecruiters, a new recruiting system which enhances candidate experience and increases recruitment efficiencies.
- Establishing the new position of Global Head of Talent Acquisition to strengthen and further develop the Talent Acquisition function within Sika.

On the "Develop and Retain" side, the company worked on:

- Alignment of people strategy with Sika Strategy 2028 and people initiatives between Corporate and Regional Management (i.e., people engagement initiatives, succession planning, talent reviews, etc.).
- Global initiatives on culture, people, and leadership such as the People & Culture Campaign "One Team. Many Voices", the Global Employee Engagement Survey, the Leadership Commitment framework, Sika Day, and the Women of Sika campaign.
- New approach to performance management with the continued roll-out of the Performance Debrief Dialogue (PDD) process focusing on employees' key achievements, aspirations, and development needs.
- Fostering international careers by offering attractive opportunities to work abroad and supporting assignees with customized agreements based on the international assignment framework and guidelines.
- Targeted development with means of a comprehensive and scalable development portfolio available to all levels of employees, enabling knowledge sharing and developing skills for the future.
- Activating an internal opportunity marketplace to upskill and unlock the potential of internal candidates, to enhance mobility across regions and functions, and to foster a talent sharing culture in Sika.

TALENT DEVELOPMENT AND LEADERSHIP PROGRAMS

Talent development is a strategic imperative to ensure a high-performing and sustainable organization. That is why Sika strives to:

- Attract and retain the best talents.
- Enable people growth and upskilling for the future.
- Drive employee commitment and engagement through continuous learning and attractive growth opportunities.
- Sustain and reinforce Sika value-based culture and leverage on strong leadership.

Talent development activities have been designed to identify and develop employees both in the areas of business acumen and leadership competencies enhancement. This approach ensures systematic employee succession planning in the respective organizations.

Sika takes pride in a comprehensive leadership development portfolio at global, regional, and local level to boost the talent pipeline. The portfolio is constantly growing as the company needs to stay on top of the requirements of the business and adapt the offering to employees' needs to succeed. The current offering includes annual and bi-annual programs:

- The Global Leadership Program (GLP) empowers the next generation of senior leaders by cultivating leadership competencies that align with Sika's areas of focus: innovation, sustainability, and customer centricity. Through cross-functional and international collaboration, leaders develop skills to address complex business challenges, drive actionable strategies, and execute impactful innovation projects. By fostering an innovative mindset and agility to embrace long-term transformational strategies and emerging opportunities, the GLP nurtures a leadership culture rooted in creativity and problem-solving, driving sustainable growth and strengthening the talent pipeline for critical positions.
- The General Manager Program (GMP), which is dedicated to newly appointed General Managers and focuses on training and sharpening business operational skills to confidently head and govern a Sika subsidiary. It is tailored specifically to General Manager role needs.
- The Regional Leadership Program (RLP), which is designed to enhance the required capabilities portfolio to fill large country, area, or regional positions for the purposes of stocking the talent pipeline for business-critical key positions. Regional leaders deepen their business acumen and leadership skills by understanding key financial figures, their active role in optimizing business results, and how their leadership drives engagement.
- The Leadership Accelerator Program, which is dedicated to first-time managers and middle management employees to expand managers' leadership competencies and increase their individual and team performance. It is a complementary offering to the core talent development dedicated programs such as RLP.
- Young Leadership Programs[1], which are delivered to help young employees in building future perspective, as well as engagement, and exposure. It prepares the next generation of Sika leaders with innovative and accelerated development. Furthermore, it creates a robust leadership foundation for Sika's future leaders' success and provides a strong sense of belonging and engagement.
- The Executive Development Program (EDP): EDP is a bi-annual, exclusive, and fully customized program for Senior Managers, Regional Senior Managers, and Corporate Senior Managers, focused on fostering leadership excellence and strategic acumen in Sika's key business fields. Re-designed in 2024 to align with Sika's Strategy 2028, the program is delivered in collaboration with one of Europe's leading executive learning institutes and includes three comprehensive phases. It promotes a shared understanding of best practices, cultivates a motivational and performance-oriented culture, and has been recognized by 475 participants as invaluable in enhancing leadership capabilities and daily business operations.

TRAINING BEYOND TALENT AND LEADERSHIP PROGRAMS

Sika's Learning and Development (L&D) function offers a myriad of skills-based programs supporting the continuous improvement of all employees. This paves the way to achieving an engaged workforce and fosters a high-performance culture.

The L&D team organizes a broad range of internal and external training programs based on the Group Management's strategic initiatives and collaborates closely with General Managers, Regional HR Managers, Area HR Managers, Country HR Managers, and other key business leaders to identify focus areas. Apart from the talent management and leadership training portfolio, the Sika Business School offers sales training, professional skills training, and support to Sika academies in the areas of procurement, operations, and sustainability.

Future managers are trained at various levels, either through continuous training initiated by the respective national organization or provided by the Sika Business School, Sika Academies, and external education partners. In 2024, Sika continued to cooperate with various business schools and universities, where the company provided training for talented employees with the potential to assume Senior Management positions.

Training activities for each Sika employee are determined based on the evaluation by the line manager. A nomination to a young or regional talent program is additionally validated by the area and regional management team, whereas a nomination to a Global Leadership Program (GLP) is further validated by the CEO. Furthermore, Sika encourages the external education of its employees by providing sponsorships on a case-by-case basis. All non-management functions are evaluated and managed by their line managers and HR to identify training and development needs. As part of the PDD process, yearly performance evaluation discussions integrate a systematic focus on employees' aspirations, competencies, and development needs.

DIGITAL LEARNING

Digitalization has been a major transformation driver, enhancing collaboration, innovation, and learning across the organization. Sika uses a cloud-based learning content management system (LCMS), SikaLearn, where employees can access the Sika training catalog, e.g., the Sika Business School catalog and complete e-learning courses. Programs are available in online, classroom, and/or hybrid formats. Leaders are empowered to assign relevant skills-based learning programs to employees, and employees are encouraged to look for and request relevant training to their respective line managers. SikaLearn is a tool where Sika's employees – from the novice to the expert – can also create learning content relevant for their respective function or target market. The tool enables dynamic reporting on training via dashboards to support leaders. In 2024, the training offer included over 1,000 online training, close to 450 classroom training, and close to 150 blended programs.

The "Plant Worker Project" that was initiated in 2023 to empower all plant and factory workers with a digital identity continued to be rolled out in 2024. This initiative represents a fundamental step toward the realization of a digital future for all Sika employees. By granting digital identities to employees in factories and warehouses, barriers that had previously impeded their access to the digital environment are eliminated. This inclusion guarantees their active participation on the company's communication channels, involvement in incident management, and convenient access to mandatory e-learning and training sessions.

1 Programs' names might differ across Sika regions due to regional requirements.

TRAINING HOURS

With more than 34,000 employees globally, Sika considers training and education to be an important instrument in developing, promoting, and retaining its workforce. The company is proud of its large number of long-serving employees and recognizes the need to keep employees up to date in terms of their knowledge and skills. In 2024, each employee received an average of 14.7 hours of training, representing a 17.2% increase compared to 2023. The 2023 figures were diluted with the MBCC Group acquisition, while 2024 figures reflect an additional focus on safety, technical, and sales training in several countries.

AVERAGE TRAINING HOURS PER EMPLOYEE[1]

in numbers	2022	2023	2024[2]
Hours of training per employee	13.4	12.5	14.7

1 Excluding apprenticeship, MBA, and PhD at educational institutions.
2 Chema has been excluded from 2024 figures disclosed in this table.

In the year under review, Sika spent a total of CHF 13.4 million (previous year: 12.5 million) on employee development.

SPENDING ON EMPLOYEE DEVELOPMENT

in CHF mn	2022	2023	2024
Spending on employee development	10.8	12.5	13.4

EMPLOYEE PERFORMANCE REVIEW AND DEVELOPMENT

All Sika entities have a local performance evaluation system in place, which includes a Management By Objectives (MBO) and Employee Development discussion. Around 67% of Sika employees received regular performance reviews in 2024.

EMPLOYEE PERFORMANCE REVIEWS

in %	2022	2023	2024
Employees with performance reviews	50	62	67

In 2024, Sika advanced the global roll-out of its performance management initiative, the Performance Debrief Dialogue (PDD). The PDD aims to foster meaningful conversations between managers and employees, embedding continuous feedback into everyday business practices. These dialogues emphasize employees' key achievements, impactful contributions, performance highlights, challenges, and Sika's desired performance behaviors, as outlined in the Leadership Commitment pillars. In addition, the PDD incorporates employee inputs on career aspiration and mobility preferences, with a focus on fostering continuous development overall. To date, the initiative has engaged approximately 17,670 employees across the whole organization, with a participant breakdown of 31% women and 69% men. The roll-out of the PDD is set to continue across the organization.

HUMAN RIGHTS

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 406-1 | GRI 407-1 | GRI 408-1 | GRI 409-1

As a signatory of the UN Global Compact and in accordance with the Universal Declaration of Human Rights (UDHR) and the core Conventions of the International Labor Organization (ILO), Sika promotes the protection of universally acknowledged human and labor rights. In its Code of Conduct, Supplier Code of Conduct, and the annual ESG Confirmation, Sika has defined minimum human and labor rights standards to be implemented globally, including the prohibition of forced, slave, compulsory, or child labor, the freedom of association, the prohibition of any form of discrimination, and the guarantee of fair compensation and equal opportunities for all employees. With hundreds of operations around the globe, Sika is active in many regions that rank high on human rights risk indices. Sika takes its responsibility seriously to prevent human rights violations in its own operations and to implement adequate measures to assure that no such violations occur in its supply chain.

ESG CONFIRMATION

General Managers, together with their local management teams, are entrusted with the responsibility of safeguarding human rights and upholding labor standards within their respective entities and areas of oversight. As part of this commitment, Sika's ESG Confirmation, coordinated by Corporate Compliance, requires all General Managers to annually attest that they have effectively implemented and communicated key principles to their workforce. These principles include the prohibition of forced, slave, compulsory, or child labor; the assurance of freedom of association; the right to fair working hours and equitable compensation; and the promotion of non-discrimination and equal opportunity.

The ESG Confirmation also affirms that Sika promotes diversity, inclusion, equal opportunities, and fair treatment in employment and occupation, and that Sika prohibits any form of discrimination[1]. Further, the Confirmation underscores the right of workers – to the extent permitted by local laws – to establish and join labor organizations of their own choosing without the need for prior authorization.

For 2024, all of Sika's General Managers have confirmed – by means of their annual ESG Confirmation – that no violations of fundamental human or labor rights have been identified, with the exception of one case of discrimination and six cases of harassment, as detailed under the "Business ethics and integrity" section on p.131 of the Sustainability Report 2024.

INTERNAL HUMAN RIGHTS-RELATED AUDITS, ASSESSMENTS, AND INSPECTIONS

General Managers must adhere to internal human rights guidelines, comply with local laws, and oversee their entities accordingly. They are responsible for preventive measures and staff training. By means of audits and inspections, Sika ensures the protection of human and labor rights among its Group companies. To ensure compliance, Sika conducts nearly 50 annual assessments through its Corporate Compliance, Corporate Legal, and Internal Audit teams. These assessments include addressing risks related to human and labor rights and implementing preventive or corrective actions as needed. In addition, EHS and quality audits are partially focused on protecting human rights and labor standards by ensuring the implementation of minimum health and safety requirements. For more information, please see the "Health and Safety" section on p.92 of the Sustainability Report 2024.

SUPPLIER AUDITS AND ASSESSMENTS

For more information, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

CHILD LABOR

For more information, please see the "Workers in the Value Chain" chapter, "Human Rights" section on p.118 of the Sustainability Report 2024.

1 Discrimination being defined as "the act and result of treating people unequally by imposing unequal burdens or denying benefits rather than treating each person fairly based on individual merit".

WORKERS IN THE VALUE CHAIN
RESPONSIBLE PROCUREMENT[1]

GRI 3-3 | GRI 308-1 | GRI 407-1 | GRI 408-1 | GRI 409-1 | GRI 414-1

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

Sika's supplier portfolio is remarkably diverse and varies depending on the multiple business segments the company is active in. The Group sources direct materials, packaging, and trading goods both locally and internationally. To complement its global supplier network, Sika strives to collaborate with local suppliers wherever possible to reduce lead time, risk, and transport, and to increase availability and control quality. Due to the diverse purchasing portfolio, with around 65,000 materials from more than 18,000 suppliers, there are no primary brands. In 2024, the amount of direct material expenditures was CHF 5.3 billion, which corresponded to 45.5% of Group total net sales. Material expenses decreased as a percentage of net sales by –0.9 percentage points.

DIRECT MATERIAL EXPENDITURES

	2022	2023	2024
Direct material expenditures (CHF mn)	5,312	5,214	5,347
Percentage of total net sales (%)	50.6	46.4	45.5

Sourced raw materials include bulk chemicals and minerals, among others. In factories, the raw materials are converted into higher value goods, usually through mixing, blending, compounding, and suitable form-giving. From finished goods warehouses, products are distributed within the respective country and partly exported. Sika collaborates with more than 18,000 direct material suppliers, for both local and global sourcing. The supply chain includes goods purchased locally and across regions, in alignment with Sika's global reach and presence. The company employs a material risk management approach which is described in the Risk Management Report on p.23 of the Annual Report 2024.

COMMITMENT

Procurement enforces Sika's strategy and commitment in activities upstream of the supply chain. The function ensures the supplier base is compliant with current and upcoming supply chain due diligence requirements, and social and environmental standards.

GOALS AND TARGETS

Sika's values are centered around respecting universal human and workers' rights, acting in accordance with fundamental environmental, health, and safety standards, and investing efforts in sustainable development and corporate responsibility. The entire supplier network is expected to embrace the same set of values and enforce them in their own supply chain. The same standards and expectations will apply to any acquisitions that Sika integrates. Sika's goal is that 100% of all new suppliers must sign the Sika Supplier Code of Conduct (SCoC).

1 All information disclosed in this chapter refers to tier 1 suppliers.

SIKA GLOBAL PROCUREMENT ORGANIZATION

The procurement organization is aligned with the business to allow close collaboration with internal and external key stakeholders. This translates into a matrix organization with material categories and geographical responsibilities:

- Material category roles: All materials for Sika's core technologies are structured around material categories. A Global Category Manager globally coordinates each material category. Depending on the size and complexity of spending in the respective categories, Global Material Group Managers might further manage material groups. Global Category Managers and Material Group Managers will be supported in the regions by Regional Category Managers to ensure better target achievement and coordination. The material category role is complemented with a dedicated category and specialized roles that drive supply chain transparency, due diligence, and decarbonization at Group level, in accordance with ESG Standards. These expert roles are gradually being translated into the regions to support and enable contribution and commitment to ESG topics at local level.
- Geographic roles: All procurement activities within each region in Sika are coordinated by a Regional Procurement Head. Regional responsibilities can be delegated to areas which are coordinated by an Area Procurement Head. Likewise, all country-level procurement activities are coordinated by a Country Procurement Head.

RESPONSIBLE MATERIAL MANAGEMENT

Purchased raw materials are the Group's biggest cost factor. Approximately two-thirds (in terms of spend) of the materials used by Sika in production, such as polyols, epoxy resins, acrylic dispersions, and polycarboxylates, are based on fossil fuels derivatives. Consequently, purchase prices vary according to the supply and demand of each raw material and oil price fluctuations. To reduce its dependency on crude oil, Sika is continuously exploring alternative renewable raw materials, such as sugar derivatives, bioethanol derivatives, and natural oils. Moreover, recycled raw materials are used wherever possible, and production plants implement their own, or externally operated, recycling loop systems. Mineral substances, such as calcium carbonate, sand, and cement, make up the remaining raw materials. For more information, please see the "Circular Economy" section on p.86 of the Sustainability Report 2024.

Sika purchases its base chemicals in accordance with strict quality requirements from certified suppliers offering the best value for money. In the case of key raw materials with limited availability or large purchase volumes, Sika mandates at least two suppliers whenever possible. For unique, highly innovative technologies, the Group seeks to manufacture raw materials itself, or source them in close collaborative partnerships with innovative suppliers. In respect to all the materials used, compliance with the relevant statutory registration requirements (e.g., Registration, Evaluation, Authorization and Restriction of Chemicals [REACH] or Toxic Substances Control Act [TSCA]) is monitored and ensured by a network of global and local Sika specialists, as well as external consultants. For more information, please see the "Product Safety, Quality, and Reliability" section on p.71 of the Sustainability Report 2024.

Sika's procurement specialists and technical experts collaborate closely with suppliers' technical units to fully understand the raw material flows, and continually optimize costs, quality, availability, and sustainability. In addition, Procurement closely coordinates sales and operations to synchronize the yearly forecast, ensuring that strategic suppliers receive accurate quantity commitments. This alignment helps mitigate supply risks and any potential negative impact on workers in the value chain, by both maintaining a stable supply chain and ensuring effective procurement planning.

MATERIAL RISK MANAGEMENT

All purchased materials are evaluated through Sika's Material Risk Management Process to ensure uninterrupted material availability. Based on the findings, Sika can identify potential risks and determine relevant measures, such as maintaining safety stocks, and/or securing long-term supply contracts. The company uses this risk management process stringently to ensure any potential impact on the organization and its customers is mitigated. Local procurement is responsible for ensuring their respective materials are rated, evaluated, and any identified risks are mitigated when considered significant. The results of Sika's material risk management process are supplemented by an evaluation of a suppliers' ESG standards and internal processes, in line with Sika's Supplier Relationship Management (SRM) process.

CONFLICT MINERALS

Sika is active in 102 countries and collaborates with more than 18,000 direct suppliers. In 2024, the company carried out a global review of various regulations and their corresponding thresholds relating to due diligence of conflict minerals or metals (tin, tungsten, tantalum, gold). The Global Procurement department conducted the necessary due diligence assessment to identify whether direct materials purchased by the company fall under the applicable regulations. Considering the defined rules and thresholds, no materials which fall under these requirements were identified. Sika will continue to monitor its procured materials against the regulatory thresholds related to conflict minerals and metals on a yearly basis at global procurement level. In addition, Sika takes responsibility for answering inquiries about the use of materials and products containing potential conflict minerals.

SUPPLIER RELATIONSHIP MANAGEMENT

The SRM process embodies the end-to-end life cycle of Sika's vendors. This process, which is also highlighted in internal Sustainable Procurement Guidelines and Policies, enables Sika to manage its suppliers in a transparent and collaborative way. ESG criteria play an integral role throughout Sika's SRM approach.

SUPPLY CHAIN DUE DILIGENCE

Sika expects that the highest ethical standards will be applied by its suppliers. In line with the OECD guidelines[1], the company has established its Supply Chain Due Diligence and Risk Management Approach, integrating it in its SRM Process. The Supply Chain Due Diligence and Risk Management Approach consists five steps: pre-evaluation and ESG risk assessment, qualification, evaluation, development, and termination where necessary.

1. PRE-EVALUATION AND ESG RISK ASSESSMENT

Sika pre-evaluates and selects suppliers according to a defined set of environmental and social criteria. Procurement is responsible for performing a comprehensive risk analysis of all prospective and existing suppliers, based on country and industry-related ESG risks. To perform this pre-evaluation, the company uses the EcoVadis IQ tool. The tool builds on a vast array of information sources and metrics to provide a holistic view of the sustainability context at specific supplier level, the so-called Supplier Risk Profiling. It relies on global human rights indexes and intensity factors related to issues like child labor, climate, and health and safety. The underlying methodology of risk mapping is aligned with EcoVadis ratings criteria, which prominently feature labor and human rights as a central pillar. This platform can be instrumental in enhancing Sika's responsible and sustainable procurement practices while mitigating risks. Depending on identified risks and thresholds, specific suppliers will additionally be asked to conduct further appropriate and necessary evaluations covering but not limited to; supplier's management and reporting systems, ESG commitments and standards, and quality assurance of the materials provided.

2. QUALIFICATION

Following the pre-evaluation, the supplier qualification process is initiated with all selected business partners. Suppliers need to meet the minimum requirements designed to ensure compliance with international human rights and labor standards as well as prescribed quality, environmental, and health and safety criteria.

The Sika SCoC is an integral element when qualifying Sika's tier 1 suppliers and sets out the company's expectations for its supplier network, reflecting the ten principles of the United Nations Global Compact initiative, the United Nations' Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the global chemical industry's Responsible Care® program, and the Conflict Minerals Regulations. It is the expectation of Sika that the supplier network embraces the same set of values and commits to Sika's zero tolerance policy regarding the respect of basic human rights including child labor, forced labor, modern slavery, and the right to freedom of association and collective bargaining. Sika thereby ensures that suppliers are informed of Sika's ethical, environmental, and social expectations and guidelines, and that they conduct their processes and enforce the same standards and commitments to their respective supply chains. As a minimum obligation, Sika requires that all suppliers sign and agree to meet the standards set out in the revised Sika SCoC. As of end of 2024, 77% of the Sika Group's direct spending was covered by suppliers who signed the revised Sika SCoC (2023: 55%). The goal is to reach 100% coverage of new suppliers. After a successful qualification, suppliers are then onboarded and integrated into Sika's systems and processes.

3. EVALUATION

Embedded in the SRM approach, the supplier evaluation process helps Sika to obtain ESG-related information improving transparency and risk management at supplier level. Based on such evaluations, Sika can define action plans and engage with suppliers on the development of tailored improvement roadmaps. Vendors identified as potential high risk during pre-evaluation are prioritized and requested to conduct an EcoVadis assessment and/or audits which are tailored based on the size of the supplier and its location, under the Together for Sustainability (TfS) framework. Additionally, Sika maintains its own company Supplier Audit Program, complementing the evaluation of suppliers. It includes, but is not limited to, questions in regard to the supplier's processes to manage manufacturing, EHS, quality, and supplier management systems.

Almost 2,000 Sika suppliers have been assessed and/or audited under the TfS framework. In 2024, 1,481 TfS supplier assessments[2] with EcoVadis and 218 TfS and Sika supplier audits were conducted. Through this approach, Sika increases its ability to ensure compliance of its suppliers with accepted Corporate Social Responsibility (CSR) and ESG norms, including fundamental human and labor rights. In 2024, over 1,000 suppliers of Sika were re-assessed under the TfS framework. Sika surpassed its self-defined and TfS-approved annual target of TfS assessments in 2024. These evaluation frameworks, alongside the Sika Supplier Code of Conduct, are designed to address and ensure that ESG standards and expectations are effectively extended into Sika's upstream value chain. For more information on Sika's risk management approach to child labor, please see the "Human Rights" section on p.118 of the Sustainability Report 2024.

