



SIKA – COMMITTED TO SUSTAINABLE PERFORMANCE

MAY 2025

BUILDING TRUST



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STRATEGY 2028: NON-FINANCIAL TARGETS AND FOCUS AREAS

MEGATRENDS DRIVING SUSTAINABLE GROWTH

FURTHER ACCELERATION



POPULATION GROWTH



URBANIZATION



DEMOGRAPHIC
CHANGE



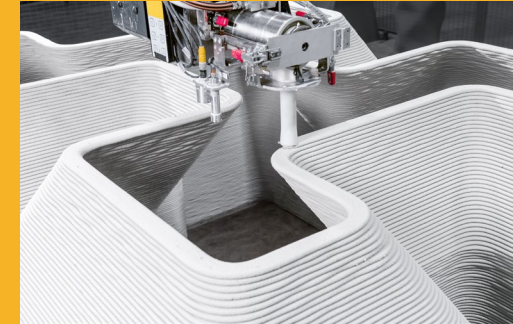
RESOURCE SCARCITY



CLIMATE CHANGE &
SUSTAINABILITY



INCREASING
REGULATIONS

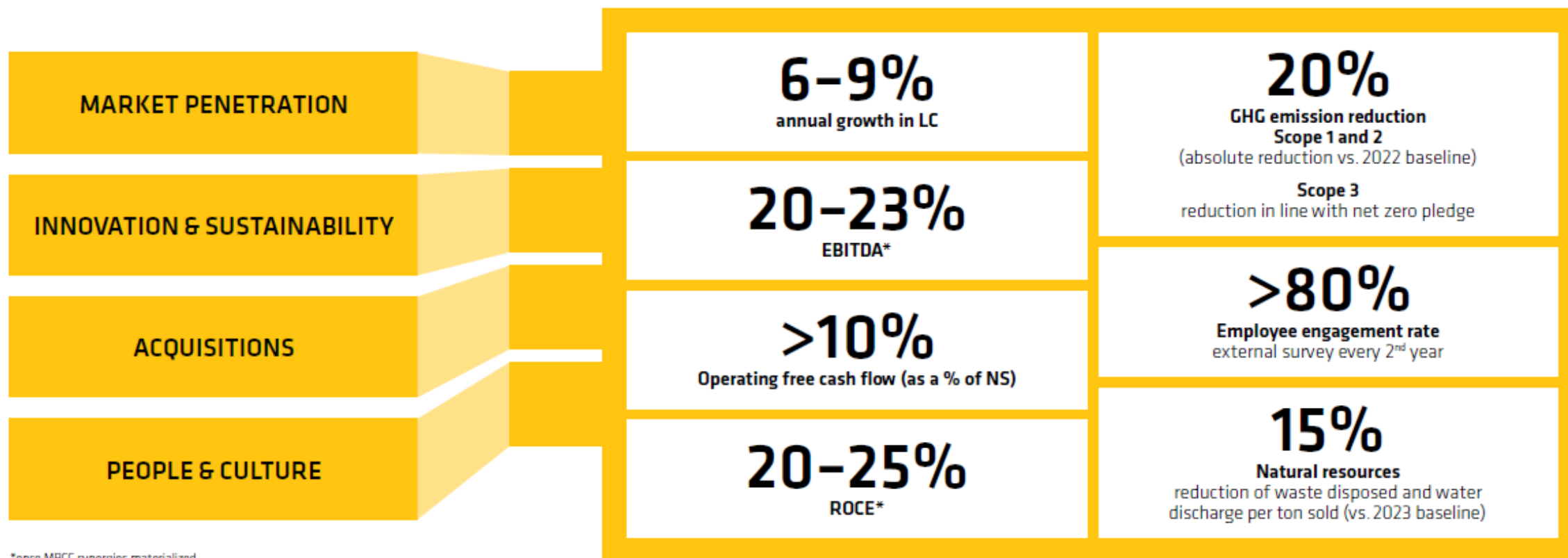


TECHNOLOGICAL
PROGRESS



DIGITALIZATION

SIKA'S GROWTH STRATEGY 2028 TARGETS



NON-FINANCIAL TARGETS STRATEGY 2028

GHG EMISSIONS - SCOPE 1, 2, AND 3



Scope 1 and 2
-20%
absolute emission reduction



Scope 3
in line with net zero pledge



Reduction of use of fossil fuels in production processes and transportation



Optimizing formulations:
Cement reduction, bio-based raw materials, recycled raw materials



Increasing share of green energy

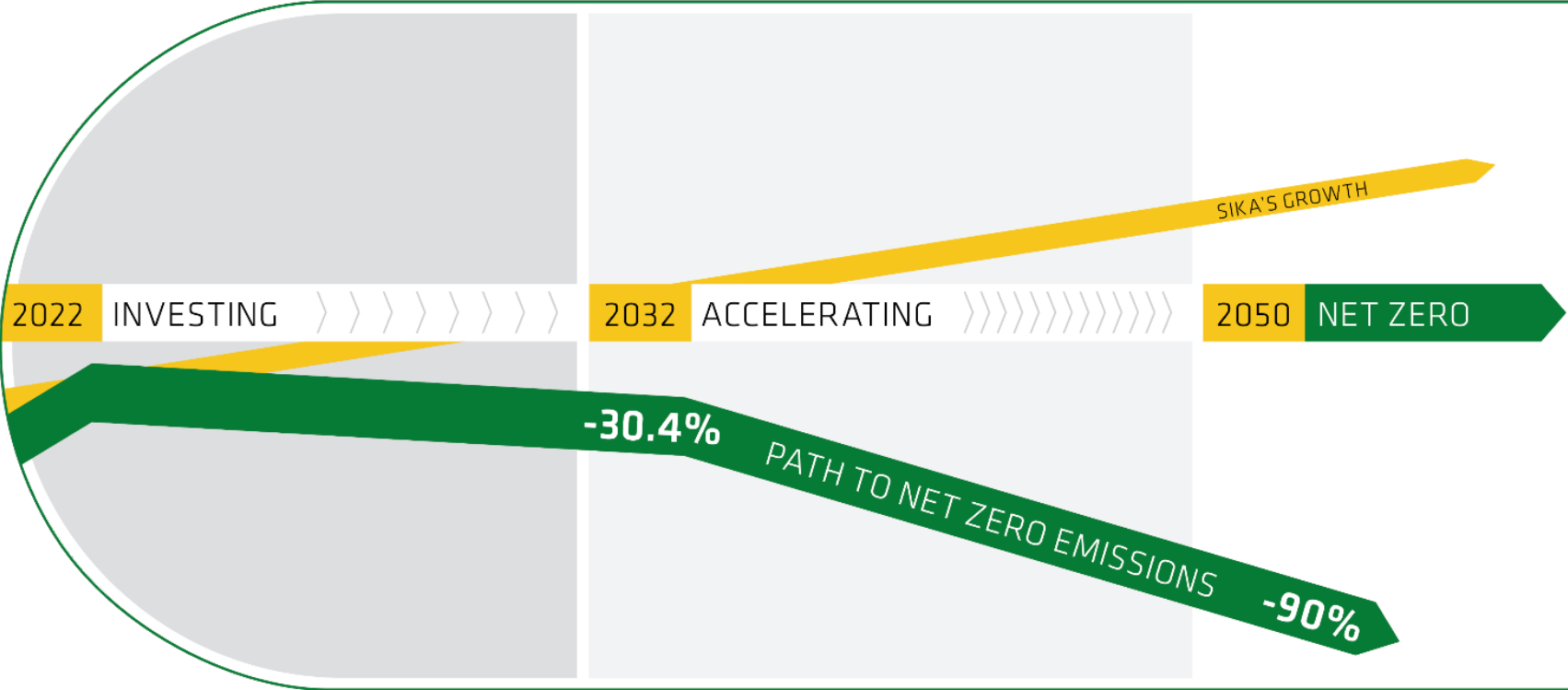


Supplier engagement to optimize product-specific carbon footprint of raw materials and packaging

NON-FINANCIAL TARGETS STRATEGY 2028

SIKA'S NET ZERO PATHWAY – DRIVING THE TRANSFORMATION

OUR KEY LEVERS



- Accelerated use of alternative low carbon supplies
- Education and capacity building to improve material efficiency and circularity
- Partnerships with key suppliers who support Sika's path to net zero
- Development of new innovative solutions for construction and industry
- Continued focus on operational efficiencies

Source: [Sika's Way to Net Zero](#)

NON-FINANCIAL TARGETS STRATEGY 2028

NATURAL RESOURCES - WATER, WASTE, AND CIRCULARITY



Natural Resources:
Waste disposed and water discharged
-15% reduction *Per ton sold*



Transition from a linear to a circular approach



Focus on diverting non-recoverable waste to approaches in which resources are reused or recycled



Minimize water discharge volumes and increase the proportion of reused and recycled wastewater. Focus on water management

NON-FINANCIAL TARGETS STRATEGY 2028

EMPLOYEE ENGAGEMENT - RECONFIRM OUR HIGH SCORE



>80%
Employee engagement rate



Engagement as key performance metric to measure resilience and sustainability. Highly engaged employees drive performance and business success



Sika's strong Corporate culture as most competitive advantage



External global employee survey every two years

ADDITIONAL NON-FINANCIAL FOCUS AREAS

PEOPLE & CULTURE



DIVERSITY

- Improving gender balance by reaching equal representation of women at all levels.
- Ambition to steadily increase women ratio of total workforce towards 30%



HEALTH & SAFETY

- Zero fatalities
- Lost Time Accident < 2 per 1,000 FTE
- Reduce usage of hazardous materials

ADDITIONAL NON-FINANCIAL FOCUS AREAS

ALL NEW PRODUCTS SPM VALIDATED

All new product developments to be SPM validated with a positive validation

SPM | Sustainability Portfolio Management



- The SPM evaluates solutions based on **12 sustainability** and **6 performance categories**
- It is used to classify products as **sustainable solutions with a sustainable impact**
- Only SPM validated products with a positive sustainability classification can be marketed under the ***Sustainably Sika*** communication framework
- Sika's goal is to manage innovation and sustainability, **minimizing risks and maximizing opportunities**
- Sika is the 1st company within the specialty chemicals and building materials sector to develop and implement the **SPM Concept** based on the WBCSD framework

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

COMMITMENT TO OPENNESS AND TRANSPARENCY

- Good Corporate Governance safeguards the company sustainable development and performance
- The Board regularly assesses Sika's Corporate Governance against regulatory developments, and best practice standards



- Sika provides information on structures, processes, areas of responsibility, procedures, rights and obligations of stakeholders
- The Board aims to hold a transparent and open discussion with all stakeholders, considering their needs and views

CORPORATE GOVERNANCE

COMPLIANT WITH STANDARDS AND REGULATIONS

- Adheres to the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance
- Follows the principles of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse¹
- Aligned with various international frameworks (GRI, CDP, UN SDGs, UN Global Compact, WBCSD, TCFD, TNFD)
- Complies with all applicable local laws and regulations where business is conducted
- The Sika Code of Conduct is binding, even in cases where local laws are less stringent

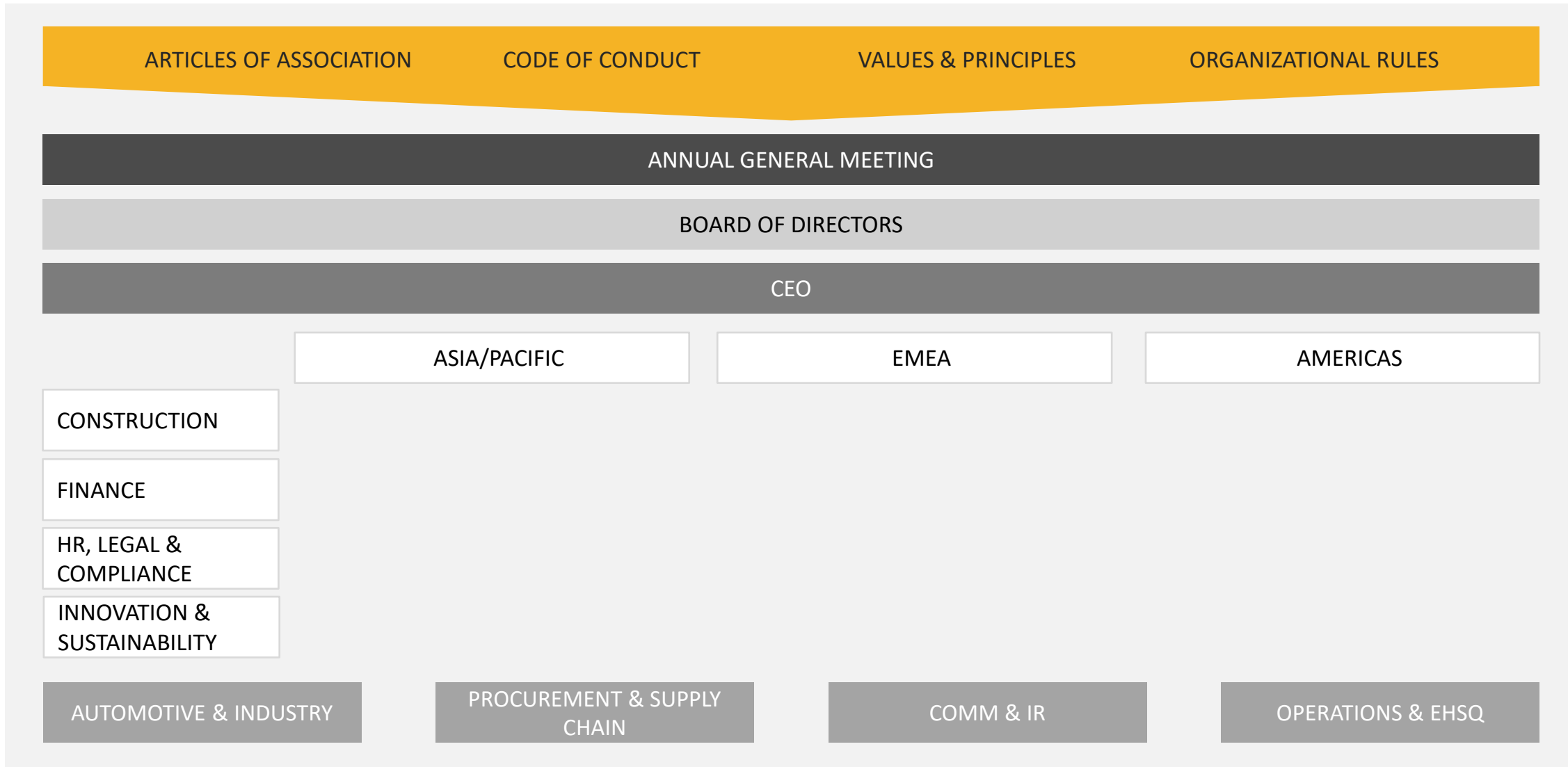


An annual review is conducted to confirm the conformity with the Swiss Code of Obligations, the Ordinance against Excessive Remuneration (VegüV), the SIX Directive on Corporate Governance and the Sika Articles of Association concerning Board member independency and the number of external additional mandates

¹Economiesuisse

CORPORATE GOVERNANCE FRAMEWORK

STRUCTURES AND RESPONSIBILITIES



CODE OF CONDUCT (COC)

SIKA CULTURE: INTEGRITY AND ETHICAL CONDUCT

- Based on Sika's Values and Principles, available in 49 languages, read and signed by newly hired employees
- The Sika CoC underscores its strong commitment to sustainable development, incl. human rights and environmental protection
- It reflects all recent policy changes (e.g., Supplier CoC, Global Privacy Policy)
- Bi-annual commitment by Senior Management and General Managers, and regular trainings for all employees (incl. those joining through acquisitions)
- Violations reported to management or via Sika Trust Line



- HR & Compliance investigates reported misconduct, substantiated cases are reported to the Audit Committee
- Substantiated compliance violations lead to disciplinary action and/or organizational measures

SUPPLIER CODE OF CONDUCT (SCOC)

RESPONSIBLE SOURCING

- Commitment to high ethical standards and sustainability
- Requirements include compliance with the following standards:
 - Universal Declaration of Human Rights
 - The core conventions of the ILO on labor standards
 - All applicable local, national and international laws concerning:



- Anti-corruption
- Fair competition
- Intellectual property, data and privacy protection
- Sanctions, non-proliferation, and export controls
- Environment, Health & Safety (EHS) protection

RESPONSIBLE SOURCING

ENGAGEMENT IN “TOGETHER FOR SUSTAINABILITY”



- Initiative based on the UN Global Compact and Responsible Care® principles
- Sika is a member since 2020
- Active collaboration to assess the sustainability performance and positively impact its progress within the supply chain of the chemical industry
- Learning and sharing best practices in sustainability with other companies of the industry
- Sika takes part in several workstreams within the initiative:



- WS1: Governance and Partnerships (WS Chair)
- WS3: TfS Audits (WS Member)
- WS5: GHG Emissions (WS Member(s))

BOARD RESPONSIBILITIES

BOARD COMPOSITION AND SUCCESSION PLANNING

The Nomination and Compensation Committee (NCC) holds the responsibility for the succession planning. The duties of NCC includes:

- Identification and assessment of potential BoD candidates based on predefined criteria
- Yearly assessment of the Board and the Board Committees regarding performance, constitution and independency
- Yearly assessment of the performance of each member of the Group Management
- Identification and assessment of potential candidates to the position of CEO
- Review of candidates for other Group Management positions as proposed by CEO
- Yearly review and assessment of the succession planning and emergency succession list for positions of Group Management



It is of high relevance to have a well-balanced composition of the Board - with an independent majority – and an appropriate mix of members representing consistency and renewal.