4. DEVELOPMENT

Sika has implemented a remediation and development process for suppliers that do not meet Sika's expectations and standards during the evaluation process. These suppliers are prioritized for Corrective Action Plans (CAPs) and may undergo re-assessment or re-audit. In 2024, 64% of re-assessments showed an improved score. Sika actively supports suppliers in their improvement journey by providing valuable resources such as access to the TfS Academy and internal guidelines. Following 2023 evaluations, corrective actions were initiated for all identified suppliers. For instance, in 2023, a TfS audit was conducted at a strategic supplier in the Middle East. The audit identified findings that did not fully align with Sika's values and standards. To address those, a TfS follow-up audit was conducted in 2024. All findings were successfully closed in collaboration with the third-party auditor.

1 ↗ **OECD Due Diligence Guidance for Responsible Business Conduct**

2 Can refer to assessments or re-assessments.

5. TERMINATION

Violations identified during the due diligence process are managed using an internally defined escalation process, which involves reaching out to the Head Global Procurement and applying a case-by-case approach. Where necessary, suppliers are phased out and no longer considered qualified Sika Business Partners. In 2024, no significant or material risks that led to the phasing out or termination of suppliers were identified.

SUPPLY CHAIN DUE DILIGENCE KEY FIGURES (TIER 1 SUPPLIERS)

	2022	2023	2024
Suppliers who signed the Supplier Code of Conduct (SCoC) (%)[1]	33	55	77
Suppliers assessed during the year (No.)[2]	770	821	1,481
Total suppliers with valid assessment (No.)[3]	1,019	1,172	1,948

1 Direct spending covered by suppliers who signed the Sika Supplier Code of Conduct.

2 This indicator refers to both new assessments and re-assessments.

3 Under the TfS framework, EcoVadis assessments have a validity period of three years. Therefore, the current indicator shows the sum of the assessments conducted in the last three years.

GRIEVANCE MECHANISM

The Sika Trust Line ensures the possibility of secure, confidential, and, if desired, anonymous reporting of an incident. For more information on the Sika Trust Line approach, please see the "Business Ethics and Integrity" section on p.130 of the Sustainability Report 2024. Employees, customers, and suppliers throughout the entire supply chain, and all other stakeholders are encouraged to report potential incidents or violations using the Sika Trust Line. All submitted reports are handled by the Corporate Compliance Team. The compliance team members are impartial, independent, and treat every report confidentially. Discrimination and any retaliatory actions against reporting individuals are not tolerated. Should a third-party report come through from a supplier or respective worker in the value chain, in line with Procurement's remedial action approach, the relevant procurement leader in the hierarchy within the procurement function will be notified by Corporate Compliance. Such reports will then be handled on a case-by-case basis and escalated accordingly. Any breach of Sika's (Supplier) Code of Conduct, whether within its own operations or by a third-party business partner or supplier, can additionally be reported under the Sika Trust Line.

TOGETHER FOR SUSTAINABILITY

Since February 2020, Sika has been an active member of Together for Sustainability (TfS), a member-driven initiative of more than 50 chemical companies, working to deliver the de facto global standard for environmental, social, and governance performance of the chemical supply chains. The program is based on the UN Global Compact and Responsible Care® principles. It is a global organization headquartered in Europe with regional members' representation in Asia, North America, and Latin America. TfS provides member companies with the framework to conduct ESG assessments and audits, by partnering with approved third-party providers specialized in evaluating sustainability performance:

- TfS assessments are conducted by its key partner EcoVadis, whose methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000. Their evaluations consider performance across twenty-one indicators in the themes of Environmental, Ethics, Labor & Human Rights, and Sustainable Procurement.
- TfS audits are on-site ESG evaluations conducted by approved and certified third-party providers, in which the sustainability performance of a supplier is verified against a defined set of audit criteria on Management, Environment, Health & Safety, Labor & Human Rights, and Governance. TfS operates along the principle "An assessment or audit for one member company is an assessment or audit for all". The sharing of supplier evaluations among all members lessens the administrative burden and leverages synergies among the member companies. This operating model of TfS promotes and provides transparency on sustainability activities and contributions within the supply chain, allowing Sika to initiate and achieve measurable improvements.

In addition to audits and assessments performed under the TfS framework, Sika utilizes its own Sika supplier audit approach. Trained and experienced auditors incorporate ESG risk-related topics in their supplier audit process to ensure transparency on sustainability practice in Sika's own supply chain. All evaluations provide the nominated suppliers and TfS with a comprehensive scorecard and/or findings report, and any measures or findings identified are reviewed via re-assessments or audits during supplier remediation. For more information on audits and assessments conducted during the reporting year under the TfS framework, please see the "Supplier Relationship Management" section on p.114 of this chapter.

In June 2024, TfS launched "Accelerate4Impact", the new TfS strategy 2030 designed to tackle the growing sustainability challenges in the chemical supply chain. Building on its previous "Grow & Deliver" strategy, which focused on expanding membership and setting up frameworks, "Accelerate4Impact" focuses on driving tangible, measurable results. The strategy emphasizes collaboration among its member companies to enhance sustainability practices, improve tools, and increase transparency across the value chain. Key initiatives include the creation of "Excellence Groups" to address specific sustainability needs, leveraging digitalization to make sustainability data more actionable, and setting up new KPIs to better align efforts with strategic goals. TfS also aims to amplify its voice in the industry, influence global sustainability standards, and ensure that members actively participate in sustainability assessments and initiatives. Ultimately, "Accelerate4Impact" seeks to make the chemical supply chain more resilient and sustainable by integrating best practices and fostering collective action. By focusing on execution and measurable impact, TfS aims to be a catalyst for change in the industry, ensuring sustainability becomes ingrained in every aspect of the supply chain.

Sika Procurement has additionally implemented a monthly status and update report to share how the different TfS projects are progressing and where Sika stands regarding its targets related to assessments and audits throughout the regions. TfS coordinators have been set up for all regions, providing useful inputs from local and regional procurement teams to steer the initiatives internally and to share best practices.

Sika is a highly active member of the TfS Initiative, participating in three of the five core Workstreams through 2024:

- The WS1 Governance and Partnership focuses efforts on the overall scope and growth of the TfS initiative, promotes cooperation with other chemical associations and sustainability organizations, updates the TfS KPIs and governance, and initiates best practice sharing. Sika is chairing WS1.
- The WS3 audits enable member companies and their suppliers to assess, drive, and improve sustainability performance of chemical supply chains through a shared infrastructure. WS3 ensures that all TfS audits are conducted by approved third-party auditors who meet the required standards and evaluate the future progress and potential of Supplier Sustainability Audits.
- The WS5 GHG Emissions allows Sika to work on a solution to create a standard for the scope 3 GHG emissions Product Carbon Footprint calculation in the chemical industry. This will improve transparency in the industry and enable effective reduction management. At the end of 2023, TfS launched the TfS White Paper initiative[1], which explores challenges and solutions for harmonizing carbon accounting methodologies, uncovering complexities and strategies for a more sustainable chemical industry. This Paper covers three macro topics fundamental for the chemical industry regarding carbon accounting: biogenic carbon accounting, mass balance as a transition mechanism, and recycled materials and content. It is an open-source document and can be downloaded from the ↗ **TfS website**.

SUPPLIER ENGAGEMENT

As part of Sika's supplier engagement approach, several strategic sustainability meetings were organized with tier 1 suppliers in 2024. Supplier engagement meetings were held between Sika's procurement professionals and suppliers in all three regions and within all procurement categories. The conversations were mostly focused on emissions reduction and transparency, and more specifically on climate-related strategies, carbon footprint impact at raw material level, related reduction levers, and social aspects. Such meetings not only fostered discussions on reducing emissions effectively, but also highlighted the importance for Sika to collect supplier-specific data, paving the way for increased collaborations to introduce sustainable raw materials and products in line with Sika's strategy and net zero commitment. For more information on Sika's net zero roadmap, please see the "Climate Change" section on p.50 of the Sustainability Report 2024.

As an example of the above outlined approach, in 2024, Sika actively engaged with packaging suppliers to enhance their sustainability performance. One notable example involved collaborating with a strategic supplier to improve their knowledge and practices. This included sharing valuable resources such as training materials, the TfS PCF Guideline, a Data Model summarizing this guideline, and the TfS Academy. This ongoing collaboration has driven significant improvements in the supplier's sustainability commitment and fostered a strong foundation for future business relationships. Moreover, the supplier is now actively providing Sika with the data required to align their performance with Sika's sustainability ambitions.

The focus on supplier-specific data collection is becoming increasingly crucial to improve data accuracy, consistency, and reliability at raw material level. Collecting supplier-specific data helps to focus on raw material replacement with lower carbon-intensive solutions. With this information, reduction of GHG emissions at supplier level is quantified and tracked in a transparent way. Supplier engagement, training, and development helps in increasing the share of supplier-specific data.

Officially launched in November 2024, the TfS PCF Exchange platform, leveraging Siemens' SiGREEN technology, provides a secure and efficient method for tracking and exchanging product-level emissions data. This data exchange allows companies to request detailed carbon information from suppliers, streamlining the process of calculating PCFs for multiple materials across complex global supply chains. Sika is currently onboarding suppliers to increase the supplier-specific data coverage and to optimize and automatize the whole collection process.

Another noteworthy supplier engagement activity is the Sika Sustainable Packaging Challenge. This initiative was launched in 2022, in Latin America, with the goal of engaging with current and potential Sika suppliers to seek innovative sustainability performance enhancement in its approach to packaging. This successful initiative was then introduced in North America, Latin America, and Europe in 2023, and in Asia/Pacific in 2024. The format of the challenge is as follows: After an initial round of suppliers have been invited, those who show

1 Scope 3 GHG Emissions Programme ↗ **TFS Initiative**

interest in participating are requested to submit their sustainable packaging proposal(s) within about two months. Thereafter, each proposal is evaluated by a Sika committee, composed of Sika's key departments (sustainability, procurement, R&D, operations, marketing, and communication). The top five finalists are selected to participate in a Sustainable Packaging Challenge Live Exhibition, and the winning proposal receives the support it needs to facilitate the integration of a new and sustainable packaging solution into Sika's product portfolio. The 2024 challenge received great interest from both Sika's suppliers and the employees involved, contributing to the overall success of this project. Overall, more than 40 of Sika's current and potential suppliers registered to the Asia/Pacific challenge conducted in May 2024. Among the submitted proposals, many were related to the introduction of post-consumer recycled content (PCR) to substitute virgin materials in aluminum/plastic cartridges and pails. Other recurrent proposals included the introduction of a single material for paper bags, making them more recyclable, and a shift from rigid to flexible plastic pails. Updates about the ongoing challenges are regularly shared on Sika's main social media channels such as LinkedIn, X, and Facebook.

TRAINING

TRAINING FOR SUPPLIERS

Sika continuously leverages externally provided sustainability-related training and webinars for suppliers. More specifically, the company relies on the TfS Academy, a tailored learning and development platform specifically designed to help upskill procurement teams and their suppliers on sustainability-related topics: health and safety, environment, sustainable procurement, labor and human rights, management, and governance. The TfS Academy counts more than 300 courses offered in eleven different languages. By identifying the key concerns and findings per region and/or supplier groups and streamlining exercises and improvement guidance, Sika provides its supplier network with the necessary support to reach the required expectations through the Academy. In 2024, during supplier engagement meetings, Sika took the opportunity to concretely show its support for those suppliers with less experience on sustainability-related topics, by sharing with them the TfS Product Carbon Footprint (PCF) Guideline and by giving them access to the TfS Academy. In particular, during the engagement meetings, the new TfS Decarbonization Training Program was offered. The programme, with focus on reducing scope 3 emissions, is meant for TfS members and suppliers, covering topics from an introduction to climate change that highlights the urgency to act now, to courses on how to take GHG emission reduction measures.

TRAINING FOR EMPLOYEES

In October 2024, a new Sustainable Procurement e-learning was created and published within Sika's internal learning platform. It is mandatory for all procurement staff worldwide and it was tailored to increase awareness on the crucial role of Procurement within Sika's sustainability journey. As of December 2024, 90% of Sika's procurement staff worldwide has successfully completed this e-learning.

In 2024, a webinar series on sustainability in procurement was introduced for all EMEA's procurement employees. Offered quarterly and available through self-registration, the webinars focused on two main areas: social and governance topics, such as risk management and ESG practices, and environmental matters, like GHG emissions, emission transparency, reduction strategies, and Sika's supplier engagement program. The sessions, which also provide training materials and Q&A sessions, were attended by over 130 procurement professionals of region EMEA.

Furthermore, sustainability-related training and best demonstrated practices on environmental and social topics are included in every area and regional procurement meeting, to increase awareness on the topic and ensure it becomes a priority for everyone, in line with Sika's strategy and net zero commitment. Overall, two area meetings and three regional meetings took place in 2024, for a total of around 140 procurement people involved. The topic of sustainable procurement was also a focus in the Sika Procurement Academy, held in April 2024, in Switzerland, and in the Sika Sustainability Academy for the Asia/Pacific region, held in September 2024, in Thailand. The Academies were attended by over 60 Sika employees in total, from distinct functions and many different countries.

In addition, in 2024, Sika conducted two "Supplier auditor training programs", a yearly initiative for procurement, technical, and quality experts attended by roughly 500 Sika employees.

HUMAN RIGHTS

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 406-1 | GRI 407-1 | GRI 408-1 | GRI 409-1

CHILD LABOR

In line with its commitments to human rights, Sika categorically prohibits child labor. General Managers are obliged to strictly adhere to the prohibition. For 2024, 100% of General Managers confirmed compliance with the norm[1]. To ensure that no child labor exists in its supply chain, Sika requires all its tier 1 suppliers to sign its Supplier Code of Conduct (SCoC), which also contains a categorical child labor prohibition. Suppliers are expected to have systems in place that ensure the proper implementation, training, and monitoring of the "no child labor" principle and all other fundamental human and labor rights among their own personnel as well as the employees of their subcontractors and suppliers. Sika regularly performs supplier audits and assessments to monitor compliance with its SCoC. For more information on how Sika manages the Human Rights topic at company level, please see the "Own Workforce" chapter, "Human Rights" section on p.111 of the Sustainability Report 2024.

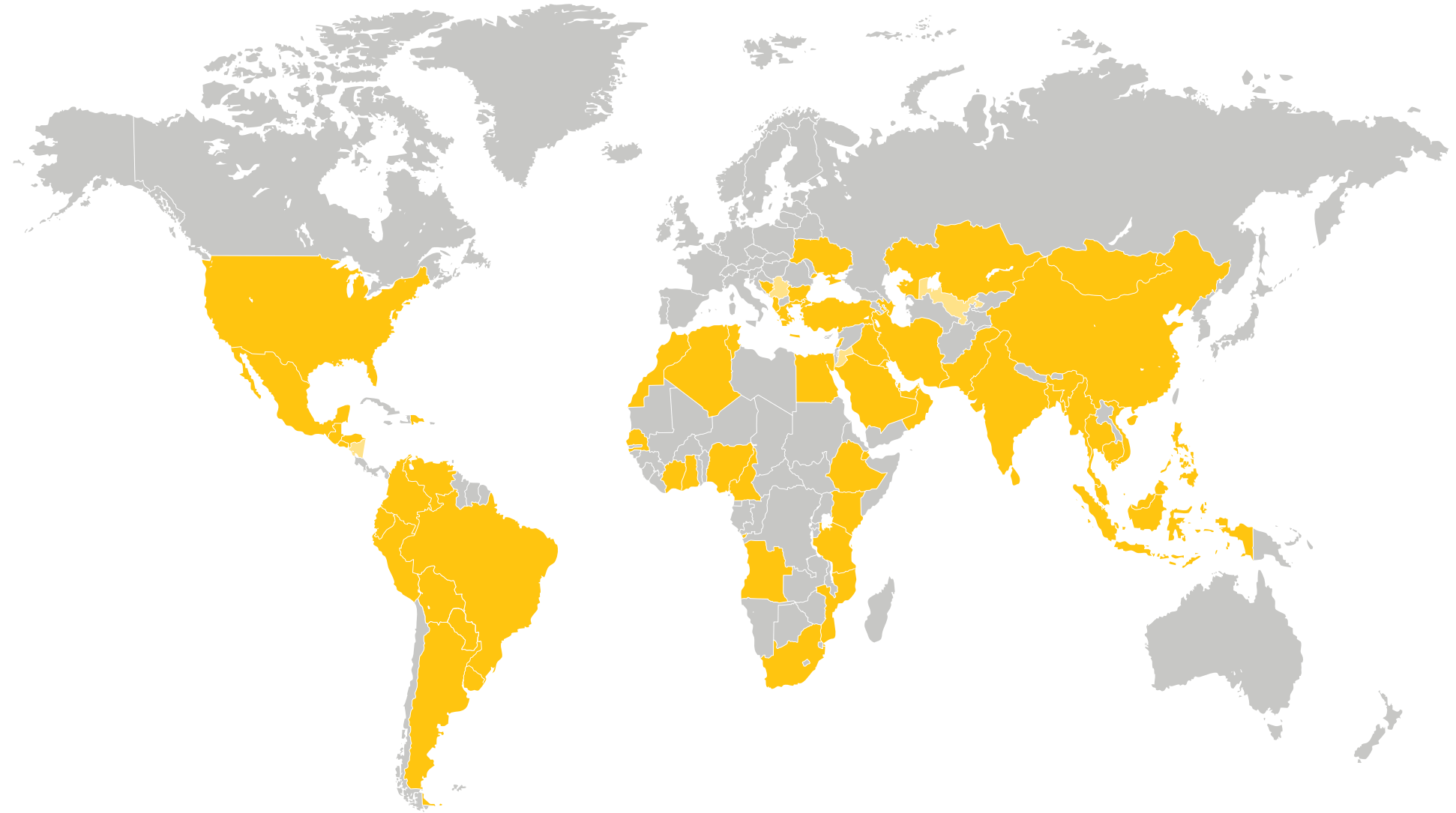
Since 2022, Sika has assessed the geographical network of its own operations and of its tier 1 suppliers and the prevalence of child labor violations within those countries. This yearly evaluation is based on the UNICEF Index of Children's Rights in the Workplace[2]. The analysis shows that, at operational level, Sika does not operate in countries with a high risk of child labor. However, the company is present in 69 countries with medium risk.

As far as Sika's suppliers are concerned, there are tier 1 suppliers in 66 medium-risk countries and no suppliers in high-risk countries. In line with the company's supply chain due diligence approach, supplier screening and comprehensive supplier evaluations are conducted to ensure that Sika can quickly identify and mitigate any associated risks concerning human rights violations, with high priority and specific criteria concerning child labor violations. If any findings or concerns brought to the attention of Sika highlight a suspicion or violation of the child labor prohibition, the company will ensure further investigation is carried out and the report will be escalated according to Sika's internal escalation process. If the respective supplier does not cooperate with Sika's investigation or requirements via the defined corrective action plan, Sika will consider phasing out and terminating business with the supplier. This process is described in Sika's internal Sustainable Procurement Guidelines and Policies. For more information on Sika's supply chain due diligence approach, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

1 Based on the data collected through the ESG Confirmation.

2 The methodology of the Atlas is guided by the United Nations Guiding Principles for Business and Human Rights (UNGPs) and Children's Rights and Business Principles (CRBPs), which set out the expectations of companies in respect of human and children's rights. Many of the more than 150 indicators are child-specific and some are human rights indicators that affect children directly and indirectly in the contexts in which they and their families work and live. The Workplace Index measures the extent to which countries eliminate child labor and provide decent work for young workers, parents, and caregivers. It evaluates five issues categories such as minimum age of employment, categorical worst forms of child labor, hazardous work, decent work conditions, and maternity protection. The focus of Sika is on countries considered at "enhanced" (medium risk) and "heightened" (high risk) risk of child labor. Sika analysis has been updated according to the latest Index update made in June 2023.

Child labor risk map[1]



Sika operations
Sika operations + tier 1 suppliers

1 The analysis shows that, at operational level, Sika does not operate in countries with a high risk of child labor. The company is present in 69 countries with medium risk. As far as Sika's suppliers are concerned, there are tier 1 suppliers in 66 medium-risk countries and no suppliers in high-risk countries.

AFFECTED COMMUNITIES
COMMUNITY RELATIONS

GRI 2-27 | GRI 3-3 | GRI 413-1 | GRI 413-2

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

As a socially responsible company, Sika supports local communities. Community engagement for Sika is the process of working collaboratively with neighborhoods to address issues affecting the well-being of its residents. This engagement is the driver to bring social, environmental, and behavioral changes that will improve the lives of the communities and its members. This involves partnerships with NGOs and associations that help mobilize resources and influence the prospects of those neighborhoods in a positive way. Sika defines "communities" as non-commercial stakeholder groups of local companies, neighborhoods, educational institutions bringing forward social activities and projects, environmental programs, and the development of recovery programs.

Community engagement activities bring the following advantages to Sika:
- Committing to environmental and social issues demonstrates Sika's responsibility to society.
- Increasing awareness and understanding of Sika's values and expertise locally.
- Supporting collaborative efforts to advance social and business-related projects.
- Working together improves communication and understanding of mutual points of view.

In turn, such projects have a positive impact on communities and local citizens by:
- Helping underprivileged stakeholders gain greater control over their lives and improve their situation on a sustained basis.
- Drawing on Sika's knowledge leads to practical and effective solutions.
- Helping community members to develop capabilities that enable them to be an active part of society and to contribute to the community itself.
- Providing community members with access to information about sustainable practices, environmental conservation, and responsible resource management.

COMMITMENT
As a socially responsible company, Sika is committed to building trust and creating value for its customers, local communities, and society.

AMBITION AND TARGETS
Sika is dedicated to giving back to society by running community projects in all regions where the company operates, aiming to reach as many direct beneficiaries as possible. Employees are encouraged to spend at least one working day per year on initiatives focused on education, sustainable building, environmental protection, and health promotion. With an ambition to continually grow its reach and strengthen community engagement, Sika is committed to driving positive change and supporting local neighborhoods worldwide.

RESPONSIBILITIES
The corporate teams of Corporate Communications and Innovation & Sustainability, with the involvement of the local HR organizations, are responsible for developing and monitoring the community engagement scheme. The regional and local line management is responsible for implementing the scheme locally. The patron of the "Sika Cares" program is the CEO; however, operational responsibility is conducted by Sika subsidiaries at a local level and projects are managed at team level.

"SIKA CARES" ENGAGEMENT PROGRAM
The "Sika Cares" community engagement program, which started in 2019, focuses on improving the quality of life of children, adults, and families in the local communities in which Sika operates worldwide. Sika employees enjoy many intangible benefits from this program, including greater connection with their communities, team building, and the satisfaction of trying to make the world a better place. The company aims to support local third parties to help people to develop themselves. With this program, Sika companies ensure that local community members have access to valued social settings and activities, that Sika staff can contribute meaningfully to

those activities through volunteering work, and that functional capabilities are provided to enable individuals to participate in their communities. To achieve this goal, cooperation with and support for existing and professional charity organizations is given priority. "Sika Cares" focuses on the following thematic areas:

- Education and vocational training: Investment in good education gives young and underprivileged people the most important tool they need to lead an independent life. Sika provides support on training and capacity building in terms of refurbishment and construction projects. The company promotes quality education for orphans and vulnerable children or neighborhood-focused employability approaches. In this way, Sika increases employment opportunities for socially disadvantaged people.
- Buildings and infrastructure: The health and dynamism of communities also depends on the infrastructure in place for people and the environment. This is where Sika comes in with its expertise and product solutions, providing housing and accommodation for social NGOs, enabling, and optimizing health and safety infrastructures, or traffic/transport services and facilities for the local communities.
- Water and climate protection: Sika employees support projects which link social causes with ecological interest: projects raising awareness on climate change, community health and safety, initiatives promoting the provision of drinking water in dry areas or technological development to stimulate the economic growth of local communities. Sika seeks to promote on-the-ground self-help. Supporting self-management involves enabling and instructing people about their condition and care, and motivating them to care for themselves and to expand their quality of life by capacity-building.
- Health and well-being: Healthy communities rely on campaigns and solutions in support of health promotion and disease prevention across a wide range of dimensions. By recognizing and working to improve its impacts on health and well-being among its own employees, and within local communities, Sika aims to help to foster and benefit from a more robust economy and marketplace, a healthier, happier, and more productive workforce, and more resilient supply chains and communities.

Sika promotes the idea of "self-help" which encompass a portfolio of information, techniques, and tools that help individuals access new know-how and improve their situation in a sustainable way. Through education and awareness campaigns, community members become advocates for sustainable living, driving positive behavioral changes that ripple through society.

Community engagement guidelines, webinars, and tools are available for all Sika employees to provide clear guidance and ensure a common understanding of project management in this domain. For each project, Sika companies are required to put forward specific aid applications and, together with local partners, supervise the projects on site until completion. The company endeavors to provide intelligent support through the application of company-specific expertise, voluntary work, and long-term collaboration with partners. A focus on initiatives in local neighborhoods near Sika premises is preferred. For more information, please visit the corporate webpage ↗ **Community Relations**.

The Community engagement platform enables all Sika employees to share insights on local projects and get inspired from activities taking place in other countries. The tool is aligned with the Sika corporate reporting system and provides qualitative insights, KPI-relevant data, and additional granularity.

In 2024, community engagement activities were conducted across 63 countries. Sika sponsored 524 projects (previous year: 582 projects, –10.0%). In total, Sika employees dedicated 5,849 days to volunteer work (previous year: 7,953 days, –26.5%). Approximately 130,000 individuals benefited directly from these initiatives (+2.8% vs. 2023). The decrease in volunteering days and projects can primarily be attributed to the focus area selected for the 2024 Sika Day, emphasizing cultural diversity rather than community engagement, as it did in 2023. Additionally, projects near Sika premises were prioritized leading to a shift in volunteer participation patterns. Many employees now contribute in shorter, high-impact engagements rather than full-day commitments, achieving similar results while eliminating travel time. This underscores the ongoing emphasis on community engagement across the company, with Sika teams increasingly leveraging these initiatives to support communities while fostering team cohesion through shared experiences.

COMMUNITY ENGAGEMENT INDICATORS

	2022	2023	2024
Community engagement projects (No.)	406	582	524
Volunteering days of employees (Days)[1]	2,595	7,953	5,849
Direct beneficiaries (No.)	53,666	126,705	130,194

1 Some of the projects do not require any volunteering work from Sika employees and therefore not all projects led to volunteering days. Starting from 2023, community engagement guidelines have been strengthened: A minimum of 8 hours of volunteering work needs to take place to consider a project as "community engagement".

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

As a socially responsible company, Sika collaborates with local communities to address issues affecting their well-being. In 2024, fewer than 5% of Sika's General Managers indicated – by means of their annual ESG Confirmation – that they have received complaints from local communities regarding Sika's operations. The very few complaints received were primarily related to noise, odors, and dust. Most of them have been resolved. Sika fosters an ongoing dialog with local communities, e.g., through open-door events or special phone numbers to contact the local management.

When opening a new site, Sika follows defined steps to interact with community stakeholders. The planning process focuses on compliance with all laws and regulations, which required approvals are in place, coordination with local fire departments, as well as information and interaction with the neighboring community. The steps of this process include early-stage contacts with local authorities regarding environmental, commercial, health and safety aspects as well as information sessions for the local neighborhood. Actions and initiatives are partly adapted to the local situation.

CONSUMERS AND END-USERS
RESPONSIBLE MARKETING

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 417-2 | GRI 417-3

The main goal of the Marketing function at Sika is to support business growth, generate and nurture customer leads, and create a globally recognized brand. Packaging is essential for such purposes as it is used to identify Sika products. It enhances the appearance of the label for product promotion and provides information about the correct and safe use of the product.

COMMITMENT

Provide accurate information about all Sika products in compliance with local laws and regulations, and enhance the appearance of the label for product promotion.

GOALS AND TARGETS

The marketing and labeling activities at Sika provide Sika customers and stakeholders with compliant, accurate, and valuable information regarding classification, labeling, and packaging (CLP) rules and the application of its products. Labels must include legal and regulatory requirements, as well as customers' requirements, depending on the customer type (either distribution or direct sales).

RESPONSIBILITIES

To achieve this commitment, multiple Sika teams are involved at Corporate and local levels:

- The Corporate Technical Documentation team is responsible for Product Data Sheets (PDSs) and product certifications such as Declaration of Performance. The Product Conformity Team maintains market access for Sika products by ensuring compliance with regional and local product regulations, for example the EU Construction Products Regulation, Eco-design for Sustainable Products Regulation, General Product Safety Regulation, Packaging and Packaging Waste Regulation, and similar legislation.
- The local Product Stewardship team is responsible for provision of and compliance with CLP-required hazard symbols, statements, information, and data for labels and packaging. By fulfilling these activities, the Product Stewardship team complies with policies and regulations such as the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals, CLP, and REACH.
- The Product Management team, both Corporate and local, is responsible for defining instructional and descriptive texts (as per PDS); main illustration (if applicable) and icons, and country combinations.
- The Corporate Layouting team is responsible for creating the packaging artwork by compiling the information from the Corporate Technical Documentation, Product Stewardship, and Product Management teams, Operations, and suppliers. Product Stewardship information is retrieved from the local and global Product Stewards. Product classification and labeling information is determined via the globally deployed SAP Product Compliance System. Corporate Technical & Product Management information is provided directly via the Product Management team.

REQUIREMENTS FOR PRODUCT, SERVICE, INFORMATION, AND LABELING

Sika complies with all laws and regulations concerning product and service information and labeling. All entities of the Sika Group must be compliant with local laws and regulations. No significant violation of regulations concerning this topic was reported in 2024.[1] At Corporate level, the labeling process is divided into a strategical and operational part, respectively managed by the Marketing department and the Regulatory & Product Compliance team. The strategical part encompasses the creation of key visuals, pictograms/icons, and templates based on packaging/label type in accordance with Sika Corporate Identity (CI) and Corporate Design (CD) guidelines and providing them to the Regulatory & Product Compliance team. The operational part encompasses the creation of the actual packaging/label artworks using templates and elements, and – additionally – adding the following information:

- Product marketing information such as product description, application instructions, etc., are provided by the Corporate Product Manager/Engineer.
- Health and safety information such as hazard/precaution phrases, hazard icons etc., are provided by the Global Product Stewardship team.
- Product characteristics and approvals (CE mark, EC1PLUS, etc.) are provided by the Corporate Technical department & Product Manager/Engineer.
- Operational requirements (SAP item numbers, barcodes, no-print zones) are provided by the Corporate Master Data department (SAP item numbers, barcodes, etc.) and by the Packaging & Labeling department (no-print zones, etc.).

Local entities are involved in the approval workflow described above by including at least one employee representing each local Sika entity in the various steps. These employees must check if the submitted artwork is compliant with local regulations and laws. Artworks are only released for use if every single user in the workflow has given approval.

Each packaging/label artwork at Corporate level is created using the Sika Artwork Management platform (SAM) by assigning the appropriate workflow and approvers to make sure that each section of the artwork is checked (if necessary, properly translated) by the stakeholders (if necessary, checked by their local counterparts). Any change requests are to be reviewed and implemented properly until all parties have approved the artwork. After that, it is stored and released for public use and the corresponding packaging/label supplier is automatically notified. This ensures that, on one hand, only artworks that have been fully vetted and approved are published. On the other hand, that suppliers are made aware in case new/updated artworks are available. Should there be any change requiring an artwork to be updated (e.g., updated CE marking, health and safety information, etc.), a request is sent to the Regulatory & Product Compliance team and the process described above is triggered once again.

REQUIREMENTS REGARDING MARKETING COMMUNICATIONS

Sika complies with all laws and regulations concerning marketing communications, including advertising, promotion, and sponsorship. All entities of the Sika Group must be compliant with applicable laws and regulations. No significant violation of regulations concerning marketing communications was reported in 2024.[1]

Since it began in 2020, the EMEA Marketing Academy has become a key resource for Sika, offering high-quality training on a wide range of marketing and digital marketing topics. From foundational theory and emerging trends to actionable tips, tricks, and best practices, the Academy equips employees with the knowledge to excel in an ever-evolving landscape. While primarily designed to support EMEA countries, the Academy is open to Sika employees worldwide. In just a few years, the Academy has recorded 4,280 individual training hours with over 270 participants. In 2024, the focus was on artificial intelligence in marketing – marketing employees learned how to harness AI's potential responsibly, including navigating the risks around copyright and maintaining the confidentiality of sensitive information.

1 Based on the data collected through the ESG Confirmation.

CUSTOMER RELATIONSHIP MANAGEMENT

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3

Long-lasting success is achieved when an organization attracts and retains the confidence of customers and society at large. Understanding the current and future needs of customers allows Sika to achieve sustainable success over time, and this is why "Customer First" is one of Sika's five core values.

COMMITMENT

Sika's commitment to its customers is strongly embedded in the company's values, principles, and in Sika's leadership commitment. "Customer First" reflects Sika's dedication to maintaining the highest quality standards for its systems and services. Sika solutions are designed to ensure the long-lasting success of customers and mutually beneficial relationships.

GOALS AND TARGETS

Positive customer relationships and satisfaction are particularly important to Sika, and the company aspires to achieve a 100% customer satisfaction rate.

RESPONSIBILITIES

Local line management is responsible for maintaining customer relationships and providing customers with systems and services that address their needs. Local line management is also responsible for collecting customer feedback, managing enquiries, and ensuring best-in-class customer service.

CUSTOMER EXPERIENCE

In 2024, Sika expanded its global initiative of conducting customer studies, aiming to deepen customer understanding and enhance the customer experience. Sika paired with a strategic insights agency to examine customers' buying behavior. The study was conducted across three countries – Canada, Chile, and Colombia – reaching 1,950 customers and potential customers in two target groups (craftsmen and DIYers). The findings provided valuable insights into the target groups' brand awareness, project types and their key stakeholders, product usage and selection, as well as the preferred information sources and purchasing channels. Each country used the findings to develop tailored strategies and tactics to better reach and serve customers and potential customers. Recognizing the value of these insights, additional countries plan to conduct similar research in 2025. Additionally, a customer experience study piloted in 2023 in Spain is now being adapted to other regions and countries. Japan conducted the study in 2024 and currently several additional countries are revising the study to adapt it to their local needs. The objective of this research is to gain a deeper understanding into brand funnels, image, and to measure Net Promoter Score (NPS).

Over the past three years, Sika has made significant investments to equip local subsidiaries with advanced technological solutions. The portfolio encompasses circa 40 digital tools. These technological solutions are aimed at enhancing customer interactions across five key dimensions of digital customer experience: searching for information, connecting with Sika, learning and developing, utilizing services, and making purchases. These solutions are designed to minimize customer effort while being optimized architecturally to leverage information from a centralized "single sources of truth". By integrating data effectively, these solutions lay the groundwork for creating seamless and consistent customer journeys. At the corporate level, Sika continues its Customer-Centric Analytics project, which delivers automated dashboards that empower stakeholders – across local, regional, and corporate levels – to monitor and improve interactions with customers continuously.

In 2024, Sika implemented a pilot project leveraging conversational AI to elevate the customer experience. This initiative provides timely, friction-free support across social media chnnels. The omnichannel solution seamlessly integrates social interactions with customer data and connects to critical systems like CRM, enabling efficient management of inquiries and requests. To further strengthen its commitment to customer-centric digital initiatives, Sika introduced the role of Corporate Digital Customer Experience Manager at the end of 2024. This essential role is designed to foster customer experience innovation and ensure consistent, high-quality interactions across all digital touchpoints. By integrating and enhancing customer-facing processes – from marketing engagement to customer service and sales – Sika aims to deliver a smoother, more cohesive experience for customers at every stage of their digital journey.

CUSTOMER FEEDBACK

Sika countries are encouraged to use a single platform to collect customer feedback. This allows the company to create visually engaging, branded and mobile-ready customer surveys. Sika began rolling out the platform in 2022, with the goal to create local and regional dashboards across all Sika countries to monitor and compare performance. Activities in the regions include:

- In EMEA, Sika collects feedback from webinars, events, and customer interactions to identify partnership opportunities, improve services, and understand customer needs across regions. Key initiatives include a bi-annual customer newsletter, lead generation through raffles, and digital surveys for ongoing insights. Automated feedback systems help address dissatisfaction and enhance customer satisfaction. For example, Sika France has an engagement studio tied to customer feedback forms. Low ratings trigger follow-up e-mails to understand dissatisfaction, enabling targeted improvements.
- In the USA, Sika employs a variety of methods to gather and act on customer feedback across its business segments. For example, in the Automotive division, feedback is collected through monthly scorecards provided by OEMs and tier 1 suppliers. These scorecards evaluate performance on KPIs like delivery timeliness, product quality, cost, and customer-specific metrics, including sustainability. Accessible via customer portals, these insights drive continuous performance improvements. Sika Canada measured NPS-collected feedback from 624 customers and got a score of 52.56, while the average for the Canadian B2B construction market was 37 (according to Retently 2024 NPS Benchmark for B2B) for the same year.
- Asia/Pacific region has implemented an aligned structure for different types of customer feedback surveys in the joint platform. Besides the annual customer satisfaction surveys taking place in all the countries on independent channels, 10 countries have onboarded the platform in 2024, collecting feedback from over 500 survey respondents. The responses are collected in the group-wide CRM system. Country and consolidated regional dashboards have been developed.

CUSTOMER SATISFACTION METRICS

The Group supports an omnichannel approach for the collection of customer feedback and aims to create a consistent experience throughout the touchpoints to ensure a high satisfaction rate. Sika countries use a variety of metrics to measure customer satisfaction, set quantitative targets, and continuously improve performance. For instance:

- Customer loyalty tells how loyal a customer is to the brand and how likely he/she is to promote it. A Net Promoter Score (NPS) survey commonly measures loyalty with the question "How likely would you be to recommend Sika to a friend or colleague from 1 to 10?"
- Customer satisfaction (CSAT) feedback examines how satisfied customers are with Sika products, services, and other interactions. Satisfaction is measured with both functional and emotional metrics, including questions like "How did you use…?" and "How did you feel about…?"
- Direct feedback and customer interviews allow customers to share how they felt about their experience throughout the sales process. This feedback is collected through direct, post-purchase phone, or e-mail surveys.
- Customer service or support feedback examines a customer's experience with a service or dedicated support. This type of feedback is collected through phone or e-mail surveys after customer support tickets are raised.

CUSTOMER SATISFACTION IN SIKA REGIONS

Thanks to Sika's decentralized business model, local entities are responsible for measuring and monitoring satisfaction rates through surveys, interviews, B2B key account management, training, and workshops, utilizing either in-house teams or external research institutes. In 2024, Sika advanced efforts to establish a standardized set of metrics that measure customer satisfaction across relevant dimensions. This initiative builds on the creation of a global customer insights role in 2023, dedicated to setting standards for how local organizations collect, analyze, and address customer feedback.

CUSTOMER SATISFACTION IN AUTOMOTIVE

Sika Automotive applies a pure B2B approach where multiple roles and functions among the organization actively engage with both Original Equipment Manufacturer (OEM) and Original Equipment Supplier (OES) customers. All managers ensure projects are executed according to plan, proposing new products and solutions based on customer requirements. When necessary, based on customers' requests, development projects for products are started and run by the R&D organization. Concurrently, the Technical Service team supports the organization of testing, training, regular meetings, and workshops at the customer site to demonstrate how to apply Sika products and solutions. A dedicated Customer Service team is responsible for customer inquiries in the logistic and supply chain of projects already in the execution phase and supporting ongoing business. The goal of this team is to ensure flawless customer relations with targets for the quality of the products or services and the stringent timing of deliveries. As a supplier, Sika receives monthly performance reports from its customers. This allows the company to monitor progress against targets and to measure results. If targets are not met, the responsible team, including assigned customer quality managers develops an action plan for response and improvement. To manage the customer relationship, most customers have a dedicated Key Account Manager (KAM), who is their designated contact for any inquiry. The KAM often visits customer sites and organizes meetings at Sika's premises to nurture an open dialog, present innovative products, and find solutions to customers' projects.

TRAINING FOR CUSTOMERS

Sika is not only selling products, but also integrated solutions, providing training to customers on how to best apply Sika products and how to choose the best solution based on their needs. These training are usually carried out in collaboration with regional and local Sika entities, enabling customization based on local markets and customers' needs. Training can be held at the customer site, within a Sika facility, or online. In every training session, Sika aims to fully engage customers and ensure the collection of valuable feedback. At the end of each training course, customers are usually asked to answer a questionnaire, which reflects their impressions regarding quality of training content, quality of training tools, and the frequency and content of future training. Through training, applicators have the opportunity to complete Sika-certified courses and become certified applicators, enhancing their credibility and increasing their competitive edge in the market.

DATA PROTECTION AND CUSTOMER DATA PRIVACY

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 GRI 418-1

While Sika does not want to hinder the flow of information required for the business, it is crucial to protect Sika's know-how from improper use. The company is committed to respecting the data privacy and integrity of all employees, customers, and third parties. Sika applies all technical and organizational measures necessary to guarantee adequate protection and the accuracy of the personal data on file. The internal Data Protection Policy is closely aligned with widely accepted international standards and is adapted to local requirements during compliance implementations of local data protection legislations (e.g., implementation of the Swiss Federal Act on Data Protection (FADP)). It is reviewed regularly and updated if necessary to meet business needs, changes in technology, or regulatory requirements. In addition, in the last two years, the Sika Group has been implementing a project to classify and protect its non-structured documents and e-mails to further protect Sika's critical and sensitive information. This classification approach has been rolled-out to all employees in 2024. The next phase, planned for 2025 will focus on protection for documents and e-mails of selected business areas.

GOVERNANCE

At Group level, Sika's data protection organization is run by the Data Protection Steering Committee, which is responsible for defining Privacy Group Strategy & Program, coordinating Corporate Functions on privacy risk, managing incident breach cases, coordinating supervisory authorities' investigations, and monitoring the adequacy of Group technical and organizational measures (TOMs). The Head Global Data Privacy coordinates the implementation of the Group Privacy Program, and supports local Data Protection Officers (DPOs) and Data Protection Champions (DPCs), who are locally responsible for the adherence and implementation of the privacy program and compliance. The Head Global Data Privacy also manages Sika's Privacy Portal, provides guidance, supports the implementation of new projects and applications, monitors adherence to privacy principles and conducts implementation checks (privacy audits), and collaborates with other corporate functions – in particular IT, HR, and Marketing – on privacy matters and risk. Sika collects, processes, and transfers personal data only, if necessary, to maintain accurate customer, supplier, business partner, shareholder, or investor information and improve relations with these groups; to optimize internal processes and the delivery of goods and services; to protect the company sites and infrastructure (access control, video, and IT surveillance), and supports for other security reasons; to fulfil contractual or legal obligations, or to make legal claims, in connection with these groups; and to respond to a court order.

In the event of data breaches, Sika has a process in place which must be applied in EU countries and countries that have a dedicated data breach reporting requirement. When a controller, processor, and/or an individual becomes aware of a potential breach, this needs to be reported immediately to the local data protection officer and/or the Head Global Data Privacy. Subsequently, the affected Sika company(ies) is/are required to collect the necessary information, and an incident response questionnaire needs to be completed in Sika's Privacy Portal. As a next step, the Head Global Data Privacy reviews the available information, which is forwarded to the DP Steering Committee for evaluation. It assesses if the breach requires a notification to the local authorities and/or the individual(s) (in case of high risks for the individual). If necessary, the local data protection officer, with the support of the Head Global Data Privacy, then notifies the authorities and/or individuals accordingly. The breach must be documented, and mitigation actions to prevent similar breaches must be documented and implemented. The Head Global Data Privacy supervises the implementation and documentation of the mitigation measures. In 2024, there was one data breach in an EU country, which was communicated to the local authorities resulting in no additional follow-up activities.

DATA BREACHES

in numbers	2022	2023	2024
Data breaches reported to the authorities	0	0	1

TRAINING

In 2024, Sika provided several trainings throughout the organization on the following topics:

- Data Privacy Awareness Training: E-learning for all non-EU and non-adequate/comparable GDPR countries with or without a dedicated data protection regulation.
- General Data Protection Regulation (GDPR) e-learning: Mandatory e-learning for all EU employees with an e-mail address, covering GDPR-specific data protection topics.
- Swiss Data Protection Law, FADP e-learning: Mandatory e-learning for all Swiss employees with an e-mail address, covering the FADP training requirements.
- Data Protection Essentials Training: Additional e-learning available in English, which includes the basic data protection principles and other general data protection information.
- Non-mandatory, department-specific data privacy training for Marketing, IT, and HR are available for assignment to specific roles in these departments.
- Anti-fraud: Since 2021, all employees must complete the new anti-fraud online training, aiming to raise awareness about cyber fraud, primarily among those employees most exposed to cyber risks.

GOVERNANCE
SUMMARY & HIGHLIGHTS

AMBITION

Sika is dedicated to fostering a culture of trust, transparency, and openness. The company aims to inspire all employees to act with integrity and respect, contributing to a sustainable future.

APPROACH

Sika operates a Group-wide Compliance Management System, covering the main pillars of Prevent, Detect, and Respond & Adjust. The company engages the whole organization through all hierarchies, functions, and geographical areas. Sika contributes to positive global initiatives, promotes open communication with stakeholders, and is committed to being a socially responsible corporate fiscal citizen, ensuring compliance with tax laws and regulations.

HIGHLIGHTS

Compliance Commitment 2024–2025
By signing the Compliance Commitment 2024–2025, all Senior Managers at Sika have renewed their strong commitment to uphold Sika's Code of Conduct, its Values and Principles, and to always act with integrity and respect.

Opening of the Sika Trust Line
Externally hosted web-based platform system that ensures safe and confidential reporting, with the option for anonymity. This platform has been accessible to all employees worldwide for several years, and to third parties since January 2024.