BOARD RESPONSIBILITIES

BOARD COMPOSITION AND SUCCESSION PLANNING

- The composition of the BoD should represent the necessary skills, qualifications, and diversity to be able to perform the required duties. Information on key skills and experience is available on the website in the detailed view of each Board member
- Board members with a broad range of experience are preferred to those with expertise in one specific area. The BoD uses external experts to provide training or advice on specific topics.

The Board skills matrix is used as a tool to evaluate existing and potential Board members

Criteria	Board Members								
	1	2	3	4	5	6	7	8	x
Experience									
Industry/Business Model									
Diversity – Balanced Gender and Geographic Representation									
Senior Leadership (CEO/Chairman)									
Global Organization/Geography									
Entrepreneurship									
Skill/Expertise									
Financial/Audit									
Strategy/Consulting									
Business Development/M&A									
Human Capital/Talent Development/Compensation									
Brand Value/Marketing/Sales									
Technology/Innovation/Sustainability									
Digital/E-Commerce									
Governance/Legal									
Operational/Manufacturing/Supply Chain									

*The Board is committed to restoring the gender balance to >30%. The NCC actively reviews potential Board candidates on an ongoing basis and is confident that it will be able to propose a highly qualified female candidate to the AGM 2026.

Source: Board of Directors; Board Composition and Succession Planning

25%
women on the Board*

3.75 yrs
average tenure of Board members

BOARD RESPONSIBILITIES

RISK MANAGEMENT

- All risks are assessed in terms of a few basic questions:

Is the risk global or regional in scope?

How high is the probability of losses occurring?

What implications does the risk have for the group?

What measures need to be implemented to prevent the risk and mitigate its consequences?

- If a risk is rated critical in the overall assessment, effective measures are then taken to reduce the probability, prevent its occurrence, or limit its implications
- Internal audits are regularly conducted in all areas of operation
- Environmental, Social and Governance (ESG) risks are monitored with the help of external tools and screenings

RISK MANAGEMENT

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

- Sika's risk management process is reviewed and updated on a regular basis, allowing the company to better identify potential risks and secure well-structured mitigation practices. Sika continues to use this risk management process stringently to ensure that any potential impact on the company and its customers is mitigated
- Top risks are reviewed and approved by the BoD and Audit Committee on a yearly basis

TOP RISKS			
STRATEGIC	OPERATIONAL	FINANCIAL	ORGANIZATIONAL
■ Pressure on margins ■ Changing product compliance requirements and regulations ■ Climate change risk ■ Country risk ■ Multipolar world ■ Competition law	■ Product-related claims ■ Talent shortage ■ Business interruption ■ Cybersecurity risk ■ Supply chain - direct material sourcing	■ Impairments ■ Currency fluctuation / FX risk ■ Tax risk	■ Reputation risk ■ Hostile takeover / activism ■ Loss of Sika's unique culture / entrepreneurship

Source: [Risk Management](#)

RISK MANAGEMENT

FOCUS: CLIMATE CHANGE

- Evaluating climate-related risks and opportunities related to its business and developing appropriate response measures, as required by the TCFD recommendations, are of vital importance to ensure long-term sustainable performance and the business continuity of Sika

Disclose the organization's governance around climate-related risks and opportunities

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

Disclose how the organization identifies, assesses, and manages climate-related risks

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

BOARD RESPONSIBILITIES

CAPITAL ALLOCATION FOR SUSTAINABLE GROWTH

The strategic planning of capital allocation aims to ensure Sika's sustainable growth. It is a well-balanced approach which considers the interests of all stakeholders and all drivers for growth and profitability

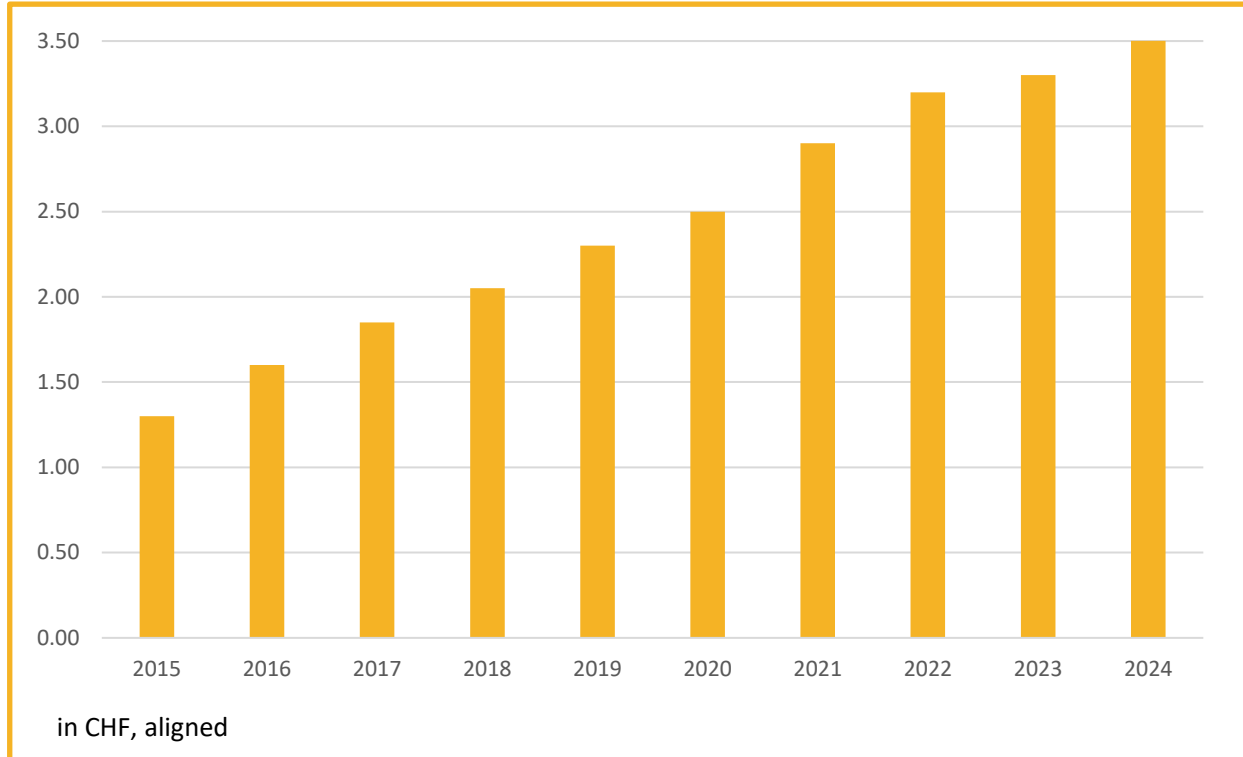


- **Shareholder return:** consistently growing, reliable dividend payout
- **Capital expenditures:** expansion of geographical production footprint to fully capture market potential, efficiency initiatives at production sites
- **R&D:** investments for a full pipeline of high-performing, sustainable innovations that contribute to decarbonization, the reduction of energy and material consumption, as well as the increased use of recycled materials
- **Employees:** training and development of employees
- **M&A:** acquisitions are an integral part of the growth strategy

CAPITAL ALLOCATION

RELIABLE AND CONTINUOUS DIVIDEND PAYOUT

- Sustainable growth strategy: steady growth in sales (in local currencies) and profit. Shareholders benefit from annual increases in dividend. Consistent dividend payout is a sign of the company's reliability.
- Sika has increased its dividend at a double-digit average annual rate for the last 25 years



PERIOD 2015-2024:

- Average payout ratio: > 40%
- Payout increased every year in absolute numbers
- Dividend for 2024: +9.1%

CORPORATE CULTURE

STRONG CORPORATE CULTURE

SIKA'S VALUES AND PRINCIPLES

- Sika's Values and Principles are the foundation for the Code of Conduct
- They are put into action through strong leadership and by all employees every day, worldwide

1 Customer First

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

4 Empowerment & Respect

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

2 Courage for Innovation

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

5 Manage for Results

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

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.

VALUES AND PRINCIPLES

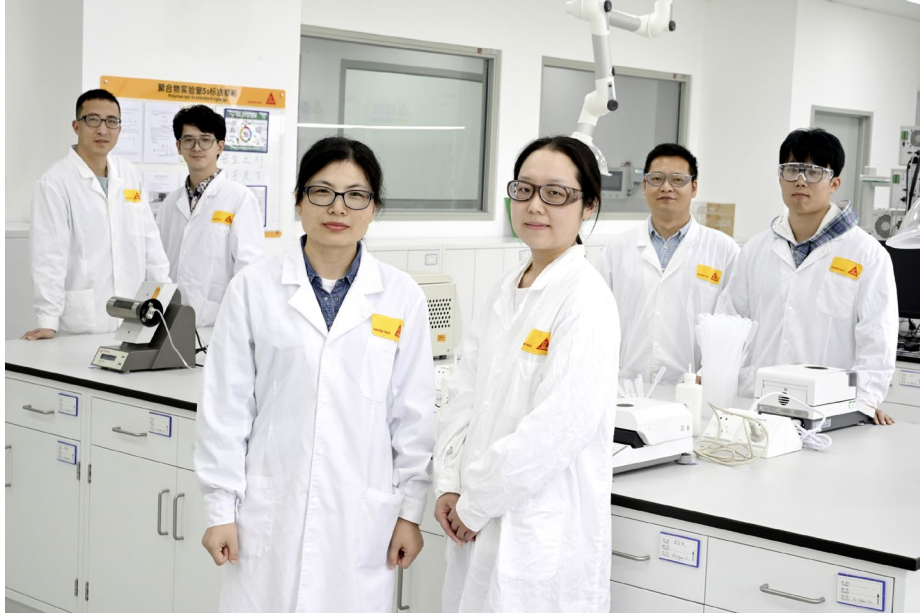
CUSTOMER FIRST

- Listen to customers, understand their needs and provide them with solutions that give them a real advantage – keep customers' success in mind
- Provide and maintain highest quality standards
- Build long-lasting and mutually beneficial relationships
- Provide professional service



VALUES AND PRINCIPLES

COURAGE FOR INNOVATION



- Sustainability is an integral part of the innovation process and development of new products
- Innovation management with focus on the Sika Product Creation Process
- Close alignment with customer and market needs
- Actively challenge and accept being challenged
- Consider innovation in all business activities; including a diverse workforce to foster it

VALUES AND PRINCIPLES

SUSTAINABILITY & INTEGRITY

- Comply with Sika's Code of Conduct
- Align daily business with Sika strategy and related targets
- Act with respect and responsibility towards all stakeholders
- Operate with strong focus on safety, quality, environment, fair treatment, social involvement, responsible growth, and value creation
- Actively engage with the community



VALUES AND PRINCIPLES

EMPOWERMENT & RESPECT



- Decentralized, flat organization, decision power delegated very close to customers
- Believe in the competence and entrepreneurial spirit of employees
- Train and develop local people. Mainly local nationals running country organizations
- Foster trusting and respectful working relationships
- High priority on training and development as well as on promoting internal candidates

VALUES AND PRINCIPLES MANAGE FOR RESULTS

- Aim for success, outstanding results, and outperformance
- Clear and well-anchored mid-term strategic targets, pursue vision with long-term view
- Functions and projects are clearly assigned, clear accountability
- Transparent performance management focused on well-defined KPIs
- Benchmarking/Best Demonstrated Practice



STRONG CORPORATE CULTURE

HIGH EMPLOYEE LOYALTY AND ENGAGEMENT



- Sika Senior Management roles are normally filled in-house or with managers joining from acquisitions
- The long-term employee prospects and the corporate culture are among the reasons behind Sika's low employee turnover
- Sika is proud that employees remain with the company for a long time and contribute their know-how and experience over a lengthy period

GLOBAL BUT LOCAL

THE SIKA STRATEGY AND ITS DECENTRALIZED IMPLEMENTATION



STRONG CORPORATE CULTURE

EMPLOYEE SURVEY 2024 CONFIRMED LOYALTY AND ENGAGEMENT



EXTREMELY HIGH ENGAGEMENT RATE
86
INDEX POINTS **OUT OF 100**

EXTREMELY HIGH PARTICIPATION RATE
86%
OF MORE THAN **33,000 EMPLOYEES**

- **Employee Engagement anchored in Strategy 2028**
- **2nd Group-wide employee survey**, administered externally to ensure full anonymity and confidentiality
 - 1st Group-wide employee survey conducted in 2019 with a response rate of 78%
- Sika will **implement specific actions based on feedback**, including enhancing recognition, improving company-wide information and communication, and fostering collaboration

STRONG CORPORATE CULTURE

EMPLOYEE SURVEY 2024 CORE TOPICS

- The survey was available in **33 languages**
- Employees were asked to provide feedback on a set of **80 questions**, including two open-text comments
 - 85% feels working at Sika is meaningful
 - 82% strongly believe that Sika's strategy guarantees future corporate success
- An **external benchmark, covering ca. 100 companies** across all industries globally, was used to compare Sika's results to the market
- The external benchmark was exceeded in all dimensions

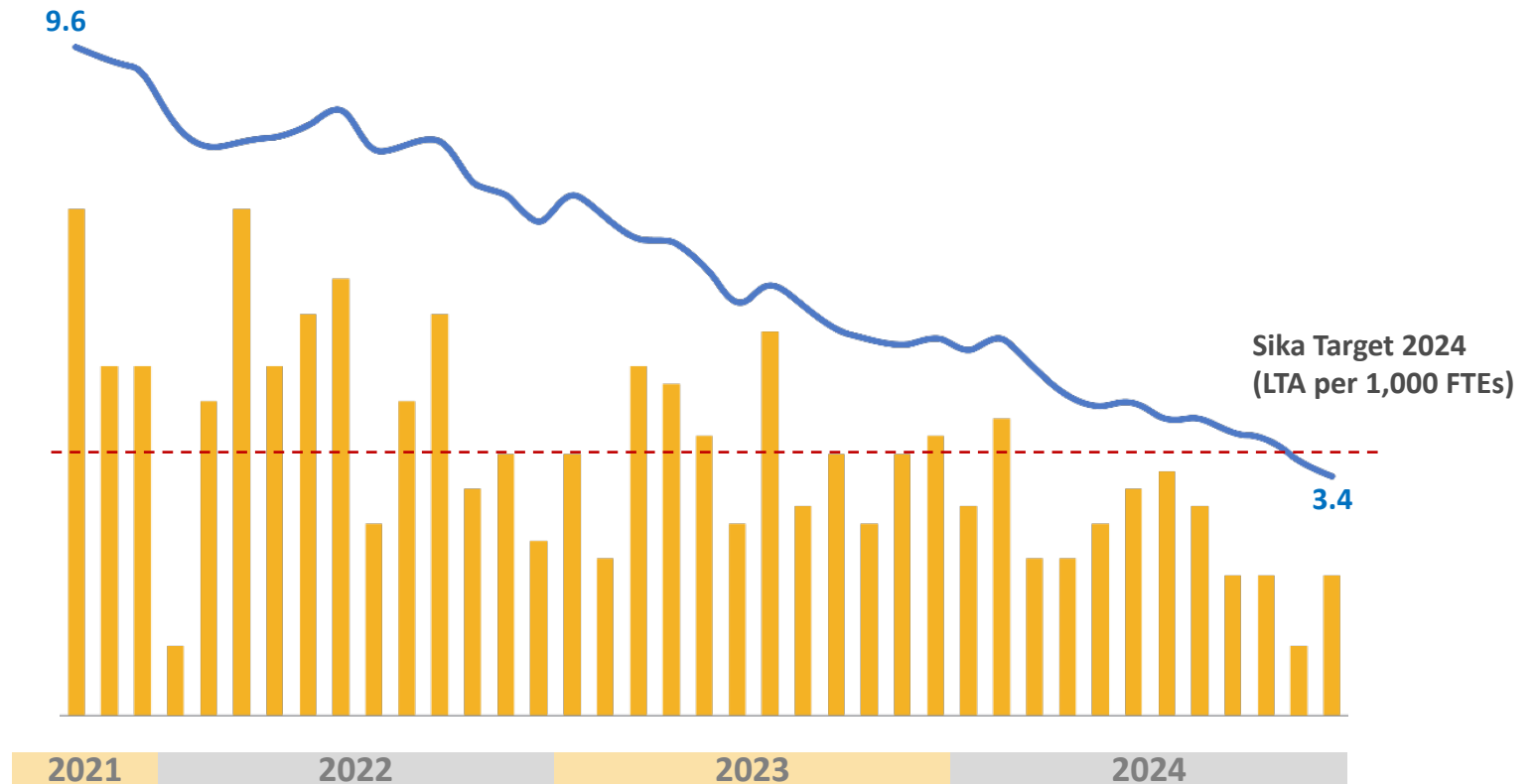
Core topics for employee engagement	
Clusters	Topics
Work	Job, work processes, safety, working time and work-life balance, working conditions, and new ways of work
Relations	My immediate superior, top management, collaboration across teams, teamwork
Growth	Customer orientation, learning culture, change, 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

HEALTH AND SAFETY

SAFETY FIRST – PROTECTING OUR PEOPLE

OCCUPATIONAL SAFETY

- Safety is a value embedded in every action, decision, and interaction
- Sika Vision zero program to improve leadership, commitment and employee participation
- 2nd Sika Global Safety Survey will run from mid-April to May 2025



- In 2024, -36.6% of Lost Time Accidents per 1,000 FTEs vs. 2023

STRONG CORPORATE CULTURE

SIKA DAY

Sika Day 2021

Together, we are committed to leadership, diversity, and integrity.