COMPLIANCE AUDITS

15

TRAINED LEADERS ON COMPLIANCE RISKS AND DILEMMAS

~3,500

TAX RATE

	Change vs. 2023
20.2%	–0.3%

BUSINESS CONDUCT
CORPORATE GOVERNANCE

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3

Sika is committed to creating an attractive, inclusive, and safe work environment where people can grow and unlock their full potential. A place where everyone returns home safely at the end of the workday. A place where everyone is treated fairly, with respect, and has equal opportunities. A place where people can be their true self and develop a strong sense of belonging. It is about empowering people at all levels to actively contribute to building a sustainable future and passionately solve daily challenges.

STRONG VALUES AS A SHARED BASIS

Customer First, Courage for Innovation, Sustainability & Integrity, Empowerment & Respect, and Manage for Results: These are the five core values and principles that define Sika's corporate culture. These values and principles serve as a compass in all countries where Sika operates and inspire all employees around the globe. Thus, the Group's culture of trust, transparency, and openness has a firm global foundation that is lived by each employee every day.

In addition to these core values, a Leadership Commitment framework has been installed with the purpose of inspiring the whole organization and guiding the next generation of leaders. It reflects a close connection between values and principles, and consists of the following four pillars: Drive Change, Unlock Potential, Win Together, and Inspire. As the company grows and evolves, this framework helps preserve Sika's corporate culture.

Good corporate governance safeguards the sustainable development and performance of the company. Sika is committed to openness and transparency, and provides information on structures and processes, areas of responsibility and decision procedures, as well as rights and obligations of various stakeholders. For more information, please see the Corporate Governance Report on p.176 of the Annual Report 2024.

Sika values and principles

1 Customer First

Sika is dedicated to provide and maintain the highest quality standards with its products and services.

2 Courage for Innovation

Sika's success and reputation is based on its long-standing tradition of innovation.

3 Sustainability & Integrity

Sika takes a long-term perspective on the development of the business and acts with respect and responsibility toward its customers, stakeholders, and employees.

4 Empowerment & Respect

Sika believes in the competence and the entrepreneurial spirit of its employees.

5 Manage for Results

Sika aims for success and takes pride in continuously achieving outstanding results and outperforming its markets.

BUSINESS ETHICS AND INTEGRITY

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 2-16 | GRI 2-25 | GRI 2-26 | GRI 3-3 | GRI 205-1 | GRI 205-2
GRI 205-3 | GRI 206-1 | GRI 406-1

Business integrity is at the core of Sika's corporate culture. Accordingly, Sika enjoys an excellent reputation in the market. Stakeholders all around the globe know Sika as a reliable and highly ethical partner. The company believes that sustainable and successful business performance is a result of acting in compliance with laws and regulations. Sika operates a Group-wide, culturally well-accepted Compliance Management System, covering the main pillars of Prevent, Detect, and Respond & Adjust. The Group pursues a holistic approach to compliance and engages the whole organization through all hierarchies, functions, and geographical areas. During 2024, major compliance initiatives took place, including:

- Opening of the Sika Trust Line, an online reporting platform, to external stakeholders.
- Continued onboarding of acquired companies (incl. MBCC) on Sika's Compliance Management System.
- Continued compliance training across the organization with a focus on leadership.
- Continued compliance audits in various countries.

COMPLIANCE MANAGEMENT SYSTEM, GLOBAL ORGANIZATION AND ASSESSMENTS

Sika's Compliance Management System rests on a life cycle of three closely interrelated core activities: Prevent – Detect – Respond & Adjust. It is administered by a matrix organization under the leadership of the Head Human Resources, Legal & Compliance, and enables synergies on training and investigations. The Corporate Compliance team consists of dedicated resources, who coordinate the Group-wide compliance initiatives. Depending on the compliance topic concerned, the Corporate Compliance team is supported by the Regional HR Heads, Legal, or Controlling employees who act as part-time Compliance Officers. Together they represent Sika's cross-functional Global Compliance Organization, which aims inter alia at preventing incidents of wrongdoings (fraud, bribery, and unfair competition, etc.) by means of implementing targeted policies, training, audits, investigations, as well as disciplinary and improvement measures. A separate team ensures compliance with data protection and privacy regulations. Where required by local law, they are supported by a designated local Data Protection Manager. For more information on data protection, please see the "Data Protection and Customer Data Privacy" section on p.126 of the Sustainability Report 2024.

Throughout 2024, Corporate Compliance audited 15 selected entities following a risk-based approach. To strengthen the "Detect" pillar, Corporate Compliance will continue the Compliance audit program in 2025. To ensure proper records management and follow-up, a Group-wide audit tool (Sphera) is used in coordination with other assurance functions. Compliance audits focus on four specific risk areas: 1) Ethical leadership and human rights, 2) Anti-bribery & corruption, 3) Anti-trust & fair competition, and 4) Third-party risks including sanctions. The program enhanced compliance-related risks awareness, collaboration between the regions and Corporate Compliance functions, as well as the collaboration between Compliance and other assurance functions, such as Internal Audit and Corporate Legal.

COMMUNICATION OF CRITICAL CONCERNS, OPEN-DOOR POLICY, AND SIKA TRUST LINE

Sika promotes transparency and a speak-up culture around the world. The company encourages everyone to speak up openly about potential concerns or wrongdoings. Sika also grants every employee who speaks up in good faith protection against retaliation. Concerns that can be reported include any violation of the Sika CoC and cover various aspects such as bribery; unfair competition; fraud (including theft, embezzlement, conflicts of interest, etc.); environment, health and safety, quality or trade law violations; abusive labor or employment practices (including violations of human and labor rights, sexual harassment, discrimination, harassment, retaliation, etc.); or breach/misuse of confidential information (including violation of privacy protection laws) as well as conflict minerals.

Sika has established various channels for raising concerns:

- Open-door policy: The company promotes a speak-up culture that allows every employee to report any wrongdoing to his or her superior at local level, a local legal and/or compliance team member, or to management at corporate level.
- Sika Trust Line: This is an externally hosted web-based platform system that ensures safe and confidential reporting, with the option for anonymity. This platform is available globally for all employees and was opened to third parties (customers, suppliers, distributors, and other stakeholders) in January 2024.
- Alternative channels: Concerns may also be sent by e-mail to Corporate Compliance **compliance@ch.sika.com**, alternatively via post. In selected geographic locations, and often based on local requirements, there may be additional independent points of contact to liaise with regarding compliance concerns; this may include workers council representatives, or third parties such as professional ombudspeople or external legal counsel.

All reports received are managed by the Group Compliance Organization under the supervision of the Corporate Compliance team. Each member must ensure impartial actions, particularly by being independent and not bound by instructions. The Group Compliance Organization is specially trained and obligated to maintain confidentiality.

Concerns raised are categorized in three "priority levels": Priority 1 (P1), Priority 2 (P2), or Priority 3 (P3) depending on their severity.

A digitalized questionnaire named "ESG Confirmation" is sent to all General Managers (GMs) by Corporate Compliance once per year to confirm their commitment to Sika's core compliance policies and manuals regarding fundamental environmental, anti-corruption, fair competition, labor laws, and human rights, and that they have provided adequate information and training concerning these topics to their staff.[1] During 2024, an enhanced set of questions was included in the ESG Confirmation as a preparatory step for Sika's future Corporate Sustainability Reporting Directive (CSRD)-aligned reporting.

Internal audits as well as compliance assessments may also uncover possible or actual misconduct or violations of Sika policies, as well as contribute to the identification of improvement opportunities to further strengthen the Sika Compliance Management System. Through the open-door approach of raising and as far as possible clearing concerns, local, area, regional, or functional management are also making their strong contributions.

COMPLIANCE COMPLAINTS WITH HIGH PRIORITY (P1, P2) RECEIVED AND SUBSTANTIATED

in numbers	2022	2023	2024
Reports received	48	73	65
Reports resulting in investigations	47	68	63
Substantiated reports	22	47	33
Complaints leading to disciplinary measures[1]	22	35	37
Thereof cases with dismissals/voluntary resignations	11	31	27
Thereof cases with only warnings (written and verbal)	11	14	10

1 Not all identified violations resulted in disciplinary actions. In some instances, the employee responsible for the violation left the company before the case was resolved. In other cases, a combination of disciplinary measures was applied.

Employees are the biggest source of information and of raising concerns. For the year under review, about half of the high-priority reports received (46%) came directly through the Sika Trust Line; the other half (54%) originated from audits, assessments, and management. In 2024, various reports were raised by third parties, such as former employees, resellers, as well as vendors. These amounted to nearly 20% of the overall high-priority reports received. Out of 65 reports received, 63 cases were investigated (as some reports are related to the same matter), including cases and concerns relating to conflict of interest, harassment, and EHS.

COMPLIANCE INVESTIGATIONS

The initial responsibility for managing reported incidents of unethical or unlawful behavior lies with those Sika employees/managers who observe the wrongdoing or receive the initial report. Based on a defined escalation process, these initial recipients are required to handle the complaints either locally or escalate them to Corporate Compliance. If escalated, Corporate Compliance decides a) whether to launch an investigation, and b) who should take the lead.

In 2024, Corporate Compliance received 65 reports:

- 33 reports of misconduct could be confirmed/substantiated.
- 31 reports could not be substantiated.
- One report is still under investigation at the publication of this report.

1 The ESG Confirmation excludes newly acquired legal entities that were closed during 2024.

The 2024 compliance investigations analysis allows for the following conclusions:

- Most investigations centered on either people behavioral-related topics or fraudulent behavior.
- 27 reports were submitted anonymously, all via the Sika Trust Line.
- There were no government investigations nor any penalties against Sika entities or employees anywhere in the world concerning alleged corruption or bribery. Four internal investigations focused on potential cases of bribery. Only in one instance, the allegations were confirmed (kickback payments). The subject has been dismissed and the third-party vendor has been discontinued.
- One case of (age) discrimination was confirmed. As a disciplinary measure, the individual received a warning letter.
- Six cases of sexual harassment were confirmed, resulting in the following disciplinary measures: Three written warnings, two resignations, and one case involving training and demotion.
- Six cases of conflict of interest were confirmed, resulting in the following disciplinary measures: Nine resignations, one dismissal and one verbal warning.

ANTI-CORRUPTION

Corruption exists worldwide, causing economic damage and contributing to an unfavorable business environment by distorting market mechanisms and increasing the cost of doing business. Sika supports the Swiss Chapter of ↗ **Transparency International** (CH) through their membership, and participation in the TI Switzerland compliance practitioner's circle.

GMs are required to immediately escalate suspicions or allegations of bribery to Corporate Compliance so matters may be reviewed accordingly, and prompt actions taken.

Even though Sika operates in countries that are highly ranked on Transparency International's Corruption Perceptions Index, its exposure to corruption risks remains moderate to low: a) Sika's business partners are mostly private sector companies. Interaction with the public sector, which is particularly susceptible to corruption, is very limited; b) Sika is a specialty chemicals company, and therefore less exposed to corruption risks than companies belonging to the extractive, construction, and transportation industries.

Nonetheless, Sika employees in countries where corruption is widespread are exposed to the private sector risk of offering or accepting kickbacks, inappropriate gifts, or entertainment. Sika is addressing the identified risks with targeted measures such as a zero-tolerance position against corruption anchored in its Code of Conduct, and clearly formulated in local Gift & Entertainment Policies, anti-corruption training for employees, and regular reviews and assessments of local practices related to third-party engagements.

FAIR COMPETITION

Preventing anti-competitive behavior is a top priority at Sika. The fair operation of the markets is fundamental to the company, and the strong compliance culture and the zero-tolerance approach applies to all business areas. To prevent anti-competitive behavior, Sika not only prohibits such behavior in its internal policies, but also runs regular training sessions with risk-exposed employees. On an annual basis, General Managers are asked to confirm that no government action was taken against their entities for anti-competitive behavior. This was confirmed by General Managers in the ESG Confirmation for the calendar year 2024. Still ongoing is the investigation launched by the Competition authorities in the EU countries, Turkey, and the USA into suspected antitrust irregularities in the area of additives for concrete and cement. In the UK, authorities discontinued the investigation in January 2025. Sika supports the investigations, and it has been fully cooperating with the various authorities since its start in October 2023.

ETHICAL LEADERSHIP PLEDGE

By signing the Compliance Commitment 2024–2025, all Senior Managers at Sika have renewed their strong commitment to uphold Sika's Code of Conduct, its Values and Principles, and to always act with integrity and respect. The Compliance Commitment is a pledge to promote ethical behavior and transparency across the organization and to act as role models for all colleagues. Senior Managers commit to escalate serious violations or well-founded compliance concerns, make sure that suspected misconduct receives proper and timely follow-up, and that employees who report suspected misconduct in good faith are not subject to retaliation. In addition, Senior Managers also commit to providing their teams with adequate training. Senior Managers are encouraged to seek the same kind of Compliance Commitment from each member of their management team.

TARGETED TRAINING INITIATIVES

Members of the Global Compliance Organization conduct annual compliance training with specific risk/target groups. In the context of leadership development, Senior Managers, together with other employees, are invited regularly to participate in Compliance training highlighting the importance of ethical leadership at Sika to conduct business with integrity. During 2024, specific training courses were included in the new General Managers program, and in Global and Regional Leadership programs with interactive compliance workshop sessions. Multiple other learning opportunities were provided on compliance leadership and were conducted in events across Sika through e-learning as well as in a classroom setting. Compliance dilemma discussions were also included in a series of sales training sessions conducted throughout 2024, including Coaching Sales teams, Preparing the Sale, and Key Account Sales. Through the various training events, the raising of awareness on compliance risks and dilemmas as core activity was further enhanced.About 3,500 leaders were trained during 2024.

THIRD-PARTY DUE DILIGENCE AND MONITORING

Between 2023 and 2024, Sika conducted a comprehensive review of its operational practices, focusing on global trade, associated third-party due diligence, automated monitoring processes, and risk management practices. The dynamic nature of global trade, influenced by an evolving sanctions framework, demands continuous vigilance and adaptation. During this period, the implementation of emerging regulations, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), was thoroughly reviewed, with ongoing preparations to ensure compliance where applicable. Sika remains steadfast in its commitment to driving continuous improvements in third-party management. For more information on Sika's supply chain initiatives, please see the "Responsible Procurement" section on p.112 of the Sustainability Report 2024.

EXTRACTION OF RAW MATERIALS AND RELATED PAYMENTS TO GOVERNMENTS

For more information, please see the ↗ **Report on Payments to Governments 2024** available on the corporate website.

PUBLIC POLICY

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

GRI 3-3 GRI 415-1

The UN Sustainable Development Goal 17 stresses the need for public-private partnerships. Companies are playing an increasingly active role in society to support sustainable growth and innovation.

Sika contributes to positive global initiatives where it can, in line with the company's strategy and business objectives, and shapes sustainable policy development. As a responsible corporate actor, Sika facilitates open, honest, and transparent communication with all stakeholders, including politicians, authorities, business associations, as well as non-government organizations, in a number of relevant policy areas including chemistry, climate change, energy, circular economy, and industrial, trade, and innovation policies.

POLITICAL CONTRIBUTIONS

According to its ↗ **Code of Conduct (CoC)**, Sika commits to ethical and sustainable operations and development in all business activities. One company rule prescribes that "using Sika funds to support politicians, political candidates, or political parties is prohibited. Donations to political campaigns supporting Sika's strategy or business activities need to be approved by Group Management". In 2024, Sika did not give donations to political parties, politicians, or related organizations.[1]

MEMBERSHIPS IN ASSOCIATIONS AND OTHER FORUMS

Sika's engagement with associations and other platforms supports strategic alignment across the industry and provides an opportunity for exchange on perspectives and best practices. For more information on memberships of associations, initiatives, and collaborations, please visit the corporate webpage ↗ **Partnerships and Collaboration**.

1 Based on the data collected through the ESG Confirmation.

TAX APPROACH

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3 | GRI 207-1 | GRI 207-2 | GRI 207-3 | GRI 207-4

TAX VALUES

Through its tax principles, internal policies, and actions, Sika is committed to being a socially responsible corporate fiscal citizen. Sika pursues a long-term, sustainable tax strategy which ensures compliance with national and international tax laws and regulations. In the 2024 ESG Confirmation, all GMs confirmed that there were no violations of applicable tax laws in their entities. The active management of tax matters ensures that Sika pays a fair share of tax in each of the 102 countries where Sika operates.

TAX GOVERNANCE

Sika's tax approach is in line with the Organization for Economic Co-operation and Development (OECD)/G20 guidelines. By following a business-oriented approach based on functions, as sets, and operating risks when determining processes and transactions, Sika has a market-based outcome. The company is committed to paying its fair amount of taxes in each jurisdiction where it operates. The outcome of the business-oriented approach is always checked for its compliance with all applicable laws. Furthermore, potential impacts on stakeholders and Sika's reputation are considered. In line with Sika's corporate values, the objective of Sika's Tax Policy is to comply in good faith with the letter and the spirit of all applicable tax laws and obligations in all countries where the company operates, across all direct and indirect taxes, as a company and employer, as well as with international treaties and guidelines. This approach results in an effective Group tax rate that reflects Sika's global footprint, the decentralized nature of the business, and the Group's successful local operations.

TAX RISK MANAGEMENT

Based on genuine business rationale and with a long-term view of sustainability and predictability, Sika proactively manages the tax aspects of its business operations and transactions. Total tax costs are managed within clear risk parameters in line with the Sika Group business operations. Sika adheres to "arm's length principles" and complies with local laws and regulations for pricing intercompany transactions. Sika maintains transfer pricing documentation in compliance with local legislation.

FULL DISCLOSURE OF TAX RISK AND TAX PLANNING

Sika does not: engage in aggressive tax planning; use complex structures or offshore havens to minimize its tax liabilities; adopt tax schemes based on form without commercial substance; use offshore entities that lack business purpose and substance; or use hybrid instruments and/or entities in structures that result in tax avoidance, double deduction, or no taxation. Sika engages external advisors when appropriate to manage tax risks. Reporting and control systems are in place to collect information on significant tax risks relating to compliance, financial reporting and planning, tax audits, as well as legislative developments.

INTERACTIONS WITH TAX AUTHORITIES

Sika promotes open and transparent relationships with tax authorities. When applicable, Sika uses appropriate mechanisms to clear the tax impact of major transactions with relevant tax authorities in advance. Tax audits are conducted in a supportive and collaborative way and requested information is provided in a timely manner. On certain occasions, Sika may provide technical input to the relevant authorities with respect to proposed tax legislations, using the appropriate channels, to constructively improve the competitiveness of a tax system.

TAX RATE

in %	2022	2023	2024
Tax rate	22.4	20.5	20.2

In 2024, the income tax rate amounted to 20.2%, thereby slightly decreasing compared to the level of the previous year (20.5%). On average, Sika's tax rate is stable, showing the company's reliability as a taxpayer.

COUNTRY-BY-COUNTRY REPORTING

Starting in 2016, Sika was one of the first companies to submit an annual Country-by-Country Report (CbCR) to the Swiss Federal Tax Administration (SFTA) on a voluntary basis. This OECD/G20 standard includes pertinent information such as profit and taxes paid per country where the company is active. In line with the OECD's intention, the SFTA passes this report on to the tax authorities in other countries where Sika is subject to taxation. The result of the CbCR demonstrates that Sika is duly complying with its tax obligations and paying its fair share of tax.

VIEW AND CONCERNS OF STAKEHOLDERS

Sika is committed to openness and transparency. The **Sika Trust Line** allows for anonymous reporting directly to the attention of Corporate Compliance. For more information, please see the "Business Ethics and Integrity" section on p.130 of the Sustainability Report 2024.

PUBLIC POLICY ADVOCACY ON TAX

For more information, please see the "Public Policy" section on p.133 of the Sustainability Report 2024.

INNOVATION AND DIGITALIZATION
SUMMARY & HIGHLIGHTS

AMBITION

Sika focuses its R&D activities on generating customer benefits, marketing safe products, and adapting to the impacts of climate change. The company aims to tap into new digital business areas by including employees, customers, and business partners in the digital transformation process, while managing risks effectively.

APPROACH

Intensive research efforts allow Sika to address the demand for resource-saving building methods, energy-efficient and low-emission construction materials, high-speed manufacturing processes, modular construction, and lighter and safer vehicles. Simultaneously, Sika is determined to become a digital leader in its markets.

HIGHLIGHTS

Sustainability Portfolio Management (SPM)
Sika uses SPM to evaluate and classify its products in market segments in terms of both performance and sustainability. By the end of 2024, 160 products (2023: 85) were evaluated and approved via this methodology.

Scouts – The Ideation Platform
In 2024, the company re-launched its global ideation management platform, Scouts, to streamline and standardize the process of capturing and developing innovative ideas.

INVENTIONS

Change vs. 2023

264 +40.4%

PATENT APPLICATIONS

Change vs. 2023

125 +15.7%

EMPLOYEES WORKING IN R&D

Change vs. 2023

1,840 +3.3%

INNOVATION MANAGEMENT

GRI 3-3

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

The strategic interplay between innovation and sustainability serves as a guiding force, enabling Sika to lead the transformation of the construction and transportation industries. Sustainability is integrated into strategic and operational innovation processes; at the same time, it fuels operational efficiency and excellence throughout the organization. In tandem, digitalization acts as a catalyst, propelling Sika to the forefront of innovation and sustainability. This dedication to an innovative culture empowers employees to challenge the status quo and actively participate in innovation. For more information concerning Sika's sustainability governance and the combined leadership for Innovation and Sustainability, please see the "Sustainability at Sika" chapter on p.41 of the Sustainability Report 2024.

COMMITMENT

Sika is leading the industry with its comprehensive portfolio of high-quality, sustainable solutions. Sika's capability to address sustainability megatrends is reflected across the value chain. Worldwide, the Sika brand is a symbol for technically superior, user-friendly, and long-lasting products. Bringing innovation to life requires customer centricity and courage. For Sika, innovation means implementing progressive solutions that add value to customers and move the industry forward.

GOALS AND TARGETS

Strategy 2028 underscores the critical link between innovation and sustainability, recognizing their importance for long-term success and Sika's net zero journey. By prioritizing durability, reducing CO_2 emissions, embracing circular economy principles, and replacing hazardous materials, Sika is driving innovation to create value-added products that combine performance with sustainability. All new product developments are required to be "Sustainable Solutions" and must undergo a rigorous evaluation process through Sustainability Portfolio Management (SPM). This framework assesses products and solutions against 12 sustainability and 6 performance categories.