Sika Day 2023

Caring for each other beyond the expected.



Sika Day 2022

We promote a safety culture. Never compromising on safety to protect our people.



Sika Day 2024

One team, many voices. Goind beyond together.



Sika Day 2025

Winning together!



EMPLOYEE ENGAGEMENT

DIVERSITY ON ALL LEVELS

Commitment of Sika leaders

- Build an inclusive and attractive environment
- Non-discriminatory practices in employment
- Equal opportunities in the recruitment process and in the professional development of employees
- Increase the percentage of women in leadership positions

24.8%

female
employees

68

nationalities among
Senior Managers

**Balanced age
structure**

with 12.2% below 30 years
old and 26.0% above
50 years old

25.0%

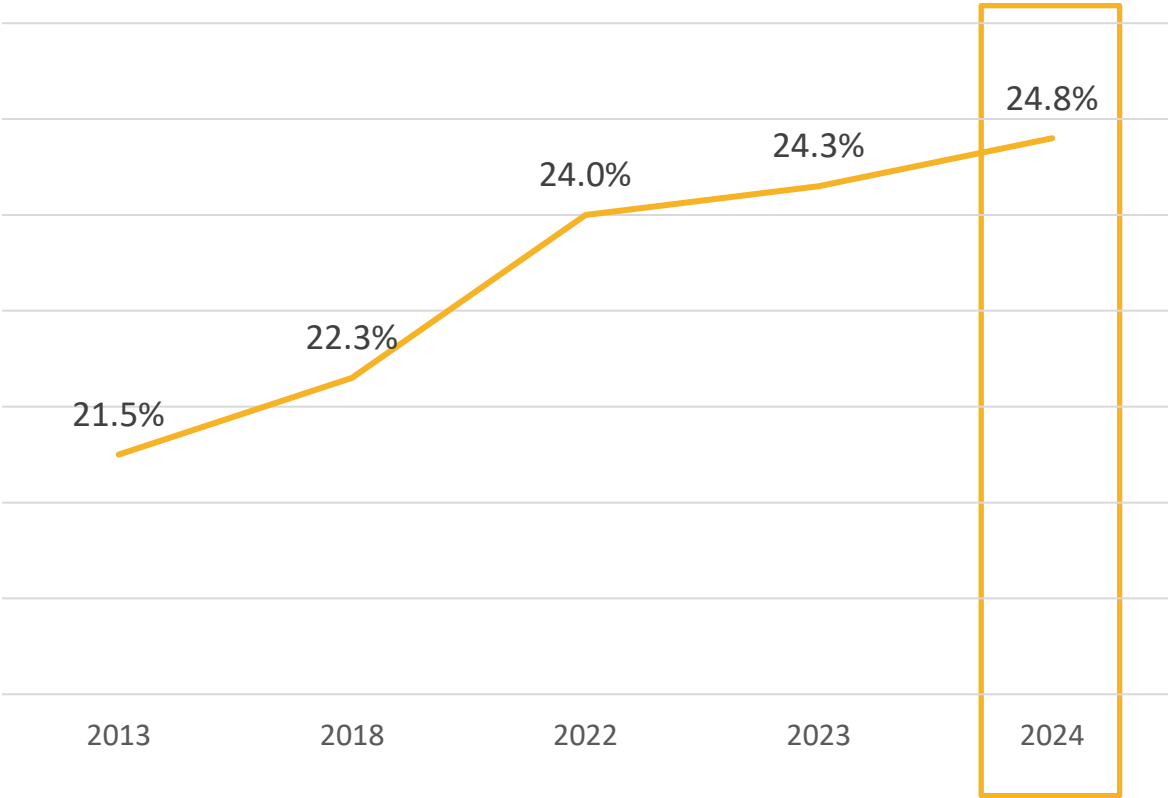
women in
Group
Management

GENDER DIVERSITY

DISTRIBUTION OF WOMEN IN SIKA

Representation of women in total work force: **24.8%**

- Focus on initiatives to promote women in sales and operations as this is a common route to Senior Management
- Focus on increased share of female talents in Sika's internal talent pool as well as for leadership training nominations



Company Management (incl. Senior Managers and local Company Mgmt Teams)	24.5%
Middle Management	24.3%
Staff	24.9%

GENDER DIVERSITY

ATTRACT, ENGAGE, AND PROMOTE – EXAMPLES OF INITIATIVES



Overall responsibility and high priority for BoD and Group Management. **Global Diversity Steering Committee** sets up action plans, monitors and reports on progress to BoD and Group Management. Clearly defined KPIs on the three pillars.

Attract

- Employer branding that attracts female talents
- Cooperation with associations to attract more young women to STEM professions
- Partnership with the National Association of Women Sales Professionals and the National Association of Women in Construction

Engage

- National discussion forums to promote diversity, and support women in their career development path
- Global and local networking events for women at Sika
- Training Sika leaders in building diverse teams
- Regional Diversity & Inclusion strategy (EMEA)

Promote

- Talent pool: strong focus on gender diversity in Sika's talent pool
- Training: more nominations of women for talent training programs
- Development: support female talents in their career advancement

SUSTAINABLY SIKA

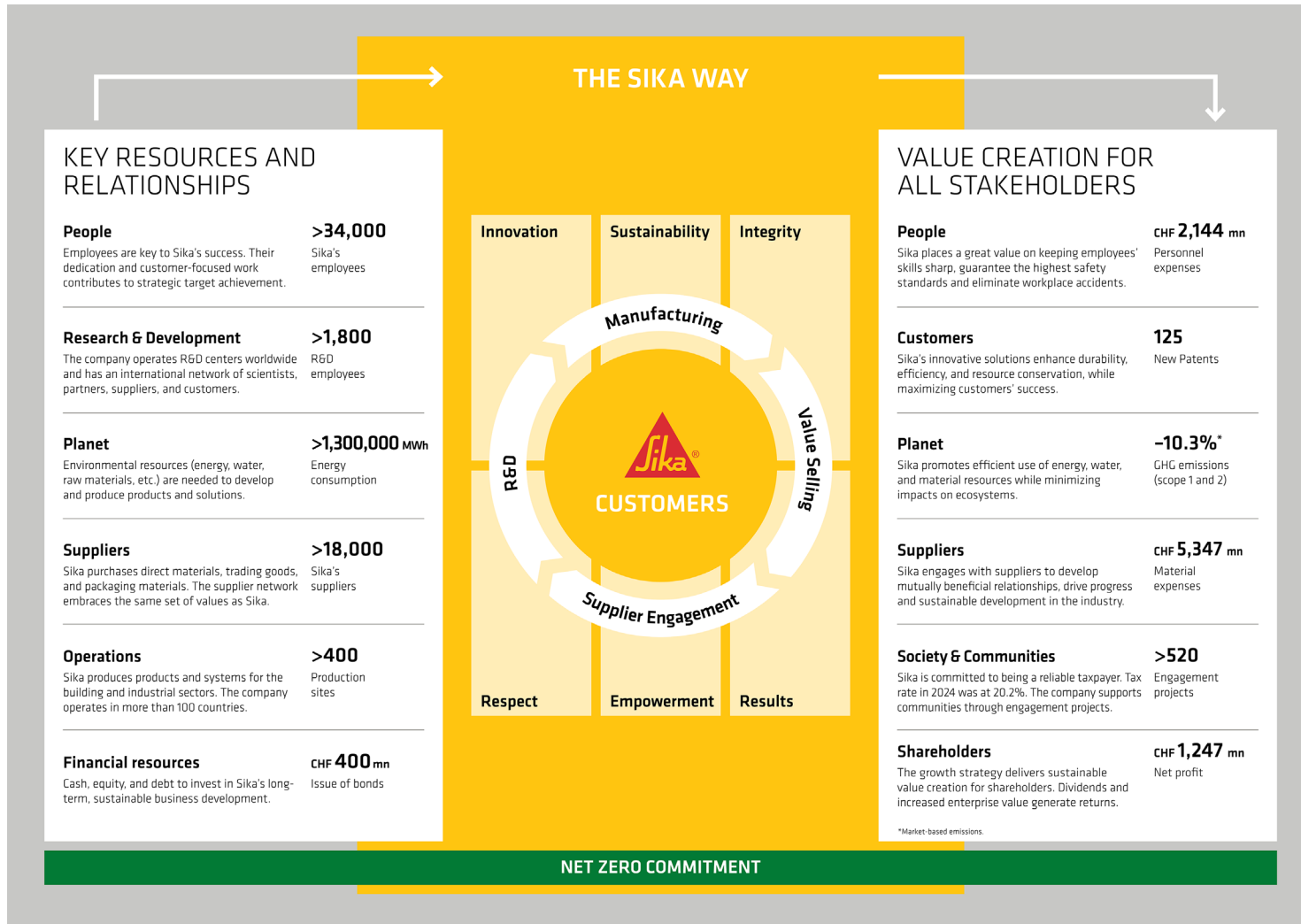
BUILDING TRUST



BUSINESS MODEL AND ORGANIZATION

BUSINESS MODEL

SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

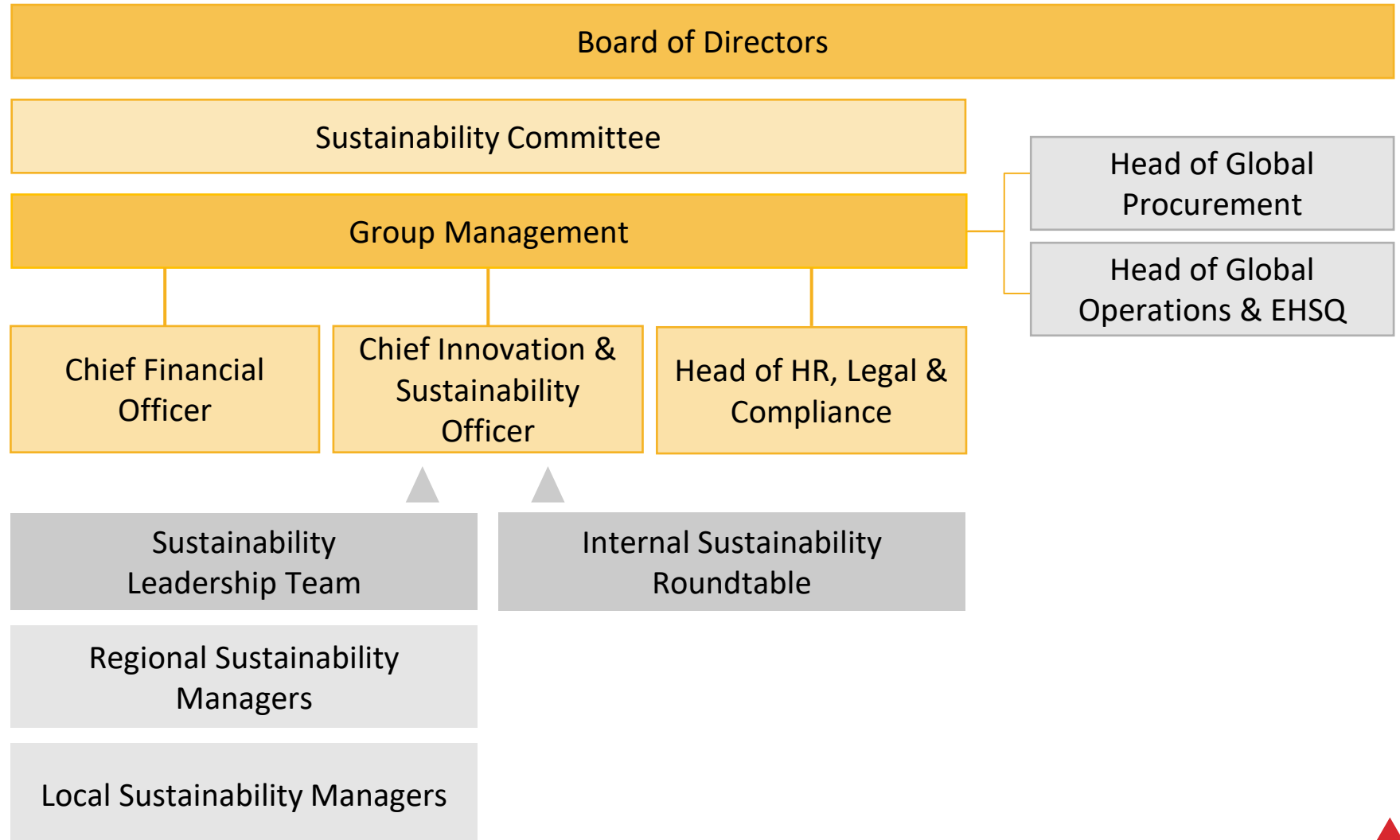


- Sika is well-positioned in both emerging and mature markets thanks to its global network of subsidiaries in 102 countries, along with its first-class solutions that are tailored to customer needs.
- The company creates sustainable value for its stakeholders to whom the derived economic value is distributed.

ORGANIZATION

LEADERSHIP AND RESPONSIBILITIES

- Over the past years, Sika has strengthened its sustainability organization, defining new roles and responsibilities at corporate and regional level as well as throughout the entire organization.

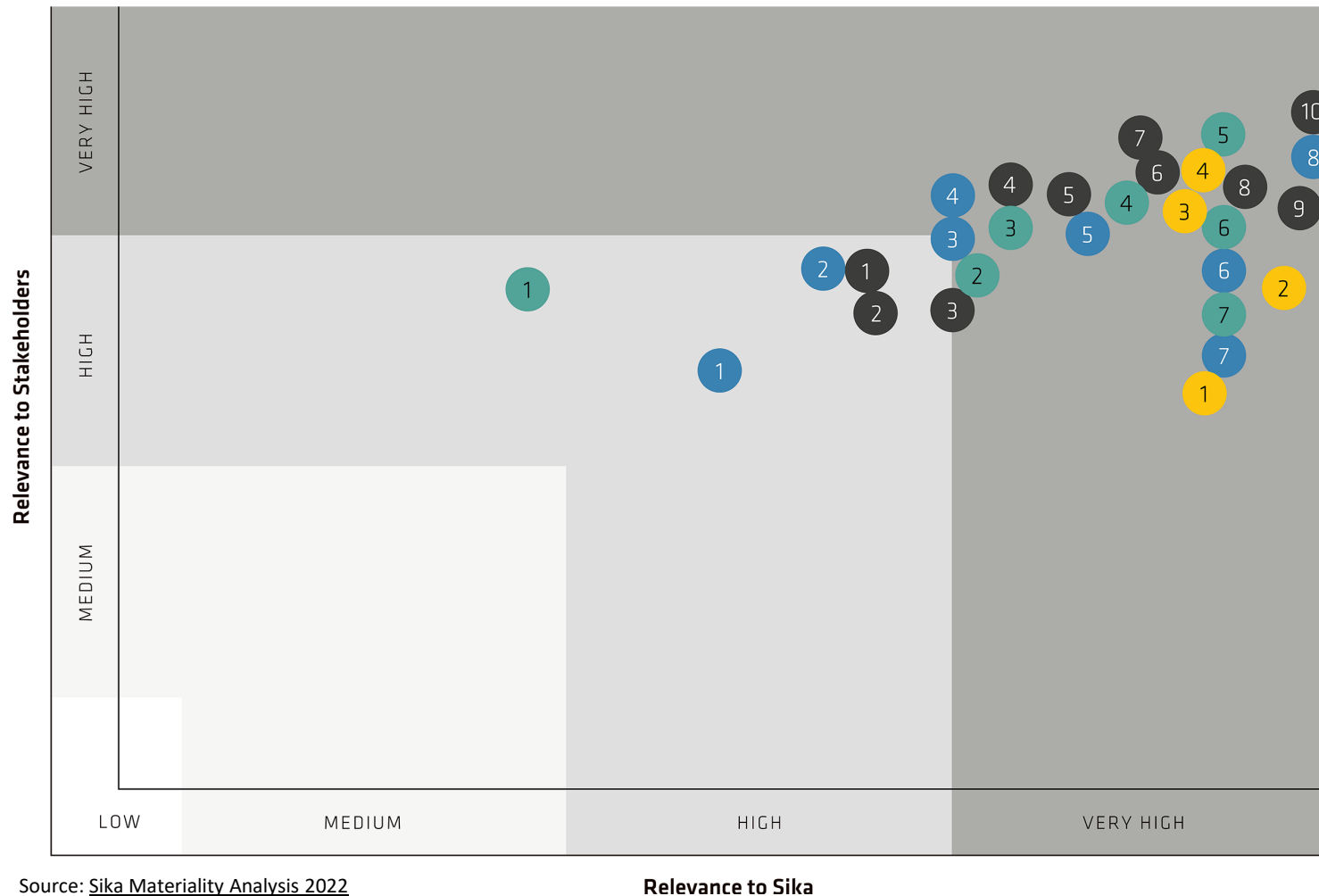


Source: [Organization](#)

ORGANIZATION

MATERIALITY ANALYSIS 2022

- The materiality matrix 2022 was approved by the Board of Directors.