RESPONSIBILITIES

Sika's long history of innovation has made it a recognized global technology leader in many markets worldwide. The Sika innovation culture reflects courage for innovation, creation, knowledge, as well as the importance of networking and cross-functional teamwork. Sika's research and development activities are conducted by 1,840 employees (previous year: 1,780) across 18 Global Technology Centers and more than 100 local and regional research and development facilities in more than 90 locations. While investing in its Technology Centers and local laboratories, the company also nurtures an international network of scientists, partners, suppliers, and customers. Sika understands the importance of bolstering collaboration and providing focused leadership. The Global Innovation Management team seamlessly integrates sustainability and innovation across functions, facilitating initiatives and solutions to meet evolving customer needs and market dynamics. The team brings together expertise in digitalization, data processing and management, challenge exploration, and opportunity scouting to drive forward-thinking solutions and innovation. To facilitate projects and partnerships, exploration teams in all regions belong to the Global Innovation Management team. Sika's collaborative approach to innovation management not only embraces a newly designed exploration process but also adopts a customer-centric mindset.

SUSTAINABILITY AS INNOVATION DRIVER

Sika aims to innovate products that enable sustainable construction and transportation, reducing environmental impact along the value chain. Indeed, sustainability has become a key driver for R&D projects at Sika. It fuels the quest for alternative, renewable materials, low carbon solutions, new recycling concepts, more efficient production methods like modular building, resource efficiency, healthier and safer spaces for living and working, and digitally enhanced solutions. In 2024, innovation and sustainability were included in the curricula of various training programs due to their high strategic relevance for Sika, such as the Global Leadership Program, Regional Leadership Programs, and the General Manager Program.

CUSTOMER CENTRICITY

Sika helps its customers overcome challenges by developing innovative products in response to stricter climate-related and chemical regulations, growing sustainability demands, the increased need to boost efficiency and reduce costs, and a shortage of skilled labor. Sika emphasizes customer centricity in both innovation and sustainability by actively collaborating with customers to understand their needs and challenges. This close collaboration, along with market partners, enables the tailoring of product development and solutions to address specific customer requirements while integrating sustainable materials and practices. Sika's goal is to foster long-term partnerships and sustainable growth.

INTELLECTUAL PROPERTY

Exclusivity is a crucial advantage in bringing new products and technologies to market. It not only shields the company from imitators but also assures customers that whenever they see the Sika name, they are receiving an original product of the highest quality. In 2024, Sika reported 264 new inventions (previous year: 188), leading to 125 initial patent applications (previous year: 108). These filings highlight the commitment to research and development, emphasizing Sika's ongoing pursuit of innovation and advancement. In 2024, Sika's patent portfolio had grown to include 1,606 distinct patent families, totaling 5,772 individual national patents (previous year: 5,680).

SCOUTS – IDEATION MANAGEMENT

In 2024, the company re-launched its global ideation management platform, Scouts, to streamline and standardize the process of capturing and developing innovative ideas. The revamped ideation framework has been deployed to efficiently capture and assess employee contributions, advancing high-potential ideas for further development. Scouts facilitates the collection, evaluation, and prioritization of ideas from across the organization, ensuring inclusive participation by providing accessible channels for all employees. The platform enhances visibility into the innovation process, delivers constructive feedback, and supports employees' professional growth, all while driving Sika's strategic objectives. During the reporting year, Sika conducted 14 training sessions, expanded its e-learning program, and introduced Scouts ambassadors. These ambassadors play a crucial role in onboarding employees and ensuring valuable ideas receive the attention they deserve. The onboarding efforts initially targeted employees in R&D and selected key markets.

DIGITALIZATION AND ARTIFICIAL INTELLIGENCE (AI)

Digitalization and AI have a profound impact on the business but also on the way Sika employees are working. This applies to Research and Development (R&D) too. AI-powered systems enable advanced data analysis, accelerating the discovery process and fostering innovation. However, this transformation also brings cultural shifts. Collaboration becomes more interdisciplinary and inclusive, as researchers from different domains and backgrounds work together. The company's culture of collaboration evolves to embrace agility and adaptability, as teams adopt iterative and data-driven approaches. In this context, Sika started implementing Nuage for digitalizing R&D processes worldwide. This concept facilitates seamless information sharing and collaboration across geographically dispersed teams, breaking down barriers to communication. Nuage contributes to transparency and promotes the transmission of knowledge, skills, and information across the organization. In 2024, the roll-out and onboarding of R&D teams worldwide started and by the end of the year, 565 employees from over 59 laboratories were onboarded. Nuage facilitates collaboration across teams in different geographies and enables researchers to conduct experiments and simulations using digital tools and technologies. The new global digital laboratory allows researchers to work remotely, collaborate with others in real time, and access a wide range of data, software, and hardware resources.

3D PRINTING

In the rapidly evolving field of 3D printing, Sika has established itself as a leader, particularly within the construction and manufacturing industries. The company expertise spans multiple areas, including 3D concrete printing, thermoplastic systems, and advanced resins, with notable applications in the automotive sector. Sika's 3D concrete printing technology delivers enhanced efficiency, design flexibility, and sustainability by reducing dust and CO_2 emissions while significantly decreasing construction time and costs. In thermoplastic systems, Sika 3D solutions enable rapid prototyping and customized production, providing durability and resource efficiency. Additionally, Sika's advanced resins offer excellent mechanical properties and precision, making them ideal for use in industries such as automotive, and healthcare. Through these innovations, Sika is driving the future of 3D printing, enabling faster production, cost savings, and sustainable design solutions.

In 2024, Sika has played a crucial role in the innovative "White Tower" project by providing thermoplastic compounds, which enabled the 3D printing of the base plates and platforms of a groundbreaking 30-meter-tall 3D-printed structure in Switzerland that displays the future of sustainable architecture through digital fabrication. In the domain of 3D concrete printing, Sika, in collaboration with Constructions-3D, France, has set a world record by constructing the tallest 3D-printed building, a 14.14-meter-high, three-story structure. This innovative project, using Sika's concrete ink, displays the revolutionary potential of 3D printing in construction by reducing waste, cutting costs, and enabling complex, sustainable architectural designs without traditional formwork. Furthermore, Sika's advanced concrete 3D printing solutions were used to construct the longest 3D-printed wall in the Middle East, the "Wall of Harmony". In the domain of advanced resins, Sika introduced the first 3D-printable material for tooling and modeling, enabling faster, cost-effective production with up to 90% waste reduction. In partnership with the Paste Pro system of CNC-Robotics Ltd, UK, this technology delivers higher-quality models and boosts sustainability.

CAPACITY BUILDING FOR INNOVATION

Sika's Global Leadership Program (GLP) plays a pivotal role in fostering innovation and creativity throughout the organization. Designed to prepare and empower the next generation of senior leaders, the GLP focuses on cultivating leadership competencies that align with Sika's areas of focus: innovation, sustainability, and customer centricity. The program emphasizes cross-functional and international collaboration, enabling participants to transform innovative ideas into actionable business strategies. This approach nurtures a leadership culture centered on creativity and practical problem-solving. In 2024, 45 leaders participating in the program started working on innovation projects in the areas of digitalization, customer centricity, and growth mindset. This exercise addresses complex business challenges while embedding innovation-driven leadership into the personal agendas of managers and their teams. Ultimately, the program contributes to sustainable long-term growth and reinforces Sika's commitment to excellence. Furthermore, 453 Sika Senior Managers, including Regional and Corporate Senior Managers, have received input in innovation management. A variety of established internal initiatives challenge the status quo and nurture innovation across all regions. These include global and regional programs like "Shark Tanks" in all regions and local initiatives such as the "Sika Maker Program" in China, which consolidates the expertise of innovative minds throughout the organization to anticipate future requirements and foster the development of innovative solutions. As a technology leader, Sika supported the 2024 TEDx Zurich event, showcasing its commitment to innovation and the advancement of cutting-edge solutions. The event, themed "Full Spectrum", explored the wide range of human experiences and perspectives through the lenses of science, technology, and innovation. Sika contributed to this platform by presenting key innovations that exemplify leadership in the construction and automotive industries, inspiring discussions about the future of technology and its impact on society. Sika's involvement highlights its role in shaping the future through groundbreaking advancements.

OPEN INNOVATION

Sika's approach to open innovation emphasizes collaboration with external partners to accelerate innovation and strengthen Sika's overall business by expanding its product portfolio, optimizing processes, and reinforcing its leadership in technological and market advancements. To achieve these goals, Sika partners with universities and research institutions, tapping into cutting-edge research and specialized expertise in areas such as materials science, sustainability, and construction technology. Sika collaborates with startups and industry leaders to exchange knowledge and co-develop breakthrough technologies that drive efficiency and create new market opportunities. By leveraging a broad innovation ecosystem that bridges research and industry, Sika not only strengthens its market position but also continuously evolves through this collaborative approach.

In 2024, Sika joined KNOVA, an Open Innovation Platform designed to help companies explore the university research ecosystem and foster innovation. The platform also provides startups and researchers within the EPFL (Swiss Federal Institute of Technology in Lausanne) ecosystem an opportunity to showcase their technologies to a global audience. Through the KNOVA program, Sika has gained access to EPFL's extensive network of laboratories, startups, companies, and research institutes. The company has participated in innovation roadshows, visited leading research labs and competence centers focused on AI, data science, 3D printing, imaging, smart living, data trust, robotics, automation, and more. Collaboration with EPFL is of great importance to Sika's ongoing innovation efforts, enabling the company to stay ahead in fields like AI, materials science, and sustainability. Additionally, Sika expanded open innovation and collaboration efforts in Asia. One example is with East China University of Science and Technology to develop sustainable raw material technologies for thermoplastic membranes, supporting eco-friendly advancements in thermoplastic solutions. As open innovation continues to shape Sika's future, the company remains dedicated to leveraging external knowledge to maintain its competitive advantage and contribute to solving global challenges. Moving forward, Sika has a clear strategy and roadmap to advance its open innovation efforts, guiding future partnerships and growth.

PARTNERSHIPS AND COLLABORATION

Cross-functional collaborations within Sika, alongside partnerships with technology companies, scientific institutions, and universities, yield fresh insights and scientific breakthroughs. Collaborative effort results in products and solutions that offer both enhanced performance and bring about sustainability benefits. At corporate level, Sika cooperates with renowned universities and scientific institutions such as ETH Zurich (Swiss Federal Institute of Technology in Zurich), EPFL, University of Illinois (USA), the Beijing University of Chemical Technology (PRC), and Karlsruhe Institute of Technology (KIT) on various research projects. In addition, Sika's subsidiaries partner at local level within application-oriented research projects. An example of a successful scientific partnership at both corporate and local levels is the cooperation with the University of Cádiz (UCA) in concrete protection, building facades, and industrial processes. The cooperation emerged from a successful partnership focusing on innovative techniques for preserving concrete structures. Now, the UCA and Sika bundle their knowledge to expand these technologies to further application areas and to open new market potential. In Germany, Sika is collaborating with Karlsruhe Institute of Technology (KIT) and the Leibniz University Hannover (LUH) in the context of the URBAN project, which focuses on developing a sustainable process to recycle old concrete into new cement and high-quality aggregates, achieving a CO_2-reduced circular economy by capturing and reusing CO_2 during production. The initiative, supported by German state funding and multiple industry and academic partners, aims to reduce environmental impact while maintaining cost-effectiveness and high material quality. A successful example from Asia is the "Data Driven Project" on adhesive bonding as part of the Technological Consortium for Adhesion and Bonding (T-CAB), organized by the National Institute of Advanced Industrial Science and Technology (AIST). Highlights in the United States include, among others, energy-saving assessments with the Department of Energy's Industrial Assessment Centers, partnerships with the Massachusetts Institute of Technology (MIT) and with the National Science Foundation (NSF) for concrete sustainability, sponsorship of Oklahoma State University's solar racing team, and roofing innovations with universities like University of Colorado Denver and Arizona State. For more information, please visit the corporate webpage ↗ **Partnerships and Collaboration**.

INNOVATIONS THAT SUPPORT SUSTAINABILITY

Sika is keen to advance its own net zero targets and help its customers along this path.

DRIVING LIFETIME PERFORMANCE: FROM "MAKE – USE – WASTE" TO CIRCULAR ECONOMY

The shift from the traditional "make-use-waste" model to a circular economy is transforming the industry to become more sustainable. Sika leads this movement by developing durable, recyclable solutions that maximize the lifespan of products and reduce environmental impact, such as:

- Make: Cradle to Cradle Certified™ Sarnafil® AT is a thermoplastic roofing membrane technology. Through innovative technologies and products like Sarnafil® AT, Sika is committed to design, measure, and communicate sustainable value creation. Certifications such as the Cradle to Cradle Certified™ scheme demonstrate this commitment. The Cradle to Cradle Certification™ aligns the technology with sustainable construction standards. It is a consequence of the commitment to responsible production, reflecting an innovation pipeline geared toward minimizing environmental impacts while meeting the rigorous demands of the roofing industry. By pursuing this certification, Sika also positions itself as a proactive player in promoting transparency, circularity, and environmental stewardship across its product lines.
- Use: Durable Products and Real-Time Monitoring. Sika's roofing solutions, including the newly launched Sarnafil® AT FSH SA in 2024, offer high performance and sustainability. These membranes feature self-healing technology, reducing repairs and prolonging roof lifespans. With over 30,000 m^2 of Sarnafil® AT FSH SA sold, these systems are ideal for protecting industrial buildings with valuable content. To further enhance product performance, Sika has introduced SikaRoof® Monitoring, a wireless, plug-and-play system that provides 24/7 real-time monitoring. Each sensor covers up to 300 m^2, ensuring proactive maintenance for building owners. With over 500 units sold, the system launched in Switzerland and now being rolled out globally offers peace of mind with predictive maintenance capabilities for both single-ply and bituminous membranes.
- Waste: Sika is committed to designing roofing systems with recyclability in mind. Its US PVC recycling program has already diverted 36,000 tons of PVC from landfills, saving over 120,000 tons of CO_2. In 2024, Sika expanded this initiative in EMEA, recycling 50 tons of TPO roofs and saving an additional 150 tons of CO_2.

Sika's dual approach to mechanical and chemical recycling ensures that materials like PVC and TPO are repurposed rather than discarded, contributing to a circular economy. By combining durable, long-lasting products with effective recycling programs, Sika reduces waste and promotes sustainability across the entire life cycle.

INNOVATIONS IN THE NAME OF PERFORMANCE AND SUSTAINABILITY

Sika's commitment to sustainable solutions across its Target Markets is demonstrated through its innovative approach in core technologies that significantly reduce environmental impacts. The company is actively working to decarbonize construction materials by reformulating products to reduce cement content by integrating supplementary cementitious materials (SCM). On average, Sika achieved a substitution rate in its own mortars of approximately 18% by the end of 2024. Cement producers are also including SCMs in the manufacturing process to replace clinker and reduce the CO_2 emissions. Sika additives are playing a crucial role to enable this clinker substitution. Innovations that demonstrate advances in both performance and sustainability:

- Structural concrete repair solutions that offer exceptional durability while significantly reducing environmental impact, cutting CO_2 emissions compared to traditional benchmarks.
- Underwater grouts that meet stringent environmental standards, demonstrating reduced CO_2 emissions.
- Liquid-applied membranes, leveraging biomass-balanced compositions, being cold-applied for enhanced elasticity and durability, with a notable reduction in carbon footprint of 35%.
- Advanced flooring coatings utilizing eco-friendly packaging and delivering high performance with lower material consumption, achieving substantial carbon emission reductions.

SIKA'S INNOVATIVE RECYCLABLE STEEL CARTRIDGES WIN GLOBAL ACCLAIM

Sika's commitment to sustainable solutions is also evident in its recyclable steel cartridges, developed in collaboration with Muhr & Söhne GmbH & Co. KG. Both companies have been recognized for their outstanding contribution to sustainability with the prestigious Worldstar Global Packaging Award for their innovative recyclable steel cartridges. This accolade, presented on June 15, 2024, follows Sika's earlier win at the German Packaging Award 2023, further solidifying the company's leading role in eco-friendly packaging innovations. These cartridges, made from recycled steel, contribute to the industry's shift toward circularity and reduced carbon emissions. This innovation marks the world's first steel cartridge in standard dimensions, which is compatible with existing application equipment. What sets this packaging apart is its magnetic properties, enabling easy separation in waste streams for efficient recycling without downcycling. This advancement anticipates upcoming EU regulations mandating fully recyclable packaging, minimal harmful substances, and enhanced recycling processes. This shift not only helps to reduce waste sent to landfills but also responds to increasing regulatory and customer demands for more sustainable packaging solutions. Sika's integrated strategy of combining product performance with significant environmental benefits positions the company as a leader in advancing sustainability within the construction industry.

PRODUCT PORTFOLIO

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3

Central to Sika Strategy 2028 is the development of sustainable products that not only meet the highest performance standards but also contribute to the long-term durability and resilience of buildings and infrastructure. Sika prioritizes innovation in materials that minimize resource consumption, reduce carbon emissions, and extend the life cycle of structures. By focusing on solutions that enhance energy efficiency, durability, and the circular economy, Sika ensures that sustainability is integrated into every stage of the product life cycle, from raw material sourcing to production and application.

SUSTAINABILITY PORTFOLIO MANAGEMENT (SPM) METHODOLOGY

Sika's Sustainability Portfolio Management (SPM) methodology was initially based on the World Business Council for Sustainable Development (WBCSD)'s first version of the Portfolio Sustainability Assessment (PSA) framework launched in 2018. This framework provided a robust foundation for evaluating and categorizing products against sustainability and performance criteria. In recent years, the importance of sustainability has grown significantly, prompting legislative initiatives to advance globally. To align with these developments, the WBCSD published in September 2023, a second version of the PSA. In 2024, Sika has further advanced its SPM methodology by integrating the requirements from the second version, updating the guidance for the following sustainability categories:

- Category 3: Chemical Hazard and Exposure. This category has been refined to incorporate more stringent criteria for chemical safety, addressing both hazard and exposure aspects. This update ensures that Sika's products continue to meet high safety standards, minimizing potential risks to human health and the environment.
- Category 4: Regulatory Trends and Forthcoming Regulations. This category has been updated to enhance Sika's ability to anticipate and adapt to upcoming regulatory changes.
- Category 9: Resources and Circularity. The PSA methodology incorporated circularity elements only with the version 2.0, while since its launch, Sika's SPM methodology already included a dedicated category for assessing resources and circularity throughout the entire product life cycle, demonstrating Sika's commitment to addressing market signals and regulatory trends that prioritize waste reduction and material circularity.

Categories 3 and 4 support Sika's ambition to reduce the use of hazardous materials, in line with the Sika Substance Risk Management (SSRM) policy, which regulates the use of defined hazardous substances in Sika operations and products and aims to replace substances falling under the "SSRM" definition, by alternative substances.

In addition to the above, another enhancement to the Sika SPM methodology, was the definition of an internal procedure to assess the sustainability Category 8 Climate. For more information, please see the **SPM Methodology Paper** available in the download center of Sika's corporate website. Within Sika Strategy 2028, the application of the SPM methodology is mandatory for all new product developments, and applicable for existing products. At the end of the reporting year, 160 products have been fully evaluated and approved (2023: 85)[1], among which 121 received positive evaluations, (98 in Cluster A, 19 in Cluster B, and 4 in Cluster C), 29 neutral, and 10 negative. The negative ones are currently being reviewed by R&D.

1 In the Sustainability Report 2023, Sika reported 232 product evaluations. This KPI has been discontinued in 2024 because multiple evaluations can be conducted per product. To avoid misinterpretations, Sika will continue to disclose the number of products evaluated.

SUSTAINABLE PRODUCTS ASSESSMENT

LIFE CYCLE ASSESSMENT

In 2024, Sika continued to implement the new capacity building strategy to support the organization's growing need for product sustainability assessments, with a core focus on Life Cycle Assessment (LCA) and the evaluation of product-related climate change impacts. The strategy transforms Sika's approach to building global capacity with the integration of three new pillars: corporate competence center, regional specialist network, and global automation pathways. The first two pillars were extensively developed during the reporting period. Within the corporate competence pillar, a comprehensive range of guidelines, tools, training, and collaboration spaces were created to support the new global network of product sustainability specialists. The network consists of over 40 specialists from across the organization equipped with the skills, tools, and training needed to undertake product sustainability assessments such as LCA, Product Carbon Footprint (PCF), and Environmental Product Declarations (EPDs). Members of the network in Sika's R&D departments strengthen their focus on developing Sustainable Solutions in line with Sika's Strategy. The network is enabling Sika to be more agile in responding to increasing customer requests for transparent, product-related environmental information, as well as having the necessary capacity to support the teams in their scope 3 GHG emissions reduction projects, which enable Sika to achieve its net zero goals. The focus for the following years will be to fortify the first two pillars and additionally develop automation strategies to further amplify Sika's capacity in product sustainability.

ENVIRONMENTAL PRODUCT DECLARATION

In 2023, Sika launched its first EPD automation tool, the "Sika Concrete Admixtures EPD Tool", developed to support local Sika organizations in meeting growing customer demand for EPDs of concrete admixtures. This initiative, driven by the rising demand for product-specific EPDs, began in 2021 and involves the Corporate Target Market Concrete and the Corporate Sustainable Products team. The tool, pre-verified by the German EPD program operator Institut Bauen und Umwelt (IBU), is used by a dozen employees in Sika companies across all regions. It has enabled non-LCA experts to create third-party verified EPDs for concrete admixtures, supplying local and global markets with robust product sustainability documentation. Published EPDs can be found on the IBU website[1] and Eco Platform[2].

In 2024, an extension project was initiated to scale up the use of the EPD tool further by extending the coverage to additional Concrete Admixtures types, and incorporating supplier-specific EPD data, leveraging the important work done by Sika's suppliers. As a global supplier to the construction industry, Sika's strategy includes EPDs as a critical component due to the increasing customer demand for detailed environmental impact information, aligning with decarbonization efforts and net zero goals.

CALCULATION OF AVOIDED EMISSIONS

Since 2022, Sika has been actively involved in the development and refinement of the WBCSD's Avoided Emissions Guidance, a critical tool for reconciling avoided emissions with globally recognized carbon accounting standards which offers a rigorous, harmonized methodology developed through consultation with multinational companies, NGOs, academia, and existing literature. This initiative focuses on developing a cross-industry calculation methodology to capture the reduction of GHG emissions that occur beyond a company's own direct inventory, through the deployment of products and solutions that provide decarbonization benefits to their customers. By focusing on avoided emissions, companies can evaluate their solutions' impact on reducing carbon emissions and identify areas for scaling their climate-positive innovations, supporting the global effort toward net zero. In 2023, under the WBCSD framework, Sika began developing several pilot case studies showcasing innovative solutions, all designed to reduce GHG emissions across industries. In 2024, the Sika Fiber® case study about the company's macro synthetic fibers was the first example from the chemical construction industry that has been submitted, reviewed, and verified by the WBCSD. A one-pager was developed and published to showcase this solution.[3]

1 ↗ **IBU website**
2 ↗ **Eco Platform**
3 ↗ **Measuring-the-impact-of-carbon-avoiding-solutions-in-the-construction-industry-A-Case-Study-Sika.pdf**

DIGITALIZATION AND IT LANDSCAPE

POLICIES AND GUIDELINES

For more information, please visit the corporate webpage ESG Policies and Guidelines

GRI 3-3

Digitalization has implications for everybody – private individuals as well as companies. The rise in digital networking is not only leading to exponential growth in communication possibilities, but it also has a deep-rooted impact on market dynamics and social structures. Companies are confronted with the challenge of tapping into new digital business areas alongside their traditional market approaches, including their employees, customers, and business partners in the transformation process. Thanks to Sika's determination to become a digital leader in its markets, the company succeeded in integrating these opportunities in its growth trajectory and has benefited from the surge in demand in e-commerce and the new opportunities created by the introduction of analytical capabilities. In 2024, Sika invested CHF 78.5 million (2023: CHF 63.5 million) in rationalization, efficiency improvements, and digitalization.

VISION AND STRATEGY

Sika's digitalization vision is structured around four main pillars: revenue, efficiency, relevance, and acceleration. The first one is about building new revenue streams with digital services and new business models. The second involves using digital technologies to drive down costs and increase efficiency in processes and productivity in manufacturing and the supply chain. The third is about the positioning as a relevant participant in the digital world, facilitating doing business with Sika for customers and growing by transferring offline strength to digital. The latter leverages digital tools to drive growth, adoption, and collaboration across Sika's decentralized organization. These pillars are put into practice via five digital building blocks:

- Customer Centricity offers a full set of digital capabilities with the goal of increasing Sika's knowledge about customer needs and providing access to the services of Sika via the preferred channel of choice, be it physical or digital. Examples include customer portals such as exchange platforms for services and information; digital sales channels like Sika eShop, Electronic Data Interchange (EDI), or web-integrated "Buy now buttons" for placing orders 24/7; customer-specific apps; customer training platforms to support safe application of products; and customer analytics supported by AI technology.
- Operational Efficiency to increase transparency and to realize efficient and effective business processes using data and innovative technology. Examples include: Internet of Things (IoT) embedded in production, warehouse, and logistic processes to drive transparency for smart decisions in planning and execution; shop floor automation with integration in the Enterprise Resource Planning (ERP) using Artificial Intelligence (AI) technology to optimize recipes; and vertical integration of information.
- New Business Models and Innovation leverages new business opportunities with technology and collaboration with innovative startups. Examples include integration into the BIM (Building Information Modeling) ecosystem; new ways of building with concrete like 3D concrete printing or robot-applied "Mesh" technology; smart IoT connected membranes and building structures; digital services provided by Sika Apps to help customers increase concrete quality and improve resource management; and an inclusive innovation approach leveraging the ideas of all employees called "Scouts".
- Effective Knowledge Worker increases employee productivity, facilitating collaboration and knowledge sharing. Examples include cultural and organizational readiness to foster digitalization and innovation, access to company information for all employees from everywhere at any time, digital learning, translation automation, and effective approval and collaboration workflows supported by apps.
- IT Excellence drives the provisioning of an effective IT architecture that is based on standardized modern core IT platforms and supports a strict single source of truth approach for data. These core platforms are connected via powerful integration layers to agile apps, cloud, IoT, mobile, social media, and data and analytics platforms. With strong capabilities in cybersecurity, the corporate IT team safeguards the integrity of the IT landscape and protects Sika data from being compromised.

GOVERNANCE

The Sika Global Digital Board was established in 2020 in response to the increasing relevance of topics like digitalization and cyber security. These social and economic development trends create risks as well as business opportunities that allow Sika to actively shape the process of change, diversify, and improve customers' engagement channels. The Board is composed of the CEO, CFO, Regional Manager EMEA, Regional Manager Asia/Pacific, Head Construction, Chief Innovation & Sustainability Officer, and the Head IT Sika Group.

SIKA GLOBAL DIGITAL BOARD

CEO, CFO, Regional Manager EMEA, Regional Manager Asia/Pacific, Head Construction, Chief Innovation & Sustainability Officer, Head IT Sika Group

CUSTOMER CENTRICITY	**EFFECTIVE KNOWLEDGE WORKER**
OPERATIONAL EXCELLENCE	**IT EXCELLENCE**
NEW BUSINESS MODELS & INNOVATION	

The Digital Board is mandated to transfer Sika's strength from analog to digital, enabling each digital team to progress in a productive and cohesive way. It oversees the alignment between Sika's Strategy and projects related to the five digital building blocks described above. It is also responsible for approving digital strategies and Sika's digital architecture. To facilitate global digital activities, it can grant funds to projects that demonstrate high potential for Sika's digital transformation. It ensures that digital initiatives adhere to the application and data strategy defined for effective global implementation. It also nominates the team leads and core members of the global digital teams that drive the activities in the five digital building blocks. In 2024, the full body of the Global Digital Board met twice in addition to several sub-committee meetings tasked to elaborate on special topics. The highest priority was on embedding AI into the Sika organization based on an AI Governance framework, on an AI technology stack, and on the elaboration of Sika-specific use cases resulting in concrete pilots. Additional focus was on the development of a concept for the future digital factory architecture that shall deliver a platform for automation and connecting production equipment (IIoT). Finally, the implementation of the new Sika Data Hub that connects multiple sources into a Lake House enabling powerful reporting and analytics has been dealt with. More on the organizational side, the Digital Board intensively reviewed the way digitalization is managed at Sika and developed some new concepts to be implemented in 2025 to strengthen digital competences and capacities.

SIKA'S DIGITAL TEAMS

The four digital teams "Customer Centricity", "Operational Excellence", "Effective Knowledge Worker", and "IT Excellence" support the Sika Digital Board to define digital strategies, execute digital projects, and help to increase the digital maturity of all Sika companies. New Business Models and Innovation is a result of the different Target Markets using the company's digital capabilities to develop digital products and services. Another source of digital innovation is Sika's innovation concept named "Scout" that allows participation of all Sika employees in innovation challenges. For more information on the four digital teams, please see the ↗ **Digitalization and IT Landscape** corporate webpage.

CYBERSECURITY

International corporations are exposed to cyberattacks that include any type of offensive maneuvers targeting computer information systems, infrastructures, computer networks, and/ or personal computer devices through malicious acts. Sika has a strong organization in place to monitor, detect, mitigate, and resolve such risks.

GOVERNANCE

Cyber risks are among the top risks in Sika's Enterprise Risk Management framework. These risks are regularly assessed by the Board of Directors. The CFO is responsible for risk management in cybersecurity, supported by the Head IT Sika Group. For more information, please see the Risk Management Report on p.23 of the Annual Report 2024. The execution of Sika's Cybersecurity Strategy is assigned to the Sika Cybersecurity team who is responsible for ensuring that Sika employs the necessary technologies, processes, frameworks, and policies, and that IT Security aspects are effectively implemented.

A dedicated and highly professional Security Operations Center, which is part of the Sika Cybersecurity team, is in place to continuously monitor and improve Sika's security posture by detecting, analyzing, and responding to cybersecurity incidents worldwide. Sika's Security Operations Center defends against security breaches based on the newest industry-relevant threat intelligence and participates in vulnerability management programs that help reduce cybersecurity risks. The effectiveness of Sika's cybersecurity framework is tested regularly. Group Management monitors and approves actions, and reports on cybersecurity activities to the Audit Committee. The company has put the following measures in place to reduce cybersecurity risk:

- Comprehensive cyber incident management framework and processes for effective cyber response and IT Continuity Planning.
- Constant assessments of cyber maturity.
- Internal cybersecurity skills that are backed up by support from external specialists.
- Internal IT security audits of local sites across the world according to Sika's IT Audit framework based on the ISO 27001 standard.
- Regular training of the Sika workforce on developments in cyber risks and how to counter these risks.

In 2024, the security awareness of Sika employees was further strengthened. Phishing awareness campaigns and simulated phishing attacks are organized regularly, and key improvements were made in the relevant metrics during the reporting year. In addition, a full Cybersecurity Strategy assessment and transformation was completed also in 2024, including a complete revision of the security technology stack. Such assessments and updates are now continual and driven with the "assume compromise" stance to continuously evaluate the effectiveness of Sika cybersecurity controls and drive various initiatives to improve IT resilience capabilities.

INCIDENT RESPONSE PROCEDURES

Major incident response activities are addressed by the Sika Cyber Emergency Board according to procedures and plans laid out in the Cyber Emergency Handbook, which includes the IT contingency planning and incident response procedures. Local responsibility for severe security incident preparation lies with each Sika company. Since the IT contingency plan is managed by local Sika companies, the disaster recovery and cyber emergency response tests are carried out locally and performed at least once per year. This is also the case for the procedures for the global Cyber Emergency Board, and cyber emergency response tests are performed at least once per year. This also applies to the procedures of the global Cyber Emergency Board, where test scenarios are built and run together with an external partner.

EXTERNAL VERIFICATION AND VULNERABILITY ANALYSIS

Sika employs specific processes and technologies to identify and manage IT risks and vulnerabilities at multiple layers. Besides the multilevel simulations of cyberattacks in the form of Red Teaming/Purple Teaming exercises, the company is using advanced detection and response capabilities, threat hunting, vulnerability and patch management processes, and scanning services for internal Sika IT infrastructure. For the services and infrastructure components exposed to the internet, external security rating services are used.

TRAINING

Sika provides its staff with the appropriate training and reinforces its IT organization within the Group accordingly. The measures to defend against such attacks are continually reviewed with the help of external specialists and adapted in line with any new situations that may arise. Mandatory for every employee is to successfully pass the e-learning on "IT Security for Users".

METHODOLOGICAL NOTE

POLICIES AND GUIDELINES

↗ **For more information, please visit the corporate webpage ESG Policies and Guidelines**

GRI 2-2 GRI 2-4

Scope of reporting and consolidation

The scope of Sika Sustainability reporting is aligned with the scope of entities consolidated in the Group financial statements, as described on p.248 of the Annual Report 2024. If 2024 acquisitions are excluded from consolidated 2024 figures, a dedicated mention is available in the relevant section. Chema is excluded from consolidated 2024 figures in the "Environment" chapter to facilitate the company onboarding and ensure a proper integration in the Sika sustainability reporting framework.

In the year under review, the scope of consolidation of the Sustainability reporting was expanded to include:

- The acquired companies Kwik Bond Polymers, LLC (USA), Vinaldom, S.A.S in the Dominican Republic, and Chema (Peru).
- The newly founded companies Sika Davco (Shaanxi) New Materials Co., Ltd., (China), Sika (Shanghai) New Materials Co., Ltd, (China), Sika Investments GmbH (Switzerland), Sika Manufacturing Tunisia Sarl (Tunisia), Sika US Urban Renewal LLC (USA).

More information on these acquisitions and expansions is available in the Financial Report on p.217 of the Annual Report 2024. Generally, acquired companies' data are included in the Sustainability reporting from the acquisition date onwards. The list of all consolidated companies is detailed in the Appendix to the Consolidated Financial Statements on p.248 of the Annual Report 2024.

Reporting standards and frameworks

The Sika Sustainability Report 2024 is part of the Sika corporate reporting package. The Sika Group has reported the information cited in the Sustainability Report 2024 for the period 01.01.2024–12.31.2024 with reference to the GRI Standards 2021. In addition, the following documents are available in the download center of the corporate website:

- The Sika ↗ **GRI Content Index** reports information on Sika's material topics for the period 01.01.2024–12.31.2024 with reference to the GRI Standards 2021.
- The Sika ↗ **SASB Content Index** provides an overview of Sika's reporting practices in accordance with the Sustainability Accounting Standards Board (SASB) sustainability disclosure topics and accounting metrics for the Resource Transformation – Chemical (RT-CH) sector.
- The ↗ **Sika and the UN SDGs** document shows which UN SDGs and related targets and indicators Sika's activities directly contributed to during the reporting year.
- The Sika ↗ **UN Global Compact Index** shows that Sika adheres to the ten principles of the UN Global Compact in its business practices, comprising the four areas of human rights, labor standards, environment, and anti-corruption.
- Sika's corporate carbon accounting (scope 1, 2, and 3) follows the reporting guidelines of the Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard.
- The Sika Sustainability Report 2024 also complies with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which are described in more detail in the "TCFD Recommendations" section on p.51 of the Sustainability Report 2024.

TCFD MAPPING TABLE

Areas	Recommended disclosures	Annual report reference pages/links
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	p.24, 42
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	p.42
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	p.51–62
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p.50–62
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p.50–62
Risk management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	p.51–62
	b) Describe the organization's processes for managing climate-related risks.	p.27, 51–62
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p.27, 51–62
Metrics and targets Disclose the metrics and targets set to manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p.51–62
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	p.50–66
	c) Describe the targets set by the organization to manage climate-related risks and opportunities, and performance against targets.	p.50–66

Reporting regulations (future and current)

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The Sika Group will have to disclose information and KPIs in accordance with the Corporate Sustainability Reporting Directive (CSRD) from business year 2025, with first mandatory reporting in 2026. The company will comply with the European Sustainability Reporting Standard (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). In 2024, Sika initiated the Double Materiality Assessment (DMA) project as a first step to align with the European Sustainability Reporting Standards (ESRS) and comply with the CSRD by 2026. This comprehensive assessment prioritizes Sika's sustainability efforts and reporting requirements by considering both impact and financial materiality. Through the DMA, Sika evaluates a range of ESG topics, including climate change, pollution, water and marine resources, biodiversity and ecosystems, circular economy, own workforce, workers in the value chain, affected communities, consumers and end-users, and business conduct. These topics are currently being assessed across Sika's entire value chain, from upstream to downstream operations.

EU TAXONOMY

The EU Taxonomy will affect Sika Group because of the entry into force of the CSRD. Therefore, the company has kicked off the "EU Taxonomy" project in 2022. Specifically, Sika initiated the eligibility analysis of its business activities for two environmental objectives (climate change mitigation and adaptation). Sika pursues the assessment to identify its taxonomy-eligible economic activities and will consistently report on related KPIs (Turnover, CapEx, and OpEx) from 2025 onwards.

NON-FINANCIAL DISCLOSURES IN ACCORDANCE WITH THE TRANSPARENCY REQUIREMENTS OF THE SWISS CODE OF OBLIGATION

The Sika Sustainability Report 2024 includes the company's disclosures of non-financial matters required by the Swiss Code of Obligation (Art. 964 CO), including climate-related disclosures required by the Swiss Climate ordinance.

NON-FINANCIAL DISCLOSURES IN ACCORDANCE WITH THE TRANSPARENCY REQUIREMENTS OF THE SWISS CODE OF OBLIGATION

	Section in the Sustainability Report 2024 (SR)/Annual Report 2024 (AR)	Page number(s) and/or URL(s) and/or other documents
Art. 964 a-c Transparency on non-financial matters		
Description of the business model	SR – Sustainability at Sika AR – Strategic Report	p.41–48 p.11–22
Description of the main risks in relation to the non-financial matters	SR – Sustainability at Sika AR – Risk Management Report	p.41–48 p.23–31 ↗ **Sika Materiality Analysis 2022**
Environmental matters		
Policies	SR – Environment	p.49–89 ↗ **ESG Policies and Guidelines**
Measures including evaluation of their effectiveness	SR – Environment	p.49–89
Performance indicators	SR – Environment	p.49–89
CO_2 goals	SR – Environment	p.50–62 ↗ **Sika's Way to Net Zero**
Social matters		
Policies	SR – Social	p.90–127 ↗ **ESG Policies and Guidelines** ↗ **Code of Conduct (CoC)** ↗ **Supplier Code of Conduct (SCoC)**
Measures including evaluation of their effectiveness	SR – Social	p.90–127
Performance Indicators	SR – Social	p.90–127
Employee-related matters		
Policies	SR – Social	p.91–111 ↗ **Code of Conduct (CoC)** ↗ **ESG Policies and Guidelines**
Measures including evaluation of their effectiveness	SR – Social	p.91–111
Performance Indicators	SR – Social	p.91–111
Human rights matters		
Policies	SR – Social SR – Governance	p. 111, 118–119 p.130–132 ↗ **Supplier Code of Conduct (SCoC)** ↗ **Code of Conduct (CoC)** ↗ **ESG Policies and Guidelines**
Measures including evaluation of their effectiveness	SR – Social SR – Governance	p. 111, 118–119 p.130–132

NON-FINANCIAL DISCLOSURES IN ACCORDANCE WITH THE TRANSPARENCY REQUIREMENTS OF THE SWISS CODE OF OBLIGATION

	Section in the Sustainability Report 2024 (SR)/Annual Report 2024 (AR)	Page number(s) and/or URL(s) and/or other documents
Performance Indicators	SR – Social SR – Governance	p. 111, 118–119 p.130–132
Anti-corruption		
Policies	SR – Governance	p.130–132 ↗ **Supplier Code of Conduct (SCoC)** ↗ **Code of Conduct (CoC)** ↗ **ESG Policies and Guidelines**
Measures including evaluation of their effectiveness	SR – Governance	p.130–132
Performance Indicators	SR – Governance	p.130–132
Art. 964 d-i – Transparency in Raw Material Companies		
Report on payments to government bodies for companies active in the extraction of raw materials		↗ **Report on Payments to Governments 2024**
Art. 964 j-l – Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor		
Conflict minerals	SR – Social	p.113
Child labor	SR – Social	p. 111, 118–119

Data collection and reporting methodologies

Sustainability performance indicators disclosed in Sika Sustainability Report 2024 are based on the following:

- Social, Environmental, Health and Safety (EHS) data are collected through the Sika corporate reporting and BI system. Environmental indicators are reported at site level on a quarterly basis. Health and Safety indicators are reported at site level on a monthly basis. Training hours are reported at company level on a quarterly basis.
- Community Engagement indicators are reported quarterly at company level.
- The ESG Confirmation excludes newly acquired legal entities that were closed during 2024.
- The HR questionnaire covers all Sika entities with a minimum headcount of five employees as of September 2024. Consequently, Chema is excluded as its acquisition was closed in November 2024.
- Since 2023, Sika added granularity to the reporting of recruitment and turnover-related indicators. The breakdown of hirings and departures is now available per age category. 2022 data have not been restated accordingly.
- Scope 1 and 2 GHG emissions for 2022 and 2023 have been restated to reflect 2023 and 2024 acquisitions (except Chema). Scope 3 GHG emissions for 2022 and 2023 have been restated following the SBTi target review process. 2024 acquisitions are excluded from scope 3 GHG emissions for 2022, 2023, and 2024. These will be integrated within 24 months after the closing in accordance with Sika's ESG Data Governance. For more information on Sika's ESG data governance including re-baselining, please see the "Methodological Note" chapter on p.160 of the Sustainability Report 2024.
- Sika's corporate carbon accounting (scope 1, 2, and 3) follows the reporting guidelines of the Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard. According to the same guidelines, CO_2 equivalent (CO_2eq) is defined as the universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.
- The conversion factor of 1 to 0.278 is used to convert energy indicators from GJ to MWh, as stated in the IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation.
- 2023 water indicators have been restated to reflect 2023 and 2024 acquisitions (except Chema), in accordance with Sika's ESG Data Governance.
- In 2024, Sika aligned its water consumption definition with the main reporting standards. Water consumption is now calculated as the difference between water withdrawal and water discharge. 2022 and 2023 data have been restated accordingly.
- The indicator "water sent off-site for treatment" captures the water that is treated off-site by a third party. It includes effluents (treated or untreated wastewater) including wastewater that shall be disposed separately due to local regulations.
- 2023 waste indicators disclosed in this section have been restated to reflect 2023 and 2024 acquisitions (except Chema), in accordance with Sika's ESG Data Governance.
- In 2024, the indicator "recycling on-site" was added to the waste reporting. Internal recycling refers to the internal reprocessing or recovery operations of products, components, and materials that would otherwise become waste, to make new materials. 2022 and 2023 data have not been restated accordingly.
- Some of the strategic KPIs disclosed in the "Environment" chapter are measured by using tons sold as a denominator. Tons sold include all Sika-manufactured and third-party traded products. The development of the third-party traded tons sold in the past four years has been stable and therefore does not impact the overall performance.
- The "Product Safety, Quality, and Reliability" section does not cover all MBCC entities nor 2024 acquisitions since the integration process is ongoing.
- All information disclosed in the "Responsible Procurement" section refers to tier 1 suppliers.

The methodological note needs to be read in conjunction with the footnotes described in all sections of the Sustainability Report 2024 for dedicated indicators and KPIs.

Scope 3 methodology

OUTLINE

The calculation of scope 3 carbon emissions is an evolving topic based on various data sources. Sika is continuously reviewing the calculation methodology to ensure transparency and data robustness. This process helps Sika better understand how it can lower its scope 3 emissions and engage within the organization. Better data availability will impact Sika's accounting methodology in its net zero journey. Moreover, the identification of material scope 3 categories provides detailed information to drive scope 3 reduction initiatives. This section is a high-level summary of the methodology applied by Sika to calculate its scope 3 GHG emissions.

The scope 3 assessment project is aligned to the recommendations outlined in the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical guidance for calculating scope 3 emissions" published by the World Resource Institute (WRI)[1] and World Business Council for Sustainable Development (WBCSD)[2] as a supplement to the Greenhouse Gas Protocol (GHGP)[3]. Additional guidelines used or consulted during the process are referenced in the document.

The assessment covers all entities consolidated in the Group financial statements for FY 2024 except 2024 acquisitions (Kwik Bond Polymers, Vinaldom, and Chema). They will be integrated within 24 months after the closing date as specified in the internal ESG Data Governance policy. Exclusions relevant for specific categories are listed in the separate data quality and coverage section. An operational control approach, as defined by the GHGP[4], was applied during the assessment. This approach considers a company accountable for 100% of the emissions over which the organization or any of its subsidiaries have operational control.

The chapters "Material scope 3 categories" and "GHG emissions calculation methodology for material scope 3 categories" describe the applied methodology and assumptions made for each material scope 3 category. The

1 ↗ **World Resources Institute**
2 ↗ **World Business Council for Sustainable Development (WBCSD)**
3 ↗ **Corporate Value Chain (Scope 3) Standard | Greenhouse Gas Protocol**
4 ↗ **Corporate Standard | Greenhouse Gas Protocol**

"Excluded Scope 3 Categories" chapter highlights the criteria for excluded categories. Moreover, the "Overview and screening" chapter provides information on data used for the scope 3 assessment (data input), exclusions within material categories (coverage), and limitations in data quality.

MATERIAL SCOPE 3 CATEGORIES

In alignment with the WBCSD sector guidance, a screening of all material categories was conducted. Each category was rated with respect to Sika's influence on the emissions and its size. The related symbols shown in the table below are used to:

- Label all categories into low, medium, or large influence. An assessment of influence helps to develop a scope 3 methodology that balances between measuring, reporting, and managing material scope 3 emissions in alignment with any emission reduction strategy;
- Indicate the size of each category as the percentage contribution to the full scope 3 inventory.