Source: [Sika Materiality Analysis 2022](#)

PARTNERSHIPS

BUILDING TRUST



PARTNERSHIPS OVERVIEW

REPORTING STANDARDS AND FRAMEWORKS



INITIATIVES



INDICES



MEMBERSHIP OF ASSOCIATIONS



RATINGS



COLLABORATION



Source: [Partnerships and Collaboration](#)

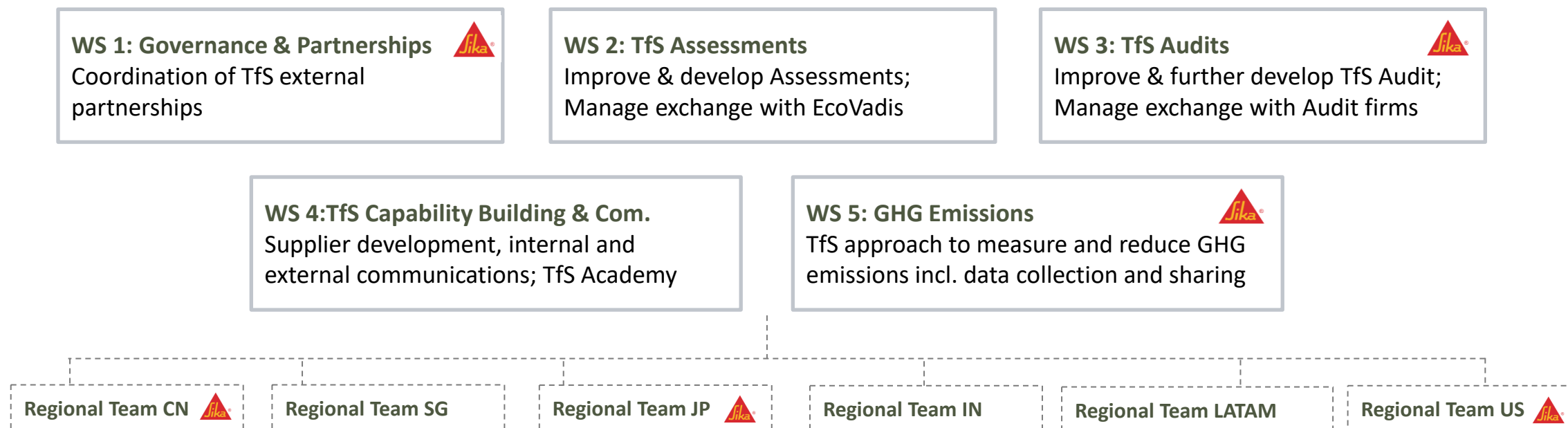
PARTNERSHIPS

ALIGNMENT WITH THE UN SDGs



Source: [UN SDGs](#)

PARTNERSHIPS TOGETHER FOR SUSTAINABILITY (TFS)



 Sika selects and actively contributes to specific TfS Work Streams and Regional Teams based on identified strategic priorities

**Sustainability is a combined effort across the value chain.
Therefore, we need to partner up and leverage expertise of the Group.**

PARTNERSHIPS

TFS – SUPPORTING SIKA'S SCDD APPROACH



- Sika Supply Chain Due Diligence (SCDD) process is based on four key pillars: risk identification, risk assessment, supply chain improvement, and reporting.
 - The TfS framework with its standardized tools – TfS Assessments and TfS Audits – enables member companies and their suppliers to assess, drive and improve sustainability performance of chemical supply chains through a shared infrastructure.



“An assessment or audit for one member company is an assessment or audit for all”

PARTNERSHIPS

TfS – GHG EMISSIONS ACCOUNTING



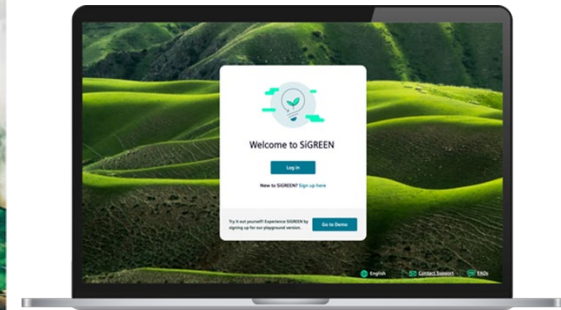
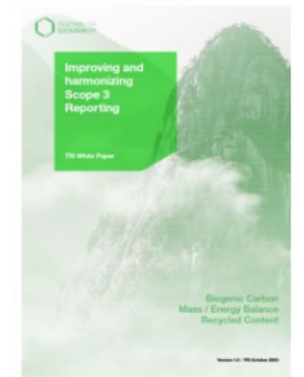
The scope 3 Greenhouse Gas Emissions (GHG) activities are centered around four key areas:

1. *TfS Product Carbon Footprint (PCF) Guideline*: open-source-PCF Guideline and data model for chemical industry in line with product accounting standards.
 - *Improving and harmonizing Scope 3 Reporting*: White Paper exploring challenges and potential solutions to harmonize carbon accounting methodologies
2. *TfS PCF Exchange IT Solution*: a platform for TfS members that will enable corporations and suppliers to share upstream product carbon footprints.
3. *Chem-X Project*: development of an open and collaborative digital data space to support the sustainable transformation of the chemical industry.
4. *Cooperation*: collaboration across ecosystem of initiatives working on the scope 3 challenge.

TfS PCF Guideline



TfS White Paper



Source: [TfS Product Carbon Footprint \(PCF\) Guideline](#)

PARTNERSHIPS

WBCSD



- Since 2010, Sika has been a member of the World Business Council for Sustainable Development (WBCSD).
- In 2022, Sika has started working with other leading companies across all industries in the **SOS 1.5** project on the **Avoided Emissions**, where a first Guideline has been published in 2023:
 - This is the first cross-industry standard about assessing, verifying, and applying avoided GHG emissions in the downstream value chain.
 - This guideline shall provide guidance on consistent and credible methodology to measure the positive climate impacts companies bring through their products, technologies, and services to accelerate their adoption.
 - It will also support companies to identify eligible and relevant avoided emissions claims.
- In 2024, the **SikaFiber® case study** about the company's macro synthetic fibers was the 1st 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 solution¹.

Source: World Business Council For Sustainable Development (WBCSD); WBCSD SOS 1.5; Guidance on Avoided Emissions
1 [Measuring-the-impact-of-carbon-avoiding-solutions-in-the-construction-industry-A-Case-Study-Sika.pdf](#)

PARTNERSHIPS

TNFD



- Since September 2022, Sika is supporting the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the **TNFD Forum**. The latter is a global multi-disciplinary consultative group of institutions with over 1,600 members.
- The TNFD framework adopts a four-pillar approach, structured around how organizations operate: Governance, Strategy, Risk management, Metrics and targets. This is the same structure as the one used by the TCFD framework.
- Sika has used the tools and resources provided by the TNFD to gain an understanding of TNFD's **LEAP (Locate, Evaluate, Assess, Prepare) approach**.
 - 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, SBTN Sectoral Materiality, World Resource Institute (WRI) Aqueduct, and IBAT**.
- 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**.

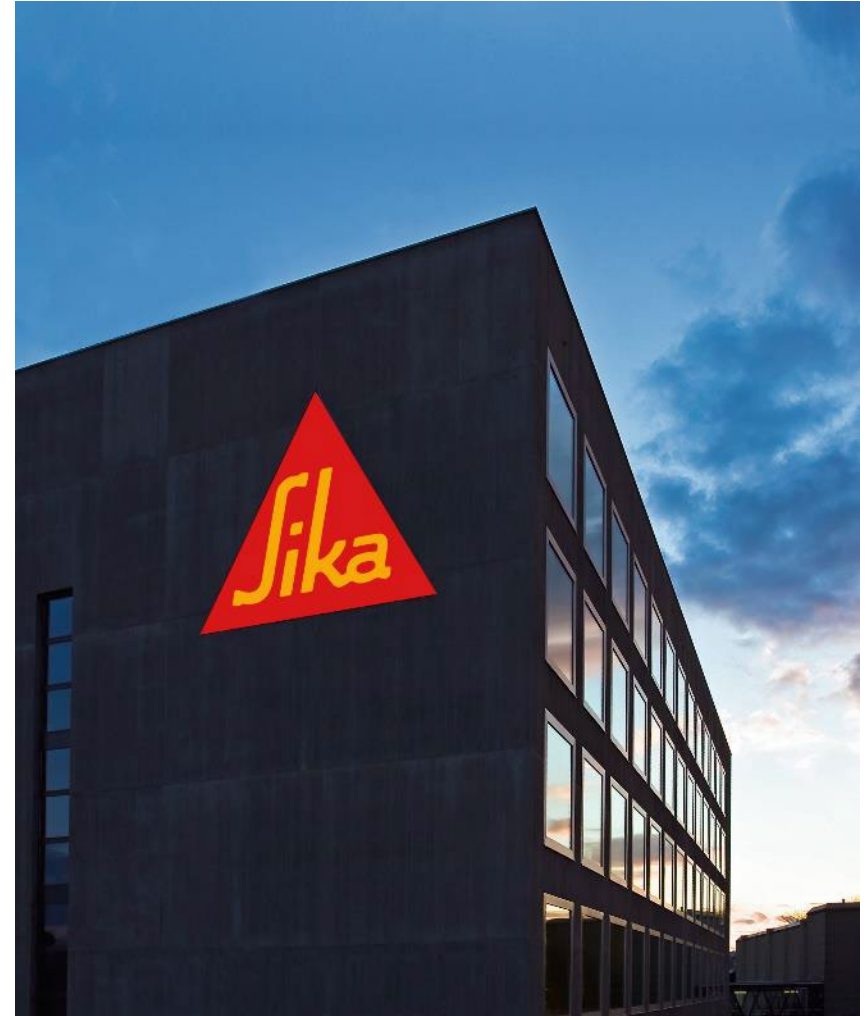
Source: [Biodiversity and Nature](#)

DECARBONIZATION

SIKA WAY TO NET ZERO

COMMITTED TO REACH NET ZERO NO LATER THAN 2050

- Sika aims to be a driver of the transformation of the construction and manufacturing industry towards net zero and is committed to the net zero target by 2050 based on Science Based Target initiative(SBTi)
- In May 2024, the SBTi approved Sika's near and long-term science-based GHG reduction targets
- Collaboration of all stakeholders is vital to reach this ambitious goal
- Sika's growth strategy leads to increased reduction goals in absolute terms over time. In its net zero journey, Sika aims to achieve a win-win environment with committed stakeholders (up and downstream)

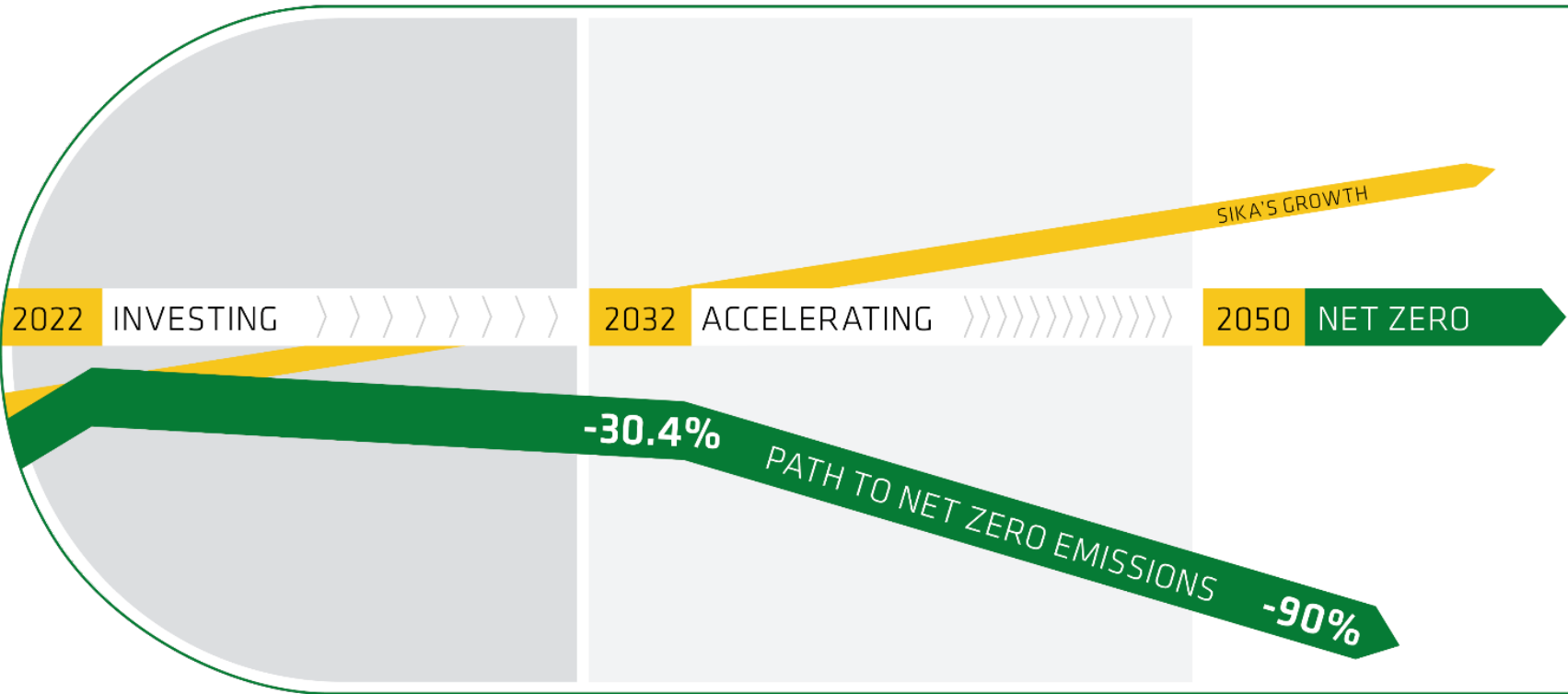


Source: [Sika's Way to Net Zero](#)

SIKA'S NET ZERO ROADMAP

DRIVING THE TRANSFORMATION

OUR KEY LEVERS



- Accelerated use of alternative low carbon supplies
- Education and capacity building to improve material efficiency and circularity
- Partnerships with key suppliers who support Sika's path to net zero
- Development of new innovative solutions for construction and industry
- Continued focus on operational efficiencies

Source: [Sika's Way to Net Zero](#)

SIKA'S NET ZERO ROADMAP

SIKA'S VALIDATED SBTi TARGETS AND IDENTIFIED LEVERS

SBTi VALIDATED REDUCTION TARGETS

COMPANY/FINANCIAL INSTITUTION ▲	TARGETS		
	NEAR TERM ⇅	LONG TERM ⇅	NET-ZERO ⇅
Sika AG ★ Switzerland, Europe	1.5°C	1.5°C	2050

SCOPE 1&2*

- 50% by 2032
- 90% by 2050

Scope 3

- 30% by 2032
- 90% by 2050

* The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

SIKA'S IDENTIFIED LEVERS

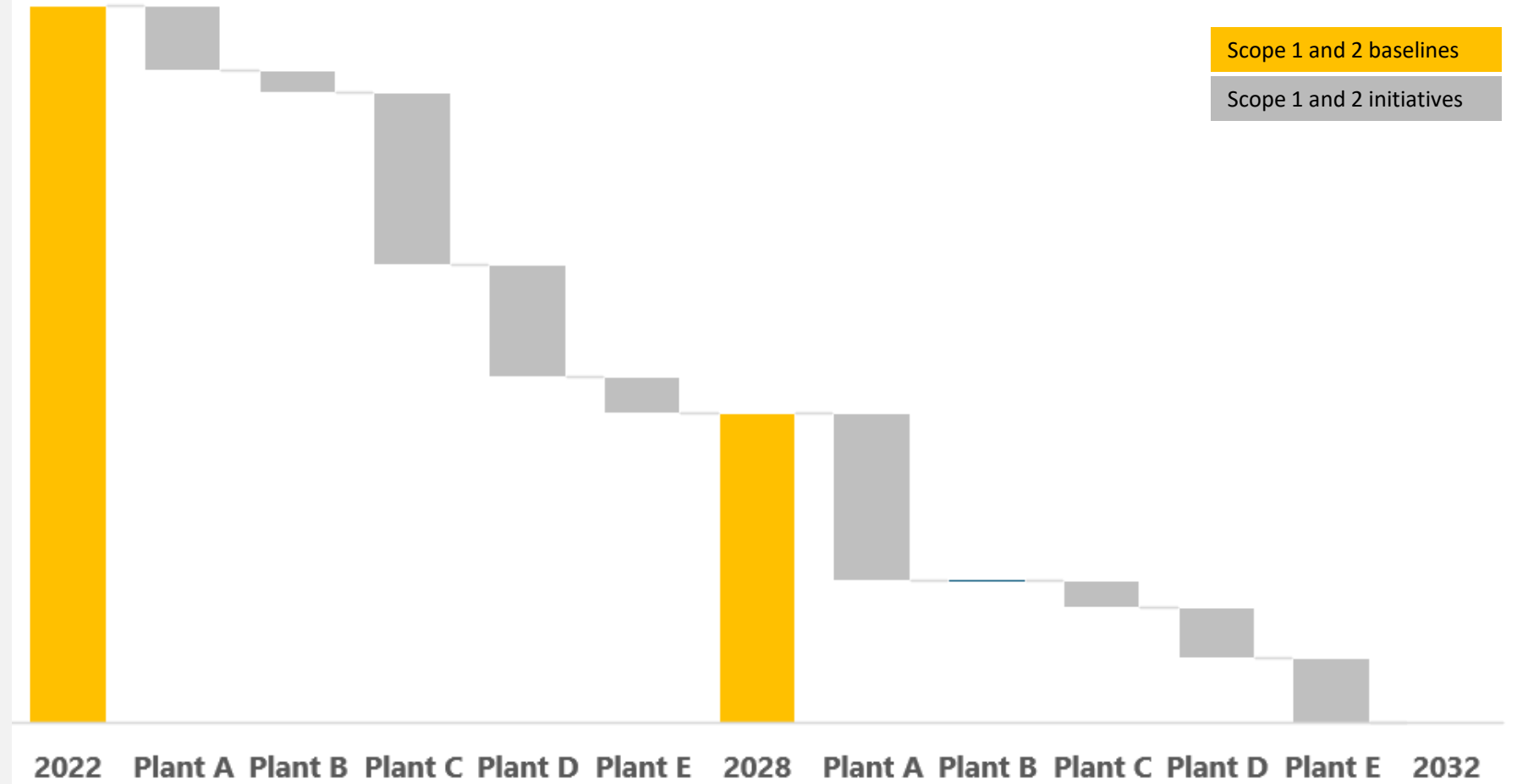
SCOPE 1&2	Optimize energy efficiency	Green energy sourcing	Reduce fossil fuels	
		Reduce energy losses	Production processes electrification	
SCOPE 3	Increase durability		Alternative and efficient use of raw materials	Replacement of cement
	Supplier engagement (sectoral decarbonization)		Portfolio steering: less carbon intensive products	
			Post- and pre-consumer recycling	

OPERATIONAL EFFICIENCY FOR SCOPE 1 AND 2 REDUCTION

INDICATIVE ROADMAP FOR LARGE FACTORIES (CLUSTERS)

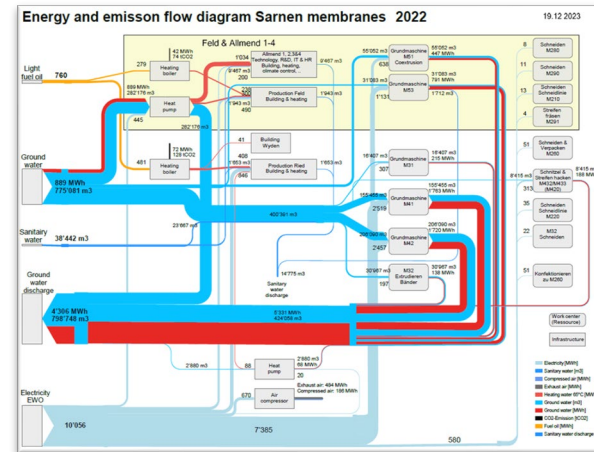
KEY ACTIONS:

- Reduce energy losses
- Monitor cooling/heating
- Recover waste heat from processes
- Reduce fossil fuels
- Install PV panels



OPERATIONAL EFFICIENCY FOR SCOPE 1 AND 2 REDUCTION HAVING AN IMPACT IN THE HEART OF SARNEN, SWITZERLAND

- **Detailed analysis** of energy flow to evaluate energy saving potentials
- **Installing heat pumps** to reuse waste heat from production for building heating and optimize cooling
- **30 fully digitalized electric forklift trucks** with advanced safety features
- **PV installation**
- **Partnering with local energy provider** to develop energy optimization solutions



SIKA SOLUTIONS DRIVING SCOPE 3 REDUCTION & CUSTOMERS SUSTAINABILITY JOURNEY

SUPPLIER ENGAGEMENT FOR SCOPE 3 REDUCTION

COLLABORATION WITH SUPPLIERS AND PARTNERS



- The **Scope 3 GHG Emissions Program with TfS* partners** is a chemical industry wide approach to **monitor, manage, and reduce emissions**
- A key initiative of TfS was to develop a dedicated tool "**PCF** Exchange Solution**" to collect PCF data and drive transparency
- Sika is also **engaging our suppliers to assess initiatives taken to reduce their scope 1 and 2** and build alliances for our scope 3 reduction
- Sika works with suppliers on **low carbon raw materials and recycling opportunities**



A solution
built on sector
collaboration



*TfS: Together for Sustainability

**PCF: Product Carbon Footprint

SIKA DRIVING DECARBONIZATION

SOLUTIONS FOR A SUSTAINABLE FUTURE



Durability and prolonged lifespan

By **increasing the lifespan of buildings**, Sika solutions contribute to carbon footprint reduction: increasing the lifespan of a building by **20 years reduces the cumulative CO₂ footprint by 30%**



Clinker reduction and new raw materials

Sika solutions enable high clinker reduction in cement and concrete, ensuring **high performance** and **less environmental impact** even when using more challenging Supplementary Cementitious Materials or alternative raw materials



Circular economy and building envelope

Sika's wide range of durable and long-lasting roofing solutions contribute to **efficient use of resources, reduction of energy consumption** and **greening of cities**. Solutions for **energy-efficient facades** and **waterproof basements**



Water management

Sika provides reliable solutions **meeting the highest requirements** with its unique waterproofing product portfolio, contributing to **efficient, long-lasting infrastructure**, be it for wastewater and drinking water facilities, tunnels, bridges, basements, or balconies

DURABILITY AND PROLONGED LIFESPAN

DURABILITY AND ITS IMPACT ON EMISSIONS

CO2 REDUCTION BY PROLONGING LIFESPAN

- By prolonging the lifespan of a residential/commercial building by 20 years, **the cumulative kgCO₂eq/m² decreases by 30%**
- Lower replacement rate **minimizes waste and resource consumption**
- Prolonged lifespans result in **lower costs for building owners**
- **Building permits** are more easily obtained due to **reduced disturbances** (e.g., noise, dust, etc.)

30%

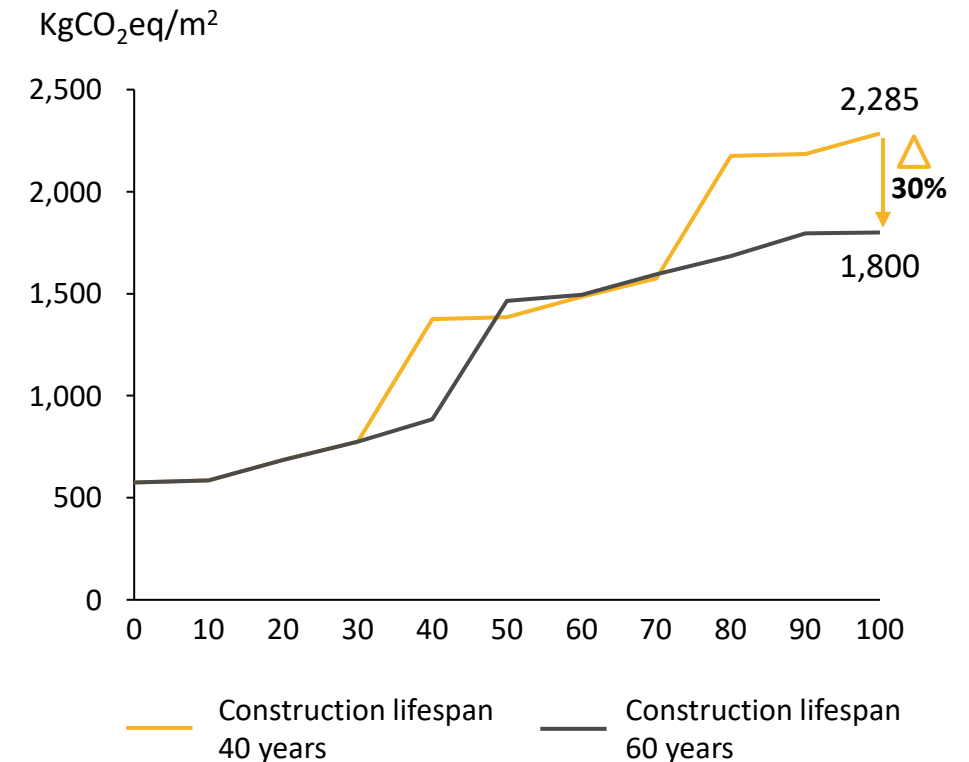
less CO₂eq with 20 years longer lifespan of buildings

>65%

of mature market buildings are older than 30 years

Source: [WBCSD](#) ; Sika modelling

CUMULATIVE kgCO₂eq/m² PER LIFESPAN SCENARIO



DURABILITY AND ITS IMPACT ON EMISSIONS

CONCRETE FIBERS SAVE TIME AND COSTS



CHALLENGES

- Steel reinforcement: cost and CO₂ footprint

SOLUTIONS

- Sika® Macro Synthetic Fibers
- Sika® Stealth Fiber Technology

BENEFITS

- 20% CO₂ reduction per 150 m³ slab by Sika fibers compared to steel reinforcement¹
- Saving time and costs in the construction process, by eliminating or significantly reducing the need for steel mesh

¹) Significant CO₂ reduction thanks to Sika solutions demonstrated in calculation by World Business Council for Sustainable Development (WBCSD): [Measuring-the-impact-of-carbon-avoiding-solutions-in-the-construction-industry.pdf](#)

DRIVING THE TRANSFORMATION OF THE CONSTRUCTION SECTOR

EXPANDING THE LIFESPAN THROUGH REPURPOSING

**Canfranc
International
railway station,
Canfranc (ES)**



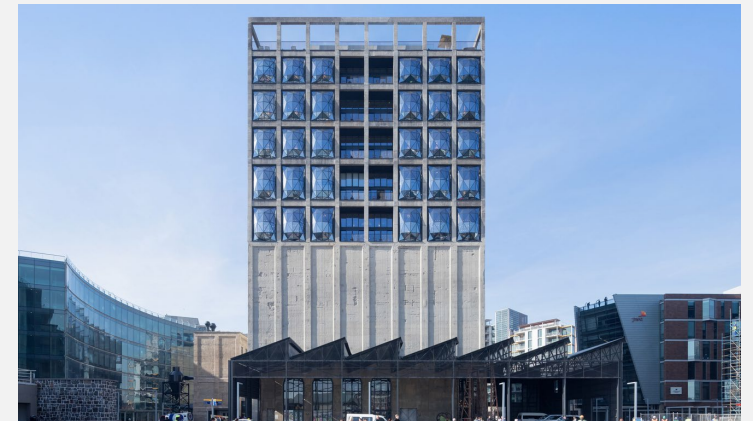
**Quay Quarter
Tower,
Sydney (AUS)**



**Battersea Power
Station,
London (UK)**



**Zeitz Museum of
Contemporary Art,
Cape Town (SA)**



QUAY QUARTER TOWER (QQT) SYDNEY, AUSTRALIA



Project description

- The QQT in Sydney has been **“upcycled”** from the original AMP Centre skyscraper built in 1976
- QQT opened at the start of 2022, is **206 meters high** and has **59 floors**
- **95%** of the existing core preserved
- **CHF 85 million** in building costs saved
- **12,000 tons** of CO₂ emissions saved
- Significant **time savings** during construction

Sika solutions

- Carbon fiber reinforcing systems
- Fire rated joint sealants
- Floor leveling solutions
- Waterproofing systems
- Concrete repair mortars
- Concrete admixtures

CANFRANC INTERNATIONAL RAILWAY STATION

CANFRANC, SPAIN



BEFORE



AFTER



Project description

- **Historic iconic structure** inaugurated in 1928
- Originally used as train station, now a **luxurious hotel with 104 rooms**
- Project duration: **2019-2023**
- External and internal restauration project, **total built area 9,211 m²**

Sika solutions

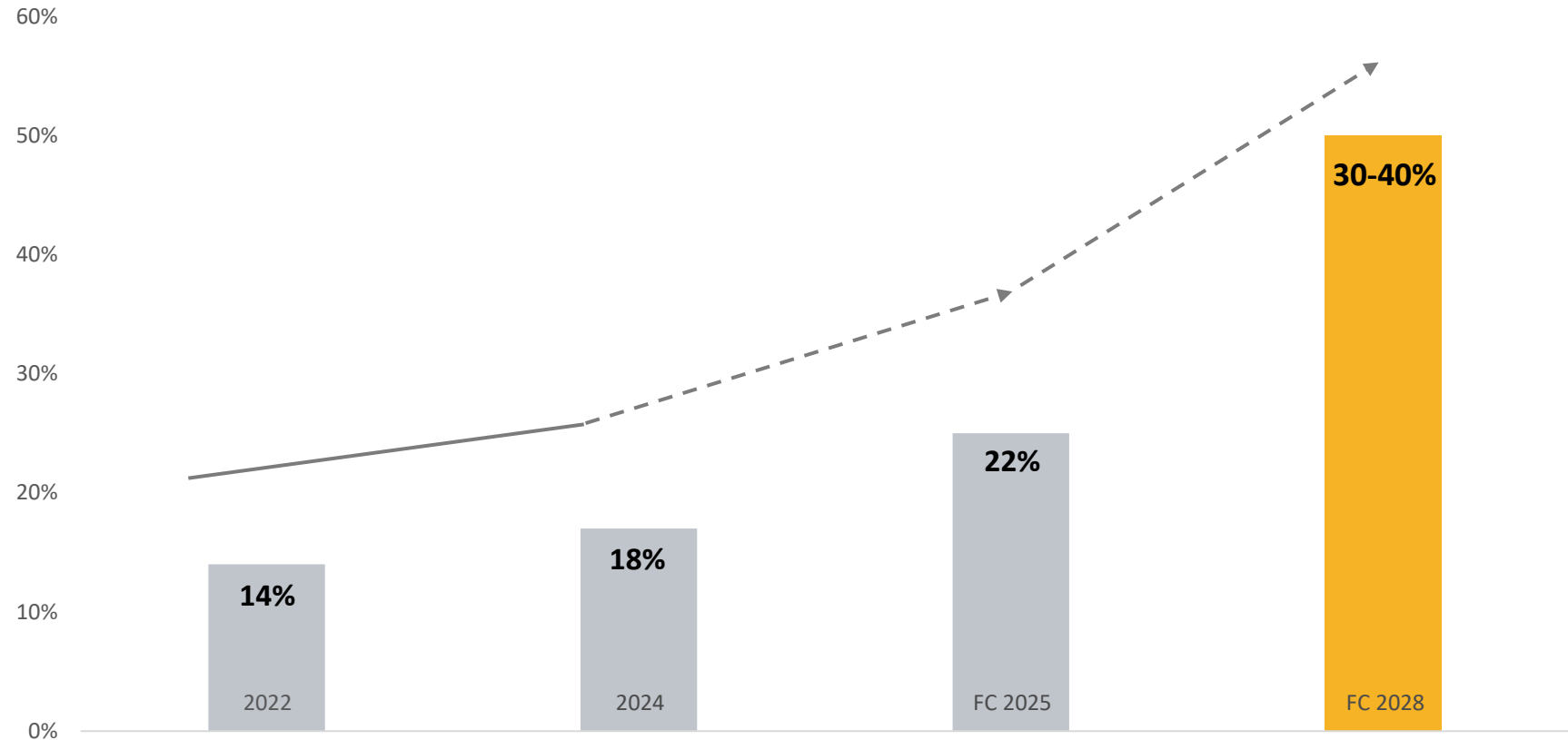
- Concrete repair and protection
- Waterproofing systems
- Facade
- Final coating
- Repair and construction of interior incl. tile adhesives and flooring

CLINKER REDUCTION AND NEW RAW MATERIALS

USE OF ALTERNATIVE RAW MATERIALS

CLINKER REDUCTION: SIKA FORMULATION COMPETENCE IS KEY

- With Sika chemistry know-how and expertise, new type of SCMs* can be introduced in formulations replacing part of the cement in all mortar categories
- 22% substitution rate by end of 2025 on global level
- 0.4 MtCO₂ reduction expected in 2025 on global level