Category	Description	Influence	Size
Purchased goods and services	Upstream emissions (cradle-to-gate) of raw materials, trading products, and packaging purchased or acquired by Sika in the reporting year.		
Capital goods	Upstream emissions from the production of capital goods purchased or acquired by Sika in the reporting year.		
Fuel- and energy-related activities	Extraction, production, and transportation of fuels and energy purchased by Sika in the reporting year, not already accounted for in scope 1 or scope 2.		
Upstream transportation and distribution	Transportation and distribution services purchased by Sika, including inbound logistic, outbound logistic (e.g., of sold products), and transportation and distribution between Sika's own facilities (in vehicles and facilities not owned or controlled by Sika).		
Waste generated in operations	Disposal and treatment of waste generated in Sika's operations in the reporting year (in facilities not owned or controlled by Sika).		
Business travel	Transportation of employees for business-related activities (air, train, rail, etc.) during the reporting year (by means of transportation not owned or operated by Sika).		
Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (by means of transportation not owned or operated by Sika).		
Downstream transportation and distribution	Transportation and distribution of products sold by Sika between Sika's operations and end consumers (if not paid for by Sika), including retail and storage (by means of transportation and facilities not owned or controlled by Sika).		
Use of sold products	The scope 1 and scope 2 emissions of end users that occur from the use of: products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs (Greenhouse Gas) and products that contain or form GHGs that are emitted during use.		
End-of-life treatment of sold products	Waste disposal and treatment of products and packaging sold by Sika (in the reporting year) at the end of their life.		

 **Large influence on emissions**

 **Medium influence on emissions**

 **Small influence on emissions**

 **>50% coverage of scope 3 emissions**

 **5–49% coverage of scope 3 emissions**

 <5% coverage of scope 3 emissions

GHG EMISSIONS CALCULATION METHODOLOGY FOR MATERIAL SCOPE 3 CATEGORIES

The GHG emissions topic is continuously evolving, and better knowledge, understanding, and data availability will impact the accuracy and granularity of Sika's scope 3 assessment. For each scope 3 category, a specific methodology, based on the GHGP and the WBCSD chemical sector guidance, has been defined. However, as specifications and availability of both activity and secondary data change, Sika expects scope 3 categories' methodologies to continuously evolve. Sika has identified the following material scope 3 categories and, where necessary, next steps or "Roadmaps" for improving data quality are described.

CATEGORY 1 – PURCHASED GOODS AND SERVICES

The calculation of upstream GHG emissions (cradle to gate) of purchased goods and services was structured based on:

1. Direct goods: For all raw materials, packaging, and trading products, the average-data method was applied. Emission factors were obtained from life cycle inventory databases. The obtained emission factors were mapped to chemical components using the information available in Sika's Environmental Health and Safety (EHS) database (i.e. CAS numbers). Technological representativeness was considered where possible. Geographical representativeness was considered when the country of the supplier[1] was available in the procurement management system. When a specific chemical was not available in the life cycle inventory databases, relevant proxies were chosen. Where available (16% of scope 3 – category 1 GHG emissions), supplier-specific emission factors were applied. The mapping of emission factors was completed for the top 95% (measured by invoiced quantity) of materials. An extrapolation of GHG emissions to the remaining materials was carried out, by considering the average CO_2eq intensity of each material eClass[2]. Companies not included in the general spend management system, representing an estimated 4% of global procurement spend, were also included with an extrapolation.

2. Indirect goods: For the calculation of indirect goods, a spend-based methodology was applied. The procurement spend in CHF was multiplied with the relevant monetary emission factor.

Roadmap: In the short term, the focus will be on improvements in the data quality (conversion factors, quantities, location) of purchasing data. In the long-term, Sika aims for supplier-specific data. Sika is part of TfS and was chairing TfS workstream 5: scope 3 GHG emissions up to the end of April 2024. In scope of this workstream, Sika supports the work to standardize the measurement of GHG emissions data and to develop data collection and sharing approaches to support efforts to decarbonize the chemical supply chain.

CATEGORY 2 – CAPITAL GOODS

For the calculation of GHG emissions associated with capital goods, a spend-based methodology was applied. The CAPEX (capital expenditure) in CHF was multiplied with the relevant monetary emission factor. For all infrastructure projects, a mixed monetary emission factor was applied. This mixed factor was based on the ratio of steel, concrete, earthworks, and electrical installations within a Sika plant. The ratio was determined from an analysis of representative Sika plant construction projects.

CATEGORY 3 – FUEL- AND ENERGY-RELATED ACTIVITIES

GHG emissions associated with fuel- and energy-related activities were based on data obtained from the Sika Sustainability and Operations (S&O) corporate reporting system. To calculate the fuel-related Well-to-Tank (WTT) emissions, the Group consumption per fuel category – collected at factory level – was multiplied with the chosen WTT emission factor. For electricity Transmission & Distribution (T&D) losses as well as upstream production and transportation, the electricity consumption per Sika country was multiplied with the relevant country-based emission factors.

CATEGORY 4 – UPSTREAM TRANSPORTATION AND DISTRIBUTION

Total GHG emissions from upstream transportation were based on the tons purchased and kilometers shipped, taking geographical differences into consideration. Supplier postal codes[3] were extracted from SAP from purchasing invoices. The land distance between the two relevant postal codes was calculated using an automated distance calculation solution (Google). Tons shipped were based on quantities purchased as reported in the procurement general spend management (GSM) system. The obtained ton.km were multiplied with a regionalized emission factor.

If both supplier and Sika factory are located in the same region, it was assumed that transportation was conducted by truck. If supplier and Sika factory are located in two different geographical areas, it was assumed that the transportation was carried out by truck and vessel. The total distance was calculated in three legs: Supplier to default port, vessel distance, default port to Sika factory. Each country was assigned a default port. The vessel distances were estimated using proxy routes between relevant geographical regions[4]. In each leg the ton.km were multiplied with a regionalized emission factor.

For all intraregional distances calculated for SAP transactions, an average distance per material group was calculated and applied to non-SAP transactions as default distances. Postal code data from SAP transactions was available for 80% of all quantities purchased. The default distances were applied to the remaining 20% of quantities purchased. Companies not included in the general spend management system, representing an estimated 4% of global procurement spend, were also included with an extrapolation.

1 Country of the supplier may refer to the HQ location of the legal entity.

2 Materials are classified into eClasses by Sika Procurement. eClass refers to the most granular segmentation available and is based on chemical functions.

3 The supplier postal code may refer to the HQ location of the legal entity and not to the production site.

4 The distances of proxy routes were calculated using the tool ↗ **Online Freight Shipping & Transit Time Calculator at Searates.com**. A 15% uplift was applied to all distances – in alignment with the GLEC framework.

In accordance with the GHGP guidelines, the outbound transportation paid by Sika is included in category 4, whereas the outbound transportation paid by customers falls under category 9. For the methodology applied to calculate the outbound transportation paid by Sika, please refer to the section describing category 9.

Roadmap: In the short term, the focus will be on improvements in the data quality (conversion factors, quantities, location) of purchasing data. Additionally, improvement and maintenance of local master data to improve the transparency and coverage of the locations of third-party suppliers will be addressed.

CATEGORY 5 – WASTE GENERATED IN OPERATIONS

GHG emissions from waste treatment were based on data obtained from the Sika S&O corporate reporting system. Waste by weight and wastewater by volume was collected at factory level through the quarterly Sika corporate reporting system. This reporting includes production waste and non-production waste. The waste is categorized based on destination (landfill, incineration, reuse) and type (hazardous, non-hazardous). The wastewater is categorized into destination (sewage, off-site treatment, ground, sea). The weight of waste and the volume of wastewater allocated to relevant destinations was multiplied with appropriate emission factors. For recycled waste, average emission factors for transportation to recycling facility gate were applied.

Roadmap: In the medium term, the focus will be on collecting additional insights and data on incineration with or without energy recovery.

CATEGORY 6 – BUSINESS TRAVEL

The GHG emissions for category 6 are based on the activity data collected from the main high-spend countries[1] (USA, France, Switzerland, China, United Kingdom, Mexico, Spain, Germany, and Japan). The activity data collected included the passenger kilometers of all air travel and the expenditure on car rentals.

For air travel, a distance-based approach was applied. The passenger kilometers were multiplied with relevant emission factors[2] per type of flight distances: domestic, short-haul, and long-haul. An average passenger class was considered. The top nine countries used for the air travel emissions estimation cover 53% of the Sika Group business travel expenditures for FY 2024. The data was extrapolated to 100% to provide an estimate for the full Group.

For car rentals, a spend-based approach was applied. The monetary amount spent on car rentals was multiplied with a relevant monetary emission factor. The top nine countries used for the rental car emissions estimation cover 53% of the Sika Group business travel expenditures for FY 2024. The data was extrapolated to 100% to provide an estimate for the full Group.

Roadmap: Coverage will be extended to collect activity data from more Sika countries.

CATEGORY 7 – EMPLOYEE COMMUTING

The GHG emissions associated with employee commuting are estimated with fulltime equivalents (FTEs). FTEs are reported and compiled within the corporate reporting system. FTEs include both Sika employees and external temporaries but exclude contractors. In alignment with the WBCSD sector guidance, the following assumptions were made:

- Default mode of 100% travel by car (1 employee per car).
- Default average number of trips as 440 (220 working days * 2 = 440).
- Default travel distance of 30 kilometers (per trip) by car.
- Diesel was considered as the fuel used and the relevant emission factor[3] was applied.

Roadmap: The methodology will be reviewed and, if possible, a location-specific approach will be applied in the long term. Potential employee surveys will support the methodology review.

CATEGORY 9 – DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

Category 9 reflects all outbound transportation and distribution to third-party customers, as well as intercompany transportation. This category was calculated in the same way as category 4. Total GHG emissions were calculated by multiplying the tons sold with the kilometers shipped and with the relevant emission factors, taking geographical differences into consideration. At this stage, it was assumed that all goods are transported by truck and/or vessel.

Customer postal codes were extracted from sales invoices. The land distance between the two relevant postal codes was calculated using an automated distance calculation solution (Google). The obtained ton.km were multiplied with a regionalized emission factor. Tons shipped were based on quantities consolidated in the general sales query. Intercompany transactions were included in the tons shipped. Postal code information was obtained for 92% of the quantities sold. The remaining quantities were included in the assessment with a simple extrapolation of total emissions.

If both Sika and customer shipping locations are in the same geographical areas, it was assumed that transportation was conducted by truck only. If Sika and customer delivery point are located in two different regions, it was assumed that the transportation was carried out by truck and vessel. The total distance was calculated in three legs: Sika to default port, vessel distance, default port to end customer. Each country was assigned a default port. The vessel distances were estimated based on a proxy route between relevant geographical regions.[4]

Companies not included in the general sales query, representing an estimated 6% of the global sales, were included with an extrapolation.

1 For the United States, Sika Corporation only. For China, Sika China Ltd. and Sika Management Co. Ltd. For Mexico, Sika Mexicana SA only. For Germany, Sika Deutschland CH AG & Co KG only.

2 With radiative forcing and considering full fuel life cycle (Well-to-Wheel (WtW)).

3 Considering full fuel life cycle (Well-to-Wheel (WtW)).

4 The distances of proxy routes were calculated using the one tool ↗ **Online Freight Shipping & Transit Time Calculator at Searates.com**. A 15% uplift was applied to all distances – in alignment with the GLEC framework.

The information on outbound logistic was provided for both transportation activities paid by Sika (Delivery at Place – DAP) and transportation activities paid by the customer (Ex Works – EXW). For entities where incoterms were not available at corporate level, an assumption per country was taken on the ratio between DAP and EXW outbound transactions. In accordance with the GHGP guidelines, the outbound transportation paid by Sika is included in category 4, whereas the outbound transportation paid by customers falls under category 9.

To estimate the GHG emissions coming from the storage of Sika's products at retailers' locations, the quantities of products sold to retailers were multiplied by a relevant emission factor.

CATEGORY 11 – USE OF SOLD PRODUCTS

Direct and indirect GHG emissions from the use of sold products were screened to assess the materiality of category 11. After an extensive screening and a deep dive into different cases, the following sources were included in the accounting of this category: Direct emissions from hydrofluorocarbons (HFCs); and semi volatile organic compounds (SVOCs) and volatile organic compounds (VOCs) from solvents, silanes, and plasticizers. In alignment with the WBCSD sector guidance, VOCs and SVOCs were converted to CO_2 using stoichiometric calculations based on carbon content. For more information regarding carbon content, please refer to the section on category 12. A screening of the Environment, Health, and Safety (EHS) database for HFCs was carried out. During the screening, the following hydrofluorocarbons were identified as relevant for Sika: HCFC141b, HCFC142b, HFC152a, HFC227ea, HFC245fa, and HFC365mfc. For each HFC, the relevant Global Warming Potential (GWP), provided by the GHG protocol, was applied.

CATEGORY 12 – END-OF-LIFE (EOL) TREATMENT OF SOLD PRODUCTS

GHG emissions associated with the EoL of sold products were calculated using the carbon content method, in alignment with the WBCSD sector guidance. The carbon content method was applied to Sika's raw materials, using the same activity data as in the category 1 calculation. To determine the carbon content of raw materials, R&D experts performed a screening of the top 80% of invoiced quantities in each eClass. Based on this screening, an average carbon content could be determined for each material eClass. This average carbon content was then applied to the total purchased kilograms of each material eClass. The final carbon content was converted to CO_2 and CH_4 using stoichiometric calculations. Using factsheets from environmental databases, an end-of-life scenario was chosen for each material category[1].

Based on these assumptions, approximately 15% of sold products are incinerated and 85% of sold products are landfilled. In the case of incineration, 100% of carbon was converted to CO_2. For the case of landfill, it was assumed that 20% of materials decompose in a 100-year period and, according to the WBCSD sector guidance, this leads to a 10% decomposition into CO_2 and a 10% decomposition into CH_4. The carbon content method was used to calculate the End-of-Life GHG emissions of all material groups that contain organic raw materials. EoL GHG emissions from inorganic (not containing carbon) materials were calculated with a generic emission factor for the treatment of inert matter and construction waste. Purchased packaging (not included in raw materials) was grouped into five overarching categories: Paper, cardboard, plastics, metal, and wood. For each category, a quantity-based average emission factor of the waste treatment of the respective packaging was applied.

Roadmap: In the short term, the focus will be on improvements in the data quality (conversion factors, quantities, location) of purchasing data. In the long-term, Sika aims to collect secondary and primary data on EoL scenarios to enable a location- and product-specific approach. This data will help verify the current assumptions made. Furthermore, the assumptions taken on decomposition rate will be reviewed and assessed as these may currently be too conservative.

1 Material category refers to the highest level of segmentation in the procurement data.

OVERVIEW AND SCREENING

DATA INPUT

Each material scope 3 category is based on specific activity data and relevant emission factors. An overview of the data used for the scope 3 assessment is provided in the table below. For all monetary emission factors used in the FY 2024 assessment, the 2024 exchange rate was used.

Category	Activity data	Emission factors
Purchased goods and services	Corporate procurement database in combination with EHS database.	BaseCarbone v19.0, Sphera CUP2023.2, and Ecoinvent version 3.10.
Capital goods	CAPEX totals for all categories – Corporate Financial Reporting System.	Monetary emission factors from BaseCarbone v19.0.
Fuel- and energy-related activities	Consumption data for fuels and electricity – Corporate S&O Reporting System.	Defra/BEIS 2023 and IEA 2023.
Upstream transportation and distribution	Corporate procurement database.	GLEC Framework version 3.0, 2023, and EcotransIT.
Waste generated in operations	Waste reporting by weight (by disposal destination and type) – Corporate S&O Reporting System.	Ecoinvent 3.10, Sphera CUP2023.2, and Defra 2023.
Business travel	Data collected in an ad hoc form from top-spend countries.	Defra/BEIS 2023, Quantis.
Employee commuting	FTEs from all Sika entities – Corporate Management Reporting System.	Defra/BEIS 2023.
Downstream transportation and distribution	General Sales Query.	GLEC Framework version 3.0, 2023 and EcotransIT.
Use of sold products	Corporate procurement database in combination with EHS database.	GHG Protocol GWP values (AR5 – Fifth assessment report).
End-of-Life (EoL) treatment of sold products	Corporate procurement data in combination with EHS database.	GHG Protocol GWP values (AR5 – Fifth assessment report), BaseCarbone v19.0, Sphera CUP 2023.2.

COVERAGE

The following table provides an outline of all identified exclusions with respect to each category. The methodologies defined for each scope 3 category are limited by the activity data and emission factors available in the current year. The materiality of all exclusions has been assessed to ensure that overall results are not compromised. Exclusions are monitored yearly, and significant changes are tracked and documented.

Category	Exclusion	Materiality statement for exclusion
Purchased goods and services Raw materials, Packaging, and Trading Products	1. Fuels. 2. Direct spend not allocated or not assigned. 3. Toll manufacturing.	1. Included in scope 1. 2. Approximately 1% of procurement spend. 3. 1% of procurement spend.
Purchased goods and services Indirect spend	1. All expenses related to personal charges or financial charges were excluded from the scope 3 calculation. 2. Furthermore, the spend categories related to travels, waste and leased assets were excluded from Category 1.	1. Outside of scope and boundary according to the GHG protocol. 2. Included in other scope 3 categories.
Capital goods	Includes all CAPEX categories aligned to the financial reporting except "Land additions".	Land additions were assessed as not relevant for GHG emissions.
Fuel- and energy-related activities	All fuel and energy categories, in alignment with the scope 1 and 2 assessment.	
Upstream transportation and distribution	1. Supplier intercompany logistics. 2. Air transportation.	1. No transparency and no data available. 2. Air transportation is only used as an inbound transportation mode in exceptional circumstances.
Waste generated in operations	Emissions from recycling processes, relevant for the waste classified as "waste to reuse".	Recycling processes are outside of scope and boundary according to the GHG protocol.
Business travel	Only air travel and car rental included.	
Employee commuting	Includes Sika employees and external temporaries.	
Downstream transportation and distribution	Air and rail transportation.	Transportation mode will be included in future assessments.
Use of sold products	1. Indirect use phase emissions. 2. Direct CO_2 release from chemical curing. 3. Water was excluded from VOCs from solvents.	1. Indirect emissions amount to less than 0.5% of total scope 3 emissions. 2. Full carbon content of relevant materials allocated to category 12. 3. Water is not considered a VOC but reported in Solvents category.
End-of-Life (EoL) treatment of sold products	Please refer to the category "Purchased goods and services".	

DATA QUALITY

The GHGP[1] suggested a rating system to evaluate the data quality of both primary and secondary data used in the scope 3 assessment. The table below provides a high-level overview of the limitations in data quality identified for each material scope 3 category. A continuous evaluation of these parameters will help to assess the accuracy and reliability of all relevant methodologies and results. Where possible, identified data quality limitations will be addressed and thus used to improve the overall quality of Sika's scope 3 assessment.

Category	Technology	Geography	Completeness	Reliability
Purchased goods and services	Emission factors from secondary data sources could not be found for all purchased raw materials. Proxies were applied where possible.	Geographical considerations were limited by the secondary data available.	Some entities are not included in the general spend management system.	Average-data method applied.
Capital goods	Different technologies cannot be differentiated with monetary emission factors.	Global monetary emission factors were applied hence different geographies were not considered.	Land additions were not considered.	The spend-based method was applied. The spend-based method is considered the least specific according to the GHGP.
Fuel- and energy-related activities	Based on energy types included in scope 1 and 2 reporting data.	Emission factors were chosen to reflect the relevant geography.	In alignment with all fuel and energy categories included in the scope 1 and 2 reporting.	Based on scope 1 and 2 reporting data.
Upstream transportation and distribution	Currently, it is not possible to distinguish between transportation modes for upstream transportation.	Assumptions were made based on aggregated regions. Emission factors were applied on regional granularity.	Supplier intercompany logistics were not included in the calculation. Furthermore, some entities are not included in the general spend management system.	Potential data quality issues related to limited maintenance of supplier postal code information in SAP.
Waste generated in operations	Based on the S&O reporting of waste disposal by type of waste and water.	Emission factors were chosen based on three high-level regions. No country-specific data was available.	Based on S&O corporate reporting system.	Emissions were calculated on aggregate waste and water quantities. Waste composition is unknown.
Business travel	Only flights and rental cars were considered.	Activity data restricted to nine countries.	The calculation was based on an extrapolation of data of the nine top high-spend countries.	Based on reports from travel agencies and expenses reporting.
Employee commuting	Currently, it is not possible to distinguish between different transportation types.	No geographical differences included.	All Sika employees were considered.	The calculation is based on generic assumptions.
Downstream transportation and distribution	Currently, it is not possible to distinguish between transportation modes.	Assumptions were made on country and regional level. Emission factors were applied on regional granularity.	Intercompany and intraplant transportation was included where postal codes were maintained.	Potential data quality issues related to limited maintenance of customer postal code information in SAP.
Use of sold products	Where applicable, information about specific technologies was included in the screening.	Geographical differences are unknown and were thus not considered.	Indirect emissions were screened, assessed as immaterial, and thus excluded.	Assumptions on relevant VOCs was taken on eClass level. No material-specific VOC data collected.
End-of-Life (EoL) treatment of sold products	Currently, no information/data is available regarding the End-of-Life scenarios of Sika products. Assumptions were made.	No geographical differences were considered.	Some entities are not included in the general spend management system.	Assumptions were made regarding the carbon content for each material eClass[1]. Average-data for Packaging.

1 eClass refers to a grouping of raw materials applied by corporate procurement.

1 Table 7.6 found on p.76 in the "Corporate value chain (Scope 3) accounting and reporting standard" of the GHGP.

COVERAGE OF PRIMARY DATA VS. SECONDARY DATA FOR SCOPE 3 GHG EMISSIONS

As defined in the GHGP[1], primary data corresponds to data from specific activities within a company's value chain whereas secondary data refers to data that is not from specific activities within a company's value chain. For example, primary data includes data provided by suppliers (e.g. product-level, cradle-to-gate GHG data) and secondary data includes industry-average data (e.g. from published databases, government statistics, literature studies, and industry associations). The percentages[2] displayed in the following table correspond to the percentages of GHG emissions within the scope 3 category coming from primary or secondary data.