*SCMs: Supplementary Cementitious Materials

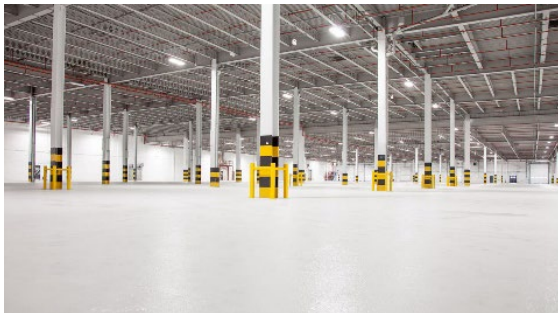
USE OF ALTERNATIVE RAW MATERIALS

BIO-BASED MATERIAL IN EPOXY PRODUCTS

Bio-based polymers

Sikashield®-501 Primer pro

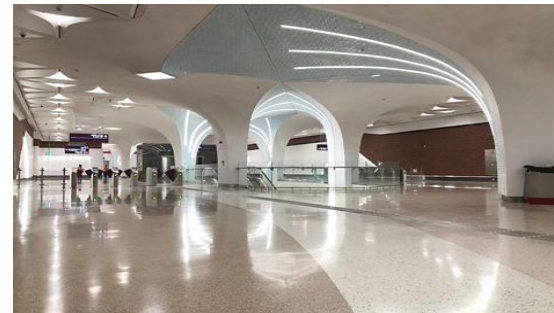
- Bio-polymer in combination with bio-based resin
- High standard of blush resistance
- 60% lower-emission packaging thanks to recycled steel
- 10% carbon footprint reduced by substituting the standard fossil-fuel based raw materials



Bio-based resin

Sikafloor® product range

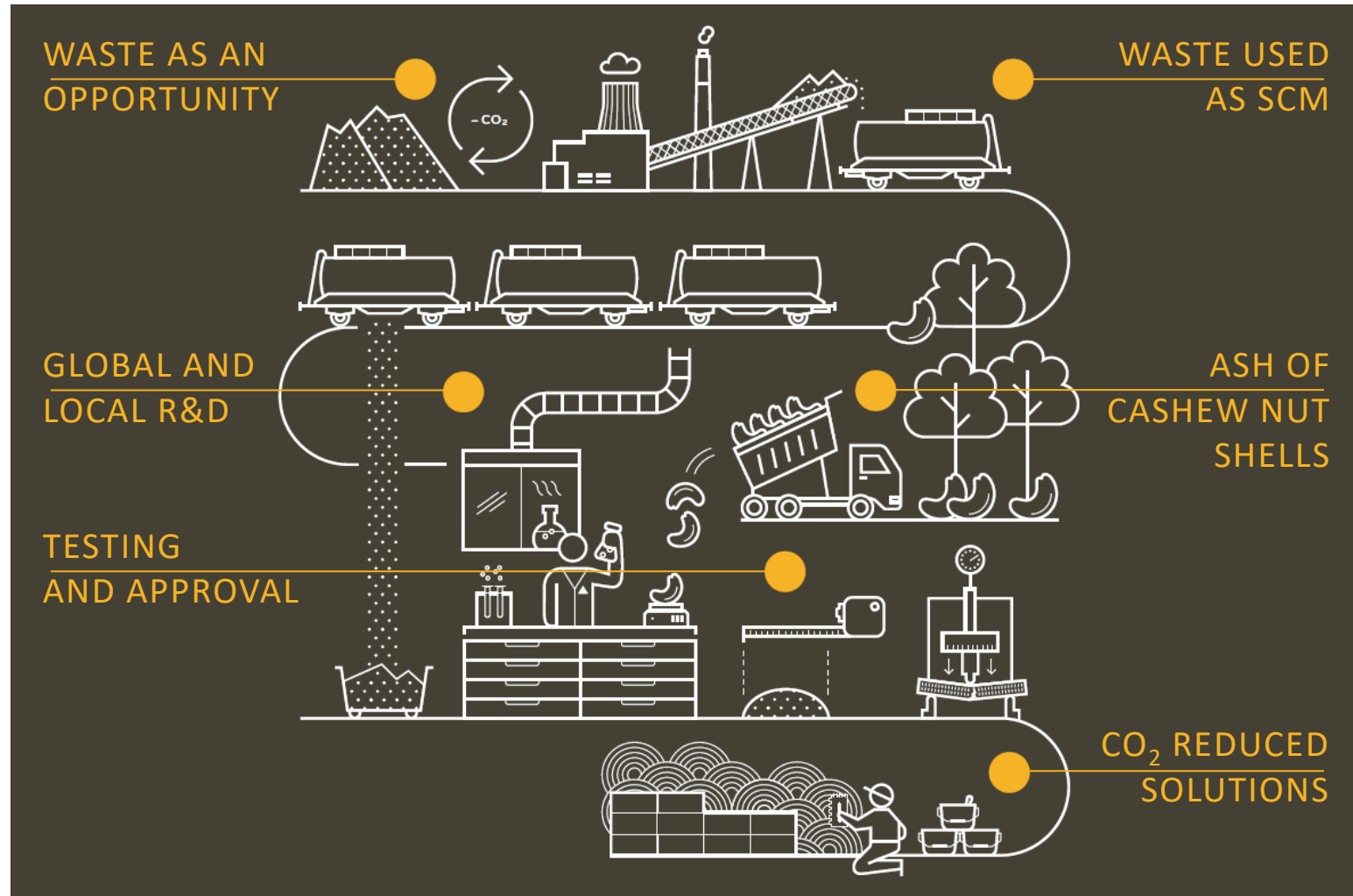
- Partnership with a supplier to find alternatives to fossil fuel-based resins
 - Waste products: bio-based oils and fats
 - Proportion of bio-based carbon atoms certified by a third-party*
- Scope 3 emissions Cat. 1 and 12
 - Up to 20% carbon footprint reduction



* DIN EN 16640 Carbon-14 radiocarbon method

USE OF ALTERNATIVE RAW MATERIALS

FORMULATING LESS CARBON INTENSIVE PRODUCTS

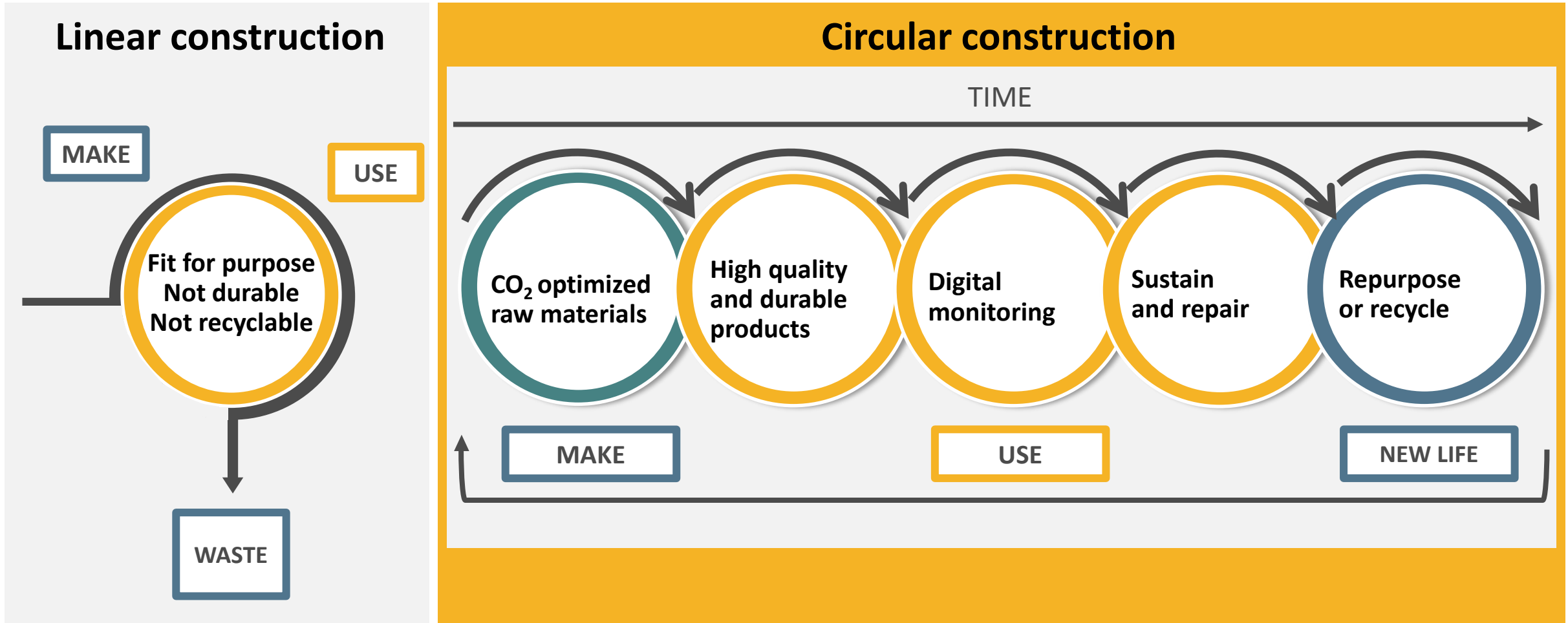


SCM: Supplementary Cementitious Materials

- Sika is looking to **partially replace cement** in all mortars over the next few years and gradually **introduce alternative raw materials** in all product categories
- Products with a **15% to 40% reduced CO₂ footprint** and highest technical performance include the **tile-adhesives** SikaCeram®, the **grouts** SikaGrout®-800 and 3320, the **epoxy resin-based grouts** Sikadur®-42+ range, the first **protective coating** based on renewable feedstocks Sikagard®-5500, the **liquid-applied roofing membrane** Sikalastic®-625 BMS, and the **waterproofing mortars** SikaTop®-209 Plus and SikaTop®-107 Plus

CIRCULAR ECONOMY AND BUILDING ENVELOPE

IMPROVING MATERIAL EFFICIENCY AND CIRCULARITY FROM A LINEAR TO A CIRCULAR CONSTRUCTION SECTOR



INNOVATIVE SOLUTIONS FOR ROOFING

POST- AND PRE-CONSUMER RECYCLING

- From linear “make – use – waste” to circular economy
- Sika USA recycled **400 tons of single ply roofs** in 2024
- EMEA **single ply roof recycling** program launched in 2024; **70 tons** taken back already
- Recycled material **reused in the production of new membranes**
- **Benefits for building owners:** no compromise on quality and durability, certifications that the roofing membranes contain recycled material



INNOVATIVE SOLUTIONS FOR ROOFING

NEW GENERATION OF ROOFING MEMBRANES

- **Sika Sarnafil® AT**, first and only C2C Certified® thermoplastic membrane on the market
- **Simple and fast installation**, no chemicals, supporting customer, and ESG initiatives
- **Durability**, high impact resistance to extreme weather
- **Sustainability** with no oils, heavy metals, or plasticizers, recycle and reuse at end of life
- **Specification in Green Building projects** e.g., to reach LEED certification



INNOVATIVE SOLUTIONS FOR ROOFING

SELF-HEALING ROOFING TECHNOLOGY

- Launched in 2024, **Sika Sarnafil® AT FSH Self-healing roof waterproofing membrane** is the next generation of roofing technology
- For **mechanical and self-adhered** roofs in industrial buildings
- Small **damages** in membrane are **closed by self-healing technology**
- **AT Technology** is safe and easy to apply, long-lasting and sustainable, snow, hail and heat resistant
- **Specification in Green Building projects** e.g., to reach LEED certification



INNOVATIVE SOLUTIONS FOR ROOFING

SUSTAINABLE, ENERGY-SAVING, AND DURABLE

Sika supplies highly durable, root resistant membranes for

Green Roofs

- Reduce urban heat island effect and improve air quality
- Insulating qualities lead to energy savings
- Noise pollution reduction
- Support biodiversity

Durable, reliable and **high-quality**

products combined with know-how and expertise important to install long-lasting roofing solution

Odorless, low-emission

liquid applied membranes

Sika solar-reflective membranes for

Cool Roofs

reduce energy consumption by

up to **20%**

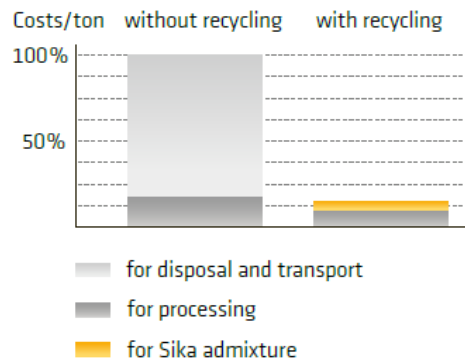
Recycling

process contributes to circular economy in construction

HIGH OPPORTUNITY IN RETURNED CONCRETE

TURNING WASTE INTO A VALUABLE CONSTRUCTION MATERIAL

PRODUCERS' COSTS OF RETURNED CONCRETE



CHALLENGES

- Globally, 4% = 500 million m³ of fresh concrete is returned and discarded per annum

SOLUTIONS

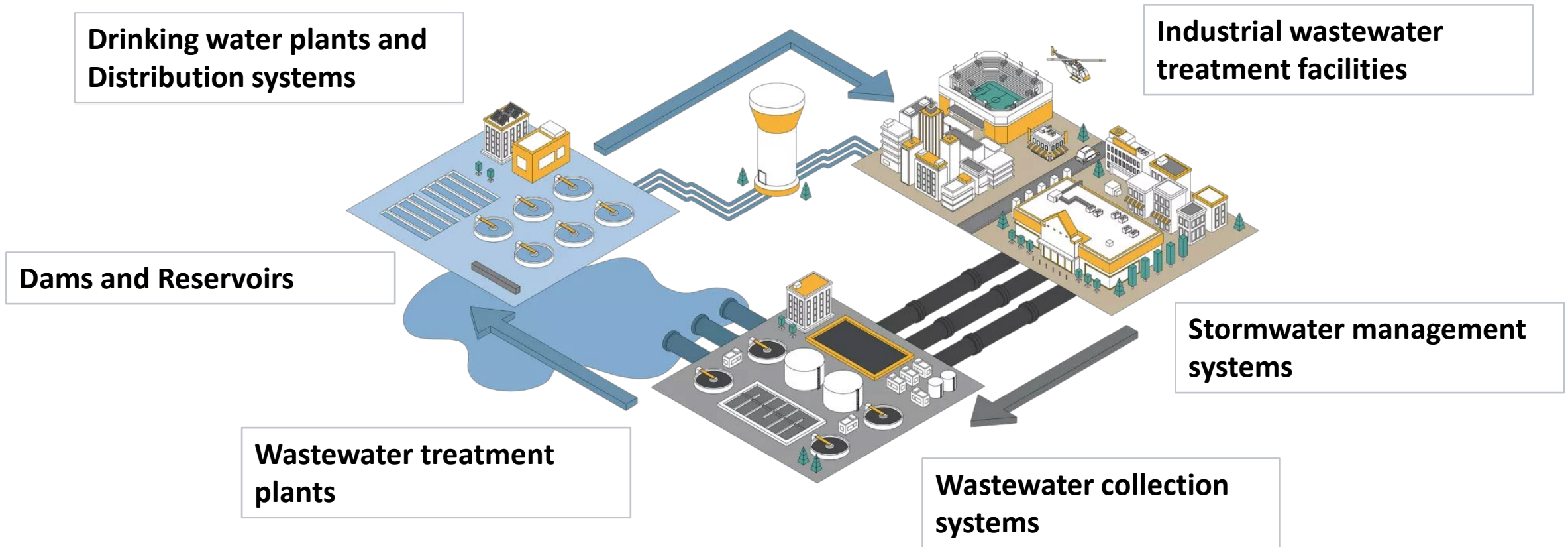
- Innovative Sika admixtures simplify recycling and make waste concrete reusable
- Soluble bags are added to the fresh concrete in the truck mixer

WATER MANAGEMENT

SIKA DRIVING WATER MANAGEMENT

CLEAN WATER FOR MILLIONS OF PEOPLE

- Sika solutions prevent leaks, protect water quality and extend life-span of infrastructures – for new construction and maintenance



IMPROVING WATER QUALITY IN MEGA CITIES

LONDON THAMES TIDEWAY SEWER SYSTEM



Before: 40 million tons of untreated sewage spills entered the river every year

After: -95% reduction of sewage pollution into the Thames

Project description

- Thames Tideway is currently the **largest water infrastructure project in Europe**
- At present, London relies on a **150-year-old sewer system** built for a population less than half its current size
- **CHF 5.6 billion** investment
- **25 km long, 67 m deep**
- **1.6 million m³ of sewage** can be handled by the tunnel per year
- **120 years of projected lifespan**

Sika solutions

- Concrete admixtures
- Waterproofing systems

MANAGING EXTREME WEATHER EVENTS

DUBAI DEEP TUNNEL STORM WATER SYSTEM



Project description

- The Dubai Deep Tunnel Storm Water System is a prestigious projects which aims to **collect and convey groundwater and stormwater** runoff of the Dubai World Central area (~150 km²) and adjacent communities (~250 km²)
- **CHF 325 million investment**
- **10 km long, 11 m diameter tunnel**, at between **30 to 45 m below ground**
- **4 deep shafts, 20 m diameter, 45 m deep** to connect collection chambers with the tunnel