	Activity data[1]		**Emission factors[1]**	
Category	**% primary data**	**% secondary data**	**% primary data**	**% secondary data**
Purchased goods and services	– Raw materials, trading products and packaging: 96%. – Indirect goods: 100%.	– Raw materials, trading products and packaging: 4%. – Indirect goods: 0%.	– Raw materials, trading products and packaging: 16% supplier specific. – Indirect goods: 0%.	– Raw materials, trading products and packaging: 84% industry-average. – Indirect goods: 100% industry-average.
Capital goods	100%	0%	0%	100% industry-average.
Fuel- and energy-related activities	100%	0%	0%	100% industry-average.
Upstream transportation and distribution	– Weight transported for inbound: 96%. – Distance travelled for inbound[2]: 80%.	– Weight transported for inbound: 4%. – Distance travelled for inbound: 20%.	0%	100% industry-average.
Waste generated in operations	100%	0%	0%	100% industry-average.
Business travel	53%	47%	0%	100% industry-average.
Employee commuting	– FTEs: 100%. – Distance travelled: 0%.	– FTEs: 0%. – Distance travelled: 100%.	0%	100% industry-average.
Downstream transportation and distribution	– Weight transported for outbound: 94%. – Distance travelled for outbound[2]: 91%.	– Weight transported for outbound: 6%. – Distance travelled for outbound: 9%.	0%	100% industry-average.
Use of sold products	96%	4%	0%	100% industry-average.
End-of-Life (EoL) treatment of sold products	96%	4%	0%	100% industry-average.

1 For more information on the source of activity data and emission factors, please see the "Data input" and "GHG emissions calculation methodology for material scope 3 categories" sections in the "Methodological Note" chapter on p.152–155 of the Sustainability Report 2024.

2 Origins/destinations are primary data, the route in between is estimated as detailed in the "GHG emissions calculation methodology for material scope 3 categories" section in the "Methodological Note" chapter on p.152–154 of the Sustainability Report 2024.

1 Table 7.3 found on p.70 in the "Corporate value chain (Scope 3) accounting and reporting standard" of the GHGP.

2 The percentages provided in the table are approximate values.

EXCLUDED SCOPE 3 CATEGORIES

All the GHGP scope 3 categories were assessed for their relevance. Categories 8, 10, 13, 14, and 15 were identified as insignificant or irrelevant for Sika and thus excluded from the assessment. Detailed exclusion criteria for each category are provided in the table below.

Category	Exclusion criteria
Upstream leased assets	The emissions from the operation of leased assets are included in scope 1 and 2. The emissions previously reported under this category corresponded to the upstream life cycle emissions of manufacturing or construction of leased assets and were optional according to the GHG protocol. Therefore, this category is excluded from the SBTi target boundaries and is not considered in Sika's carbon footprint.
Processing of sold product	– Final products: Emissions from application of Sika sold products fall under indirect Cat. 11 Use of sold products. – Intermediate products: From WBCSD Chemical Sector Standard recommendation, which applies to intermediate products only, "chemical companies are not required to report scope 3, category 10 emissions, since reliable figures are difficult to obtain, due to the diverse application and customer structure".
Downstream leased assets (assets owned by Sika and leased to others)	There is only one known case of downstream leased assets: dispensers (tank to store admixtures) in the USA leased to strategic partners of larger contracts. A screening estimated the CO_2 emissions at 600 tons CO_2eq. It was determined that emissions from the downstream leased assets are not significant.
Franchises	In 2024, Sika did not operate any franchises and as such, this category was deemed to be irrelevant. Franchises are not part of Sika's business model.
Investments	Sika's investment categories: – Subsidiaries: All subsidiaries with +50% equity investments are consolidated in the financial reporting and included in the scope 1, 2, and 3 assessments for FY 2024 – Shares: Sika has some minority shares (20–50%) in five small companies: HPS North America, LLC, Chemical Sangyo, Seven Tech, Concria Oy, Condensil Sarl. – Financial assets (>0–20%): If Sika holds shares with an ownership interest of 20% or less, those will be reported as financial assets. The majority of these investments come from the USA and have been evaluated as immaterial for the Scope 3 assessment.

OVERVIEW OF EMISSION FACTORS DOCUMENTATION PER SCOPE

Scope	Emission factor
Scope 1 GHG emissions – Direct energy	BEIS/DEFRA 2023.
Scope 1 GHG emissions – Fugitive emissions	BEIS/DEFRA 2023.
Scope 2 GHG emissions – Electricity – Market-based	– Under the market-based approach, electricity volumes covered by energy attribute certificates are considered with an emission factor of 0. For non-renewable electricity purchased, the following factors apply: – AIB 2022 European Residual mixes (residual emission factors for European locations). – 2023 Green-e residual mix emissions rates (residual emission factors for US locations). – IEA emission factors 2023 for all other locations.
Scope 2 GHG emissions – Electricity – Location-based	– US EPA eGrid 2022 Emission Rates. – IEA emission factors 2023 for all other locations.
Scope 2 GHG emissions – District Heating	BEIS/DEFRA 2023.
Scope 3 GHG emissions	p.155
Biogenic CO_2 emissions – Scope 1	BEIS/DEFRA 2023.
Biogenic uptake – Scope 3 cat. 1	Sphera CUP 2023.2.
Biogenic CO_2 emissions – Scope 3 cat. 12	Based on the carbon content methodology.

ESG data governance including re-baselining

In the context of its SBTI commitment and with a dynamic ESG data landscape continuously changing, Sika defined an internal ESG data governance policy in 2023 to ensure consistency, reliability, and traceability in data reporting. This governance framework, applied from 2023 onwards, provides systematic guidance for the following cases:

- Changes in reporting structure: Structural changes such as merger and acquisitions, divestitures, or outsourcing of business activities.
- Reporting errors: Calculation error, reporting mistakes, or missing data.
- Methodological changes: Scientific research changing the methodology, advancement in emission measurement technologies, changes in methodologies of calculation, changes in regulatory requirements, shift from one emission factor database to another, update of emission factor database due to methodological changes related to calculation update or error, more specific data available.
- Change of emission factors: Change from average emission factor to supplier-specific emission factor, more precise emission factors that were unavailable in the database in previous years, regular update of database (average) such as Sphera, IAE, DEFRA, or GLEC, etc. (assuming that these updates reflect real change in GHG emissions for example resulting from a change of energy mix in electricity supply).

ESG re-baselining and adjustment governance

	ENVIRONMENT				SOCIAL AND GOVERNANCE		
	GHG emissions scope 1 and 2	GHG emissions scope 3	Water and waste	Others	Health and safety	FTE and headcount	Others
Acquisition and divestment							
With baseline	Re-baselining*				Per closing date		
Without baseline	N/A		Per closing date		Per closing date		
Methodology change							
With baseline	Re-baselining based on +/–5% of Group total				Re-baselining based on +/–5% of Group total		
Without baseline	N/A		Restatement PY based on +/–5% or less of Group total		Restatement PY based on +/–5% of Group total		
Error							
With baseline	Re-baselining based on +/–5% of Group total				Re-baselining based on +/–5% of Group total		
Without baseline	N/A		Restatement PY based on +/–5% of Group total		Restatement PY based on +/–5% of Group total		
Change of emission factors							
With baseline	Considered in the following year**				N/A		
Without baseline	N/A		Considered in the following year**		N/A		

General Remarks

+/–5%	This threshold needs to be considered per dimension of impact and for scope 1, 2, and 3 GHG emissions based on the absolute CO_2eq amount of the most recent year. Sika might consider re-baselining/ restatement for impacts below +/–5%. Sika will track the changes cumulatively and review them on a two-to-three year basis for potential re-baselining.
*Re-baselining	Newly acquired companies will be assessed for rebaselining even if the impact is lower than 5% and integrated in the baseline within 24 months after the closing date of the acquisition. If data of an acquired company is not available, the closest succeeding available data is used as a proxy for the baseline and acquisition year. If no emission data is available at all, one option is to use the revenue of the former years multiplied by the acquired company's ratio of GHG emissions per revenue (tCO_2eq/CHF).
**Change emission factors	In the event of new scientific findings on emission factors and global warming potentials, these will be taken into account in the calculation of the GHG emissions in the following year. Scope 1, 2, and 3 emissions: All factors are updated in January of the following year.
SBTi net zero consideration	Sika will track the changes cumulatively since the last re-baselining and will review them on a two-to-three-year basis for potential re-baselining according to the SBTi Target Validation Protocol. This approach excludes acquisitions since newly acquired companies will be systematically assessed for re-baselining. Additionally, Sika will not resubmit all re-baselinings to the SBTi in consideration of the normal five-year target review.

With baseline: Corresponds to KPIs for which Sika has goals compared to a reference year.
Without baseline: Corresponds to KPIs for which Sika does not compare to a reference year.

KPMG

Independent limited assurance report on selected sustainability information of Sika AG

To the Board of Directors of Sika AG, Baar

We have undertaken a limited assurance engagement on Sika AG's and its subsidiaries (the Group) following selected Sustainability Information in the Sustainability Report for the year 2024 (hereinafter "Sustainability Information").

Our limited assurance on selected Sustainability Information consists of key performance indicators (KPIs) and disclosures in the areas climate change, product safety, water, waste, health and safety, labor management, diversity and inclusion, responsible procurement and business ethics and integrity for the year 2024, which are listed in detail in the appendix "assurance scope 2024" of this report.

Our assurance engagement does not extend to information in respect of earlier periods or forward - looking information included in the Sustainability Report 2024, information included in the Financial Report 2024, information included in the Business Report 2024, information referenced from the Sustainability Report 2024, information referenced from the Financial Report 2024 or any images, audio files or embedded videos.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Sustainability Information is not prepared, in all material respects, in accordance with the Criteria detailed in the appendix (European Sustainability Reporting Standards (ESRS), GRI Sustainability Reporting Standards 2021 (GRI) or own developed).

Understanding how Sika AG has Prepared the Sustainability Information
The ESRS and the GRI have been used as criteria references for the disclosures of the detailed KPIs and disclosures listed in the appendix. For selected KPIs and disclosures, the own developed criteria, as disclosed in the Methodological Note of the sustainability report, were applied. Consequently, the Sustainability Information needs to be read and understood together with the criteria.

KPMG

Inherent Limitations in Preparing the Sustainability Information
Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Sika AG's Responsibilities
The Board of Directors of Sika AG is responsible for:

- Selecting or establishing suitable criteria for preparing the sustainability information, taking into account applicable law and regulations related to reporting the sustainability information;
- The preparation of the sustainability information in accordance with the criteria;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities
We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Sika AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied
We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and in respect of greenhouse gas emissions, with the *International Standard on Assurance Engagements (ISAE 3410) Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB).

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion
We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Physical and virtual site visits for overall 16 locations worldwide (inquiries and observations performed; supporting documents assessed for 2024 site data);
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to Sika with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt
Licensed Audit Expert
Zug, 18 February 2025

Anna Pohle
Licensed Audit Expert

Appendix: Assurance Scope 2024

Assurance Scope - 2024

Topic	Criteria	Datapoint	Data Type	Datapoint Name	Section in the Sustainability report	Page	Explanation / limitation
Climate Change (Remuneration)	ESRS E1-GOV-3	13	Narrative	Disclosure and explanation of how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies	ESG Compensation Scheme for the Group management and Senior Management	44	
	ESRS E1-GOV-3	13	Metrics	Percentage of remuneration recognised that is linked to climate related considerations	ESG Compensation Scheme for the Group management and Senior Management	44	
Climate Change (TCFD)	ESRS E1-SBM-3	18	Semi-narrative	Type of climate-related risks	Table: Physical risks Table: Transition risks	54 58-61	The assessment focuses solely on Sika's own operations, excluding its upstream and downstream value chain. It omits medium-term considerations for physical risks and short-term considerations for transition risks. KPMG has reviewed the presence of the narrative descriptions, but does not provide assurance on the forward-looking statements and assessments.
	ESRS E1-IRO-1	20b	Narrative	Description of process in relation to climate-related physical risks in own operations and along value chain	Physical climate-related impact analysis Financial quantification of physical risks	52-54 55	
	ESRS E1-IRO-1	AR11a	Semi-narrative	Climate-related hazards have been identified over short-, medium- and long-term time horizons	Table: Risk evolution of revenues Table: Risk evolution of assets	56 57	
	ESRS E1-IRO-1	AR11a	Semi-narrative	Undertaking has screened whether assets and business activities may be exposed to climate-related hazards	Physical climate-related impact analysis	52-54	
	ESRS E1-IRO-1	AR11c	Semi-narrative	Extent to which assets and business activities may be exposed and are sensitive to identified climate-related hazards has been assessed	Physical climate-related impact analysis	52-54	
	ESRS E1-IRO-1	AR11d	Semi-narrative	Identification of climate-related hazards and assessment of exposure and sensitivity are informed by high emissions climate scenarios	Climate scenarios	52	
	ESRS E1-IRO-1	21	Narrative	Explanation of how climate-related scenario analysis has been used to inform identification and assessment of physical risks over short, medium and long-term	Climate scenarios Physical climate-related impact analysis	52 52-54	
	ESRS E1-IRO-1	20c	Narrative	Description of process in relation to climate-related transition risks and opportunities in own operations and along value chain	Climate related transition impact analysis Financial quantification of transition risks	57-58 61	
Climate Change	ESRS E1-1	16a	Narrative	Explanation of how targets are compatible with limiting of global warming to one and half degrees Celsius in line with Paris Agreement	SBTi targets	50	
	ESRS E1-1	16b	Narrative	Disclosure of decarbonisation levers and key action	Sika net zero roadmap	51	
	ESRS E1-5	37	Metrics	Total energy consumption related to own operations	Table: Energy consumption and mix	68	
	ESRS E1-5	37-a	Metrics	Total energy consumption from fossil sources	Table: Energy consumption and mix	68	Fossil fuel and nuclear fuel consumptions are reported and disclosed together.
	ESRS E1-5	37-c	Metrics	Total energy from renewable sources	Table: Energy consumption and mix	68	
	ESRS E1-5	37-cii	Metrics	Consumption of purchased aquired electricity from renewable sources	Table: Energy consumption and mix	68	
	ESRS E1-5	37-ciii	Metrics	Consumption of self-generated non-fuel renewable energy	Table: Breakdown of renewable electricity per category	69	
	ESRS E1-5	AR34	Metrics	Percentage of renewable sources in total energy consumption	Table: Energy consumption and mix	68	
	ESRS E1-5	38b	Metrics	Fuel consumption from crude oil and petroleum products	Energy consumption within Sika operations (second paragraph)	68	
	ESRS E1-5	38c	Metrics	Fuel consumption from natural gas	Table: Energy consumption and mix	68	
	ESRS E1-5	39	Metrics	Renewable energy production	Table: Breakdown of renewable electricity per category	69	
	ESRS E1-6	44	Metrics	Gross Scope 1, 2, 3 and Total GHG emissions - GHG emissions per scope	Table: Total Scope 1, 2 and 3 GHG emissions	65	
	ESRS E1-6	AR46d	Metrics	Scope 3 GHG emissions per category	Table: Scope 3 GHG emissions	65	
	ESRS E1-6	48a	Metrics	Gross Scope 1 GHG emissions	Table: Breakdown of Scope 1 and 2 GHG emissions per region	64	
	ESRS E1-6	49a	Metrics	Gross location-based Scope 2 GHG emissions	Table: Breakdown of Scope 1 and 2 GHG emissions per region	64	
	ESRS E1-6	49b	Metrics	Gross market-based Scope 2 GHG emissions	Table: Breakdown of Scope 1 and 2 GHG emissions per region	64	
	ESRS E1-6	51	Metrics	Gross Scope 3 GHG emissions	Table: Total Scope 1, 2 and 3 GHG emissions	65	
	ESRS E1-6	AR45d	Metrics	Percentage of contractual instruments, Scope 2 GHG emissions	Energy from renewable sources	69	

Assurance Scope - 2024

Topic	Criteria	Datapoint	Data Type	Datapoint Name	Section in the Sustainability report	Page	Explanation / limitation
Product safety	ESRS E2-1	15b	Narrative	Disclosure of whether and how policy addresses substituting and minimising use of substances of concern and phasing out substances of very high concern	Chemical susbtances risk management	73	Only own operations
	ESRS E2-6	40a	Metrics	Percentage of net revenue made with products and services that are or that contain substances of very high concern	Sika reduction plan	74	
Water	ESRS E3-2	15	Narrative	Actions and resources in relation to water and marine resources	Water withdrawal (second paragraph) Water usage and water consumption (third paragraph)	75 76	Only own operations. Current disclosure excludes information related to resources.
	ESRS E3-2	19	Narrative	Disclosure of actions and resources in relation to areas at water risk	Water-related risks impacts, and mitigation activities (fifth paragraph)	79	
	ESRS E3-4	28a	Metrics	Total water consumption	Table: Water intensity per net revenue	76	
	ESRS E3-4	28b	Metrics	Total water consumption in areas at water risk, including areas of high-water stress	Table: Water withdrawal, usage, and discharge in water-stress areas	79	Excludes areas at water risk and includes areas of extreme and high-water stress.
	Own developed criteria		Metrics	Water discharge per ton sold (and absolute numbers)	Table: Water discharge per ton sold	76	
Waste	Own developed criteria		Metrics	Non recoverable waste per ton sold (and absolute numbers)	Table: Non-recoverable waste per ton sold	83	
	Own developed criteria		Metrics	Recycling rate	Table: Non-recycled and recycled waste	85	
	ESRS E5-3	24e	Semi-narrative	Target related to waste management	Non-recoverable waste (first paragraph)	83	Excludes target related to preparation for proper treatment.
	ESRS E5-5	37b(ii)	Metrics	Hazardous waste diverted from disposal due to recycling	Table: Breakdown of waste directed to and diverted from disposal	84	
	ESRS E5-5	37b(ii)	Metrics	Non-hazardous waste diverted from disposal due to recycling	Table: Breakdown of waste directed to and diverted from disposal	84	
	ESRS E5-5	37c	Metrics	Hazardous waste directed to disposal	Table: Breakdown of waste directed to and diverted from disposal	84	
	ESRS E5-5	37c	Metrics	Non-hazardous waste directed to disposal	Table: Breakdown of waste directed to and diverted from disposal	84	
	ESRS E5-5	37c(i)	Metrics	Hazardous waste directed to disposal by incineration	Table: Breakdown of waste directed to disposal	84	
	ESRS E5-5	37c(i)	Metrics	Non-hazardous waste directed to disposal by incineration	Table: Breakdown of waste directed to disposal	84	
	ESRS E5-5	37c(ii)	Metrics	Hazardous waste directed to disposal by landfilling	Table: Breakdown of waste directed to disposal	84	
	ESRS E5-5	37c(ii)	Metrics	Non-hazardous waste directed to disposal by landfilling	Table: Breakdown of waste directed to disposal	84	
	ESRS E5-5	37d	Metrics	Non-recycled waste	Table: Non-recycled and recycled waste	85	
	ESRS E5-5	37d	Metrics	Percentage of non-recycled waste	Table: Non-recycled and recycled waste	85	
	ESRS E5-5	39	Metrics	Total amount of hazardous waste	Non-recoverable waste (third paragraph)	84	
Health and Safety	ESRS S1-1	23	Semi-narrative	Workplace accident prevention policy or management system is in place	The Sika Vision Zero Program Occupational health and safety and quality management system (first paragraph) Hazard identification, risk assessment and incident investigation	91-92 93 93	
	ESRS S1-14	88b	Metrics	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Table: Work-related incidents of Sika employees	95	
	ESRS S1-14	88b	Metrics	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Table: Work-related incidents of contractors	96	
	ESRS S1-14	88c	Metrics	Number of recordable work-related accidents for own workforce	Table: Work-related incidents of Sika employees	95	
	ESRS S1-14	88c	Metrics	Rate of recordable work-related accidents for own workforce per 1,000,000 hours	Table: Work-related incidents of Sika employees	95	
	ESRS S1-14	88d	Metrics	Number of cases of recordable work-related ill health of employees	Table: Work-related incidents of Sika employees	95	
	Own developed criteria		Metrics	Lost Time Accidents of contractors	Table: Work-related incidents of contractors	96	
	Own developed criteria		Metrics	Lost Time Accidents of own workforce	Table: Work-related incidents of Sika employees	95	
	Own developed criteria		Metrics	Lost Time Accident rate per 1'000 FTEs	Table: Work-related incidents of Sika employees	95	

Assurance Scope - 2024

Topic	Criteria	Datapoint	Data Type	Datapoint Name	Section in the Sustainability report	Page	Explanation / limitation
Labor management / Diversity and inclusion	ESRS S1-6	50a	Metrics	Characteristics of undertaking's employees - number of employees by gender	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-6	50a	Metrics	Number of employees (head count)	Table: Total number of employees and breakdown per region	97	
	ESRS S1-6	50b	Metrics	Characteristics of undertaking's employees - information on employees by contract type and gender	Table: Breakdown of employees per contract type and per gender	98	
	ESRS S1-6	50c	Metrics	Number of employees who have left undertaking	Table: Breakdown of turnover per region and per gender	102	
	ESRS S1-6	50c	Metrics	Percentage of employee turnover	Table: Group turnover rate per gender	101	
	ESRS S1-9	66b	Metrics	Number of employees (head count) under 30 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66b	Metrics	Percentage of employees under 30 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66b	Metrics	Number of employees (head count) between 30 and 50 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66b	Metrics	Percentage of employees between 30 and 50 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66b	Metrics	Number of employees (head count) over 50 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66b	Metrics	Percentage of employees over 50 years old	Table: Breakdown of employees per age and per gender	97	
	ESRS S1-9	66a	Metrics	Number of employees (head count) at top management level (including gender distribution)	Table: Breakdown of employees per gender and per category	106	
	Own developed criteria		Metrics	Breakdown of Senior Managers per region	Table: Breakdown of senior managers per region	107	
	Own developed criteria		Metrics	Board of Directors - Breakdown per Gender and Age	Table: Board of directors - breakdown per gender and per age	107	
	Own developed criteria		Metrics	Employees by gender and by category	Table: Breakdown of employees per gender and per category	106	
	Own developed criteria		Metrics	Recruitment rate	Table: Group recruitment rate per gender	100	
	Own developed criteria		Semi-narrative	Employee Engagement survey - Results	Global Engagement Survey	104	
Responsible procurement	GRI 3-3		Narrative	Responsible Procurement - Management Approach	Supply Chain due diligence (narratives)	114-115	
Business ethics and integrity	ESRS S1-17	103a	Metrics	Number of incidents of discrimination	Compliance investigations (third paragraph)	132	
	ESRS S1-1	24a	Semi-narrative	Specific policies aimed at elimination of discrimination are in place	Human rights (first paragraph)	111	
	ESRS G1-3	18a	Semi-narrative	Information about procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery	Compliance management system, global organization and assessments Communication of critial concerns, open door policy and Sika Trust Line Anti-Corruption	130 130-131 132	
	ESRS G1-4	25a	Metrics	Number of confirmed incidents of corruption or bribery	Compliance investigations (third paragraph)	132	
	ESRS G1-4	25a	Metrics	Information about nature of confirmed incidents of corruption or bribery	Compliance investigations (third paragraph)	132	
	ESRS G1-4	25b	Metrics	Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Compliance investigations (third paragraph)	132	
	Own developed criteria		Metrics	Compliance complaints with high priority (P1, P2) received and substantiated	Table: Compliance complaints with high priority (P1, P2) received and substantiated	131	