Sika solutions

- Curing compounds
- Protective coating

REFURBISHMENT OF EARTHQUAKE DAMAGED FACILITY

TEXAS SUNSET WATER RESERVOIR



Project description

- The Sunset Heights Pump Station and Reservoir is a **vital infrastructure facility distributing drinking water to the city**
- In 2020, an earthquake damaged the **100-year-old** drinking water reservoir
- **Two 15-million-liter concrete water tanks** and a **pumping station** were saved using structural strengthening, **extending service life >50 years**
- **7,500 m3 construction waste savings**
- **2,200 tons CO₂ emissions saved** through the renovation

Sika solutions

- Repair and structural strengthening of the tanks
- Sealing of cracks
- Joint replacement

PRODUCT SUSTAINABILITY

PRODUCT SUSTAINABILITY STRATEGY 2028 AND SPM METHODOLOGY



- Sustainability Portfolio Management (SPM) is the framework used to classify products as sustainable solutions, and market them under the Sustainably Sika communication framework
- In the Strategy 2028, Sika defined a new target “all new product developments with a positive SPM validation”
- The SPM Methodology is based on the WBCSD Portfolio Sustainability Assessment (PSA) framework
- The Sika SPM Methodology Paper provides information on how the company aims to be fact-based, transparent, and reliable in evaluating, classifying, marketing, and reporting on the performance and sustainability profiles of its products

Source: Sustainability Portfolio Management (SPM) Methodology

SPM METHODOLOGY

SUPPORTING THE TRANSITION PATHWAY OF THE CHEMICAL INDUSTRY

- The EU commission promotes the green and digital transition of the chemical industry
- To date, the EU has published 112 transition initiatives in response to a call launched in July 2023. More initiatives are in the pipeline and will be published on an ongoing basis as they are reviewed by the Commission and their submitters
- The initiatives are organized by 26 topics
- The **SPM Methodology** was nominated under “Topic 3: Safety and Sustainability” as an **initiative that support the transition pathway for the chemical industry**

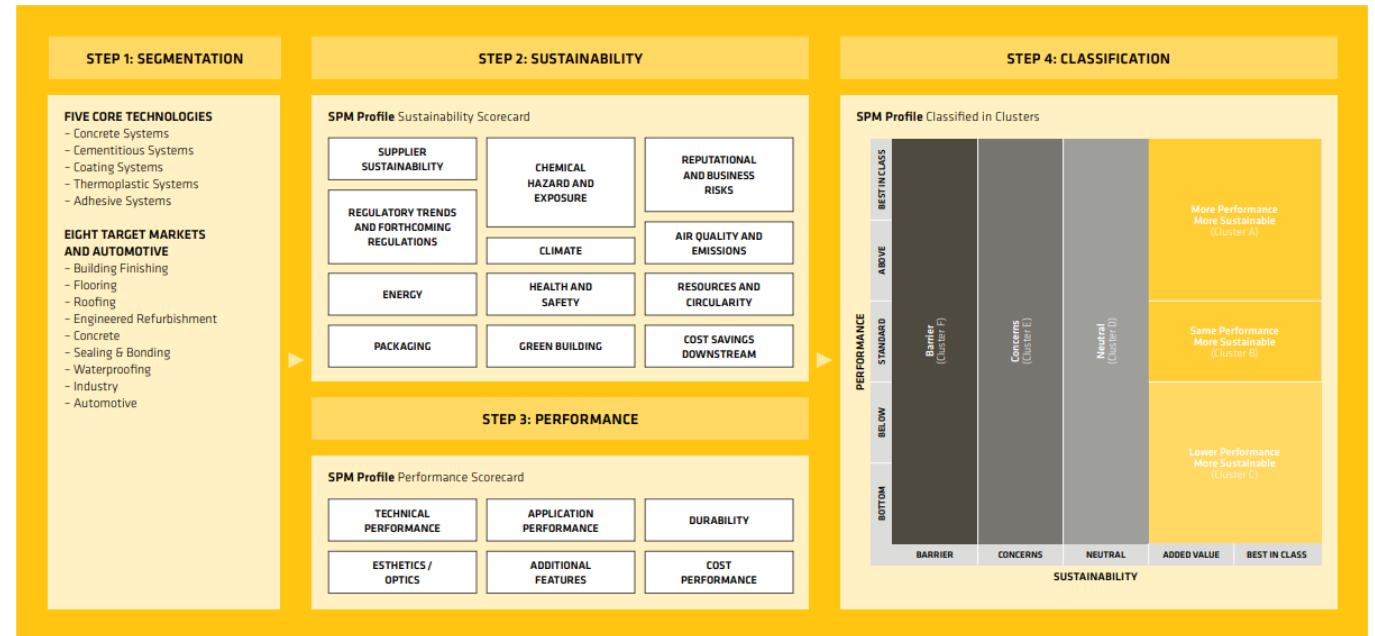


Source: [Initiatives - European Commission \(europa.eu\)](https://europa.eu)

SPM METHODOLOGY

PRODUCT EVALUATION AND CLASSIFICATION

- **The SPM Methodology follows a four-step approach:** segmentation, sustainability evaluation, performance evaluation, and classification
- **Integrated into the Product Creation Process (PCP),** SPM evaluations are executed by an SPM Steering Committee and interdisciplinary teams
- **SPM evaluations occur early and before market release,** providing a standardized approach for efficient product development



SUSTAINABLE SOLUTIONS

EXAMPLES OF PRODUCTS WITH SPM CLASSIFICATION

Sika MonoTop® 1010



BONDING PRIMER AND
REINFORCEMENT
CORROSION PROTECTION
CEMENT-BASED SLURRY
CONTAINING RECYCLED
MATERIALS

- Contains recycled materials
- 25% reduction in CO₂ per 25 kg bag
- Contributes towards satisfying 3 credits under LEED v4

SikaCeram®-260 Starflex



UNIVERSAL TILE ADHESIVE
WITH LIGHTWEIGHT
FILLERS

- 15% reduction of CO₂ footprint per m²
- Reduced dust formation during handling
- Contributes towards satisfying 3 credits under LEED v4

Sikaflex®-11 FC Purform®



MULTIPURPOSE ELASTIC
ADHESIVE AND JOINT
SEALANT

- No user safety training required
- Lower VOC emissions
- Contributes towards satisfying 1 credit under LEED v4

SUSTAINABLE SOLUTIONS

EXAMPLES OF PRODUCTS WITH SPM CLASSIFICATION

Sikaflex®-554 PowerCure



FAST-CURING ELASTIC
ADHESIVE FOR BONDING
LARGE COMPONENTS IN
INDUSTRIAL ASSEMBLY

- Packaging waste reduced by 60% compared to alternative materials in dual plastic cartridges
- In line with requirements of key customers regarding product composition

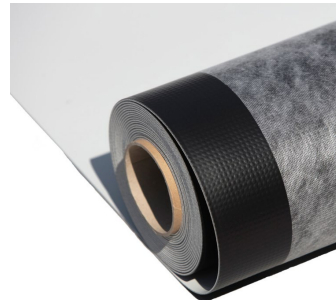
Sikafloor®-1590



FAST-CURING EPOXY
PRIMER FOR VARIOUS
SIKAFLOOR® SYSTEMS

- Low VOC emission
- Contributes towards satisfying LEED v4
- No odor during application
- More coats applied per day, less driving to the job site
- Fast curing, fast back-to-service
- Low blushing

Sarnafil® AT-20



POLYMERIC FPO MEMBRANE
FOR MECHANICALLY
FASTENED AND BALLASTED
ROOF WATERPROOFING

- *Cradle to Cradle Certified™* Silver level
- Contributes towards satisfying 4 credits under LEED v4

COMMUNITY ENGAGEMENT

COMMUNITY ENGAGEMENT

BUILDING TRUST AND CREATING VALUE

COMMUNITY ENGAGEMENT

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

- Focus on four fields of activity:
 - Buildings and infrastructure
 - Education and vocational training
 - Water and climate protection
 - Health and well-being
- 2024 figures:
 - Approx. 130,000 individuals were benefiting of the Community Engagement Program
 - 524 projects were carried out in and for local communities
 - 5,849 working days of employees were dedicated to volunteering work



COMMUNITY ENGAGEMENT

SIKA CARES COMMUNITY ENGAGEMENT PROGRAM

Monetary and non-monetary support: products, education, volunteering

Thematic Focus	Structure	Stakeholders
- Sustainable buildings and better infrastructure for social and environmental projects - Support education and training of young people and children - Water and climate protection initiatives to support better living environments for local communities - Health and well-being	- Owner: CEO - Managed by Corporate Communications, Innovation & Sustainability - Project proposals from local companies or by initiative of Group Management either for direct support or support of organizations - In addition: encourage direct involvement of Sika personnel in social projects via volunteering work	- Residents or area-based groups - Communities of interest - Ethnic and cultural groups - Local community and voluntary groups - Web-based or virtual groups - Employees - External engagement partners
Reporting and Communication		Direct beneficiaries
- Internal communication - External communication - Trainings and webinars - Sustainability Academy		- People engaged in the project - Who benefits from the project - People affected, directly or indirectly, by the project.

COMMUNITY ENGAGEMENT REFERENCE PROJECTS

CHILDREN'S VILLAGES SOS (CVSOS) –LATIN AMERICA



Thematic Focus

- Education and Training
- Building and Infrastructure

Direct beneficiaries

- 550 children in 6 countries

ABOUT THE PROJECT

- SOS Children's Villages is dedicated to improving the lives of children and young people without parental care or at risk of losing it.
- Together with partners, donors, communities, children, young people and families, we enable children to grow up with the bonds they need to develop and become their strongest selves.
- The organization speaks up for each child's rights and advocate for change so all children can grow up in a supportive environment.

SIKA'S CONTRIBUTION

- Sika teams across Latin America South celebrated its first annual "Giving Day", a significant initiative that brought together employees from six countries for a noble cause.
- The countries involved - Argentina, Bolivia, Chile, Peru, Uruguay, and Paraguay - collectively supported the non-profit organization Children's Villages SOS (CVSOS), known for its commitment to aiding vulnerable children and their families.
- More than 50 days of volunteering.

COMMUNITY ENGAGEMENT REFERENCE PROJECTS

OPERATIONS SMILE, THAILAND/VIETNAM



ABOUT THE PROJECT

- Operation Smile (OS) Thailand is a charity dedicated to providing free treatment to children and adults suffering from cleft lips, cleft palates and other facial deformities.
- Sika Thailand has been sponsoring OS Thailand missions to provide free corrective procedures to underprivileged cleft lip and cleft palate patients every year since 2014.
- In Vietnam, Sika has been supporting OS since 2010.
- Sika India and Sika Mexico started to support surgeries in 2024

Thematic Focus

- Health/Well-Being

Direct beneficiaries

- 117 (Thailand), 162 (Vietnam), 4 (Mexico) and 10 patients (India) received surgery treatment

SIKA'S CONTRIBUTION

- In 2024, Sika organizations in Thailand, Vietnam, India and Mexico supported more than 10 missions.
- Total beneficiaries were patients with facial deformities surgeries who suffered from cleft lips, cleft palates, burns, and craniofacial pain.
- Sika volunteers helped to organize missions and contributed to assisting local Operation Smile staff as well as hospital staff.

COMMUNITY ENGAGEMENT REFERENCE PROJECTS

SIMPLYNANO, SWITZERLAND



Thematic Focus

- Education and Training

Direct beneficiaries

- 142 teachers from schools in Switzerland

ABOUT THE PROJECT

- Interdisciplinary educational project to promote the STEM subjects (mathematics, information technology, natural sciences and technology) in schools in Switzerland.
- The SimplyNano project aims to get young people interested in science and technology.
- By working with schools and companies, it also aims to help combat the shortage of skilled workers in technical professions.

SIKA'S CONTRIBUTION

- Sika supports the project as a partner and offers teachers the opportunity to get to know the company and its training opportunities better.
- In 2024, a teacher training course was held at Sika Technology in Sarnen as part of the SimplyNano 2 project. The course focused on practical nano experiments was part of a series of 10 training courses offered in the region.
- In total, over 1,000 SimplyNano experiment kits were distributed to schools in Central Switzerland.

COMMUNITY ENGAGEMENT REFERENCE PROJECTS

LIBRARY PROJECT, CHINA



Thematic Focus

- Education and Training
- Building/Infrastructure

Direct beneficiaries

- 2,635 school children and their teachers

ABOUT THE PROJECT

- Sika China is cooperating with "Library Project", a non-profit charity organization. Fulfilling social responsibilities and supporting basic education, the project has been in operation for four years since 2015.
- The Library Project is a non-profit charity organization donating books and libraries to under-financed schools and orphanages in Asia. The initiative is partnering with the China Population Welfare Foundation, a charity organization approved by the Ministry of Civil Affairs of the People's Republic of China.

SIKA'S CONTRIBUTION

- In 2024, 28 Sika volunteers supported on-site 7 schools in Hunan.
- In addition to book donations, Sika helps to renovate facilities for hosting school libraries.
- Sika volunteers spent 68 days to set bookshelves, sort books and carry out donation ceremonies.

COMPENSATION SYSTEM

COMPENSATION GOVERNANCE

GOVERNANCE PRINCIPLES

- There are strong **governance principles** in place

WE DO

- ✓ Conduct an **annual review** of the compensation policy and programs
- ✓ Maintain compensation plans with a **strong link between pay and performance**
- ✓ Conduct a **rigorous performance management** process
- ✓ Maintain compensation plans designed to align executive compensation **with long-term shareholder interests**
- ✓ Require that the Board of Directors, the CEO and the other members of Group Management **own a minimum number of Sika shares** as a percentage of their annual compensation
- ✓ Include **clawback and malus provisions** in the incentives
- ✓ Offer employment contracts with a **notice period of a maximum of twelve months**
- ✓ Ensure **pay equality and fairness** in all countries we operate in

WE DON'T

- ✗ Provide discretionary compensation payments
- ✗ Reward inappropriate or excessive risk taking or short-term profit maximization at the expense of the long-term health of the company
- ✗ Pay dividend equivalents on performance-contingent-deferred units that have not been earned yet based on the company's performance
- ✗ Guarantee future base salary increases or non-performance-based incentive payments
- ✗ Have prearranged individual severance agreements or special change of control compensation agreements

COMPENSATION GOVERNANCE

COMPENSATION BENCHMARKING

Two **peer groups** are used for different benchmarking purposes in the context of compensation

Industrial Swiss listed companies of similar size to Sika in terms of market capitalization, revenue and headcount

ABB	Alcon	Barry Callebaut	Geberit	Givaudan
Holcim	Kühne+Nagel	Lindt	Lonza	Novartis
Richemont	Roche	Schindler	SGS	Sonova

in CHF thousands	Market cap (01/09/2024)	Revenue (31/12/2023)	Headcount (#) (31/12/2023)
3rd quartile	62,466	25,429	75,681
Median	40,129	8,471	33,959
1st quartile	21,400	6,670	16,934
Sika	43,637	11,239	33,547



Compensation design

Compensation levels

Industrials international companies exposed to similar market cycles as Sika

3M – Safety and Industrial	Forbo – Flooring Systems	Pidilite Industries Limited
Arkema – Adhesive Solutions	H.B. Fuller Company	RPM
Armstrong World Industries Inc.	Geberit	Saint-Gobain
Ashland	Henkel – Adhesive Technologies	SK Kaken Co., Ltd.
Beacon Roofing Supply, Inc.	Hilti Corporation ¹	Sto AG
Beiersdorf – Tesa	Holcim – Solutions & Products	Uzin Utz AG
Carlisle – Construction Materials	Huntsman – Performance Products	
EMS-Chemie Holding AG	Owens Corning	

1 Hilti is not listed on the stock market and is therefore not included for the relative TSR in the long-term incentive plan



Performance for the purpose of the incentives

COMPENSATION SYSTEM

BOARD OF DIRECTORS (BoD)

To strengthen their independence, members of the Board of Directors receive fixed compensation only, paid in **cash and restricted share units converted into shares blocked for three years**

	Annual board retainer	+	Annual committee fees
	50% in cash – 50% in restricted share units ¹		50% in cash – 50% in restricted share units ¹
Board chair	CHF 900,000 + CHF 30,000 allowance in cash		Not eligible to committee fees
Board member	CHF 250,000		CHF 60,000 (committee chair) CHF 40,000 (committee member)

¹ Restricted share units are granted at the beginning of the term and settled in shares at the end of the term. Shares are blocked for three years

In 2022, shareholding ownership guidelines for the Board of Directors were introduced in order to reinforce the link with shareholders’ interests. Members of the Board of Directors are required to own at least 200% of their annual board retainer in Sika shares within five years of their election to the Board of Directors.

COMPENSATION SYSTEM

GROUP MANAGEMENT

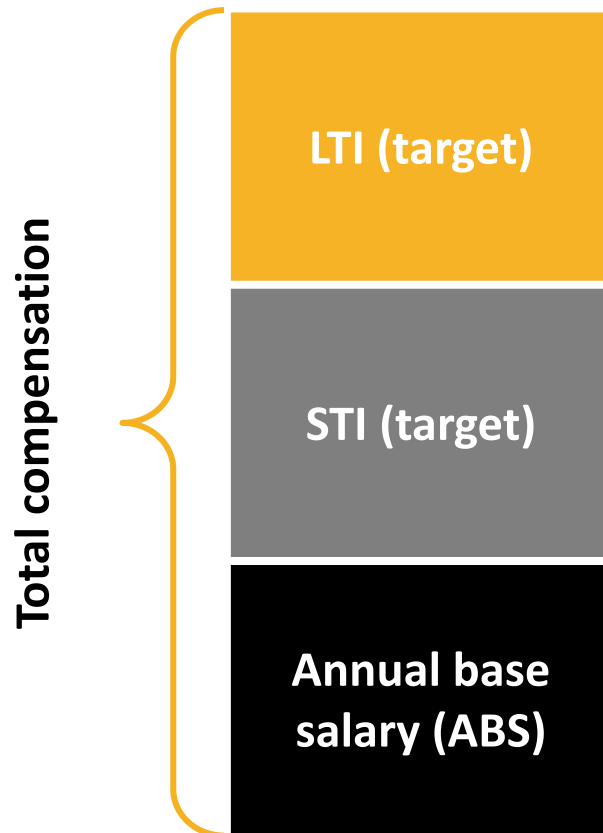
The compensation system is **well-balanced** and **unique** in terms of performance measurement (high proportion of STI and LTI based on performance relative to peers)

	Time horizon			Vehicle	Performance measurement	Mitigators
Long-term incentive	1	2	3	Equity	Absolute + relative	• Cap on incentives • Clawback and malus provisions on incentives • Shareholding requirements
Short-term incentive	1			Cash	Absolute + relative	
Annual base salary	1			Cash		
Years	1	2	3			

TOTAL COMPENSATION APPROACH

GROUP MANAGEMENT

Compensation decisions are made on the basis of a **total compensation approach** where **target** compensation is paid for **target** performance



- Target compensation is benchmarked against the market **median**
- **Outperformance** results in above-median compensation due to higher incentive payouts
- **Underperformance** results in below-median compensation due to lower incentive payouts

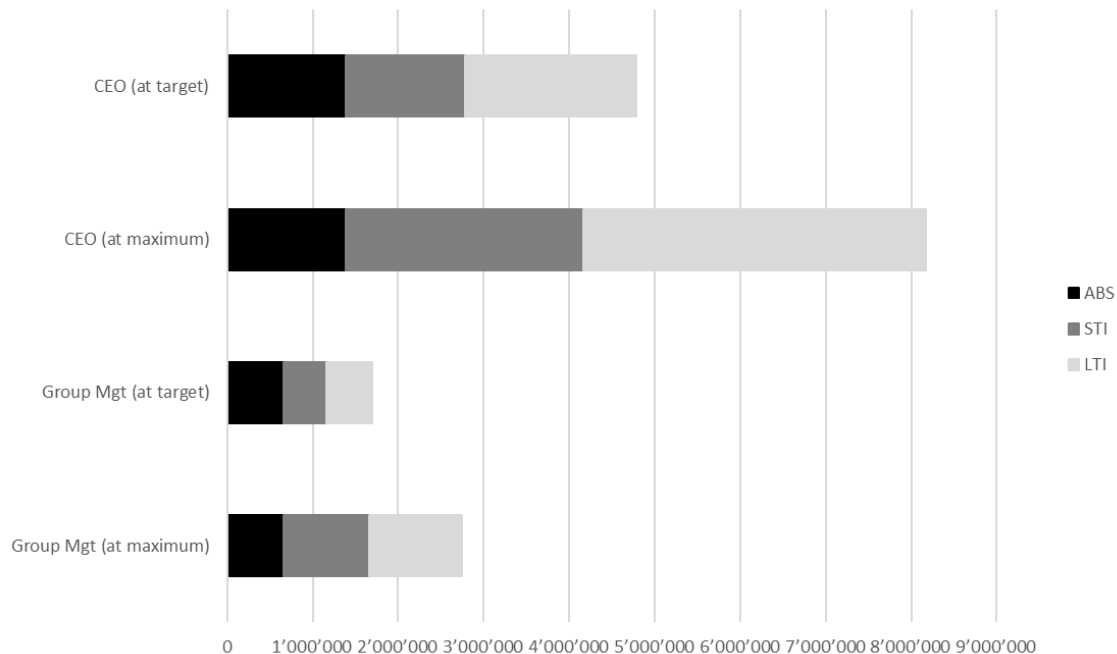
Median performance = median compensation

COMPENSATION MIX

GROUP MANAGEMENT

The compensation system **aligns pay with performance** without incentivizing excessive risk taking or encouraging unintended behaviors

Pay-for-performance



Notes:

- Group Management calculated as an average
- Maximum compensation is calculated based on 200% max. potential and does not take into consideration the share price evolution between the grant date and the vesting date (LTI)

Mitigators

Cap on incentives (maximum potential at 200% as of 2025, previously 150%)

Claw-back and malus provisions in case of fraudulent behavior or financial restatement due to non-compliance with accounting standards

Shareholding requirements of 500%¹ of ABS for the CEO and 200% of ABS for the other members of Group Management within five² years of nomination

¹ increased from 300% to 500% in 2022 / ² extended build-up period from four to five years

SHORT-TERM INCENTIVE

GROUP MANAGEMENT

The short-term incentive is an **annual cash incentive** plan rewarding for company and regional performance. As of 2024 the KPIs were adjusted to reflect the Strategy 2028.

STI
payout

=

STI
target

x

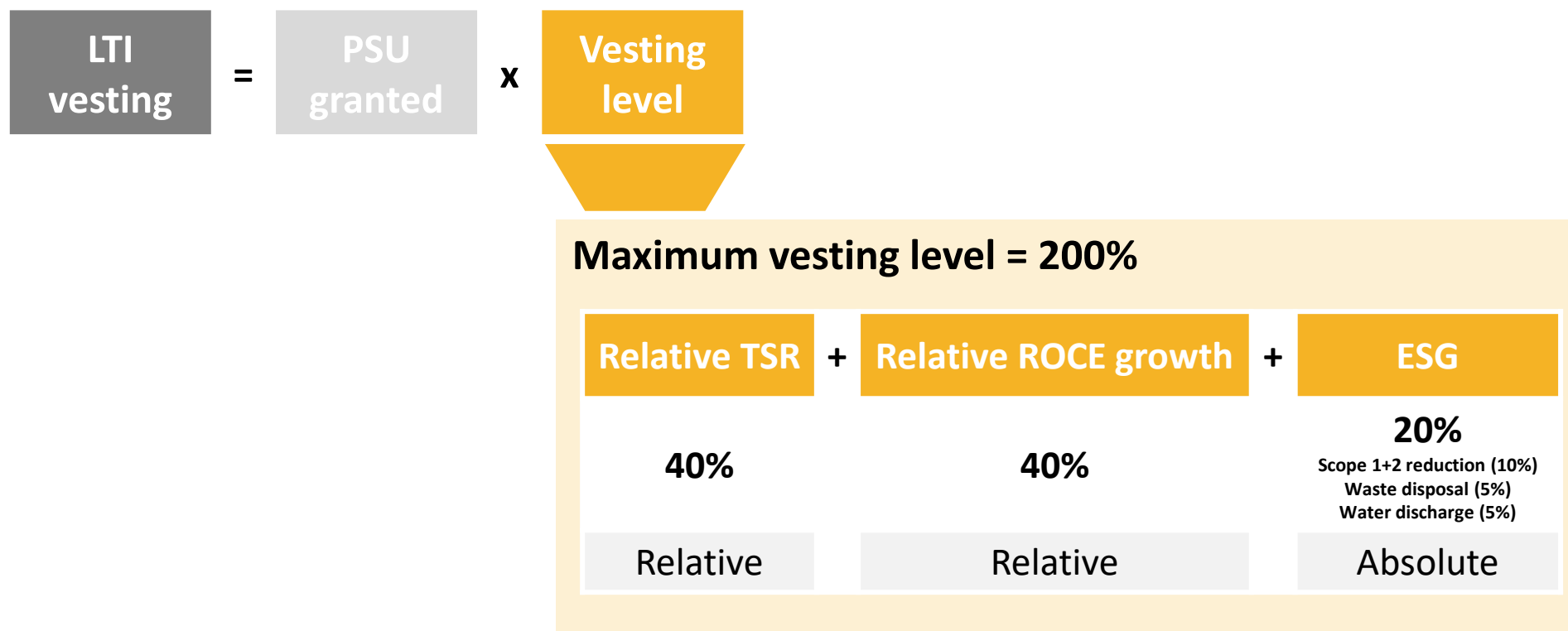
Payout
factor

Maximum payout factor = 200%

	Group performance	+	Individual performance
	70%		30%
Top line	Net sales growth (20%)		
Bottom line	EBITDA growth (40%)		Group/Regional EBITDA growth (20%)
Safety	Reduction of LTA (10%)		
Individual			People and Project (10%)

LONG-TERM INCENTIVE GROUP MANAGEMENT

Our long-term incentive is a **Performance Share Unit (PSU) plan with 3-year cliff vesting**. As of 2024 the KPIs were adjusted to reflect the Strategy 2028.

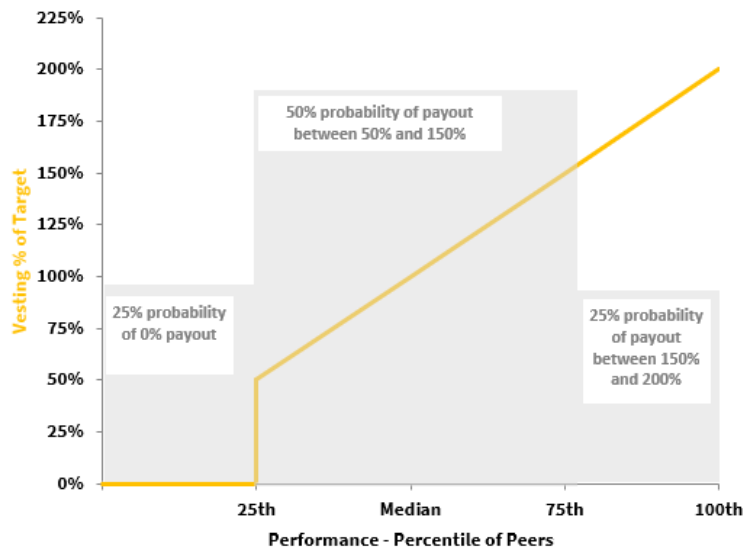


PAYOUT CURVE

RELATIVE PERFORMANCE MEASURES

Realistic objective setting and a fair payout formula should align pay and performance and motivate executives to perform outstandingly

Payout curve for relative TSR and relative ROCE



No vesting below threshold performance

Cap of 200% for each KPI

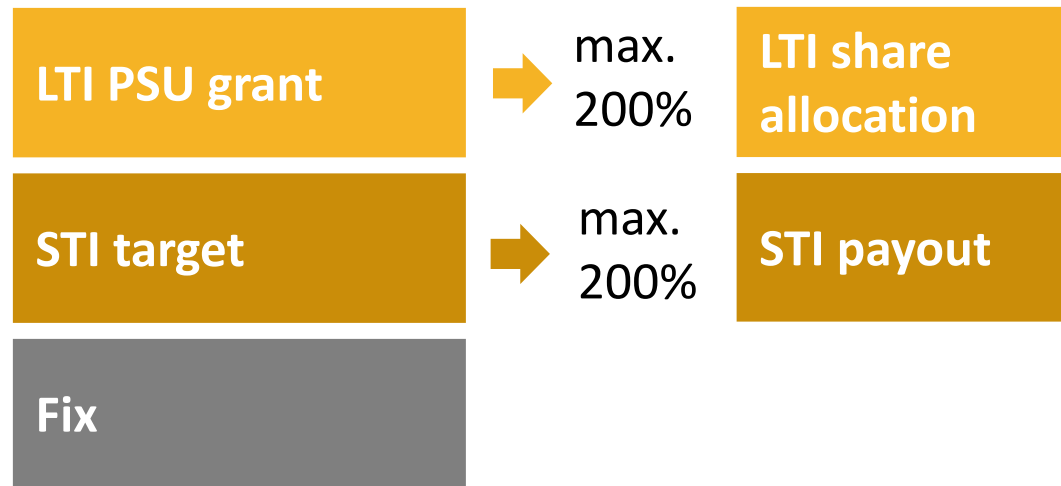
CHANGE IN CAP ON INCENTIVES IN 2025

ARTICLES OF ASSOCIATION

- At the AGM 2025, shareholders approved a change in the Articles of Association regarding the limit for the variable compensation of the CEO and the KL

New limit

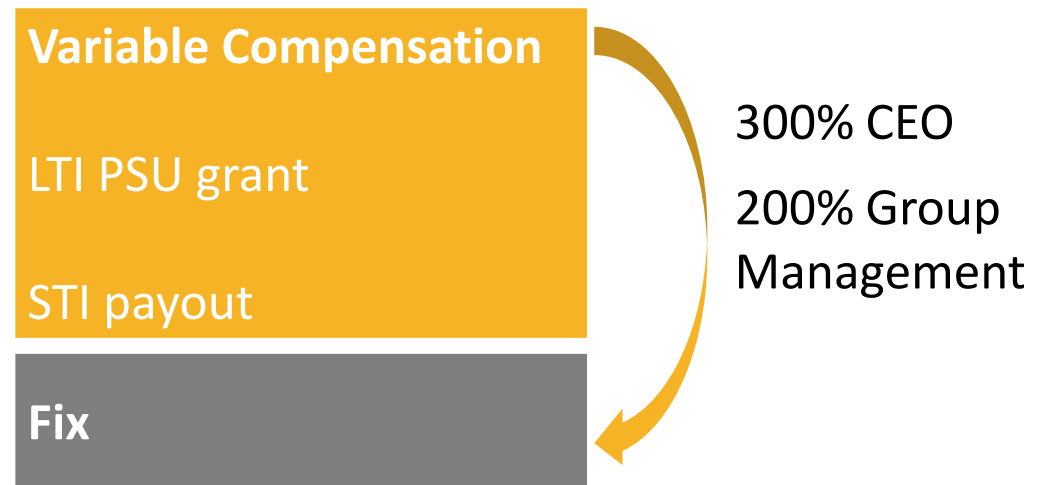
Separate limits for each incentive plan (STI and LTI)



Maximum payout factor of 200% in the STI and in the LTI plan

Previous limit

Limit as ratio variable-to-fix compensation



Variable compensation (granted LTI PSU and paid-out STI) limited at 300% of the fixed compensation for the CEO and 200% of the total fixed compensation for the KL collectively

COMPENSATION SYSTEM

SUMMARY

The BoD is convinced that the compensation system is appropriate for Sika

Governance

The Board of Directors and the NCC adhere to solid governance principles in all compensation-related decisions

Compensation of the Board of Directors

The compensation system of the Board of Directors strengthens their independence and is aligned with prevalent market practice in Switzerland

Compensation of the Group Management

The compensation system of Group Management is **well-balanced** and supports the long-term interests of shareholders:

- ✓ It motivates management to **outperform the market**, both in the short-term and in the long-term, as a large portion of the STI and LTI depend on relative performance – this is unique in the Swiss market
- ✓ It does not encourage excessive risk taking or short-term optimization at the expense of the long-term success, because the plan design is **reasonable and stable** in terms of leverage – no “all or nothing” plans
- ✓ It has worked effectively in the last 10 years in terms of **performance alignment** and in terms of **supporting a strong corporate culture (Sika spirit)**

LINKS & ANNEX

LINKS

PUBLICLY AVAILABLE INFORMATION (NON-EXHAUSTIVE)

Strategy

- [Strategy 2028](#)
- [Sika Capital Markets Day 2024](#)

Corporate governance

- [Board of Directors](#)
- [Group Management](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Board Composition and Succession Planning](#)
- [Risk Management](#)

Corporate culture

- [Values & Principles](#)
- [Compliance](#)
- [Diversity and Inclusion](#)

Sustainability organization

- [Organization](#)
- [Sika Materiality Analysis 2022](#)

Partnerships

- [Partnerships and Collaboration](#)
- [Together for Sustainability](#)

- [WBCSD SOS 1.5](#)
- [Guidance on Avoided Emissions](#)
- [Biodiversity and Nature](#)
- [Sika and the UN SDGs](#)

People

- [Health and Safety](#)
- [Community Relations](#)

Planet

- [Sika's Way to Net Zero](#)
- [Climate Change](#)
- [Emissions](#)

Solutions

- [Sustainable Solutions](#)
- [Sustainability Portfolio Management \(SPM\) Methodology](#)

Reporting

- [Reports](#)

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: STRATEGIC

Top Risk	Description	Risk Mitigation	Trend	Status
Pressure on margins	Supply chain disruptions, protectionism, and raw material price increases may lead to pressure on margins.	- Active management of the material margin through value and system selling, and product formulation optimization, combined with a Group-wide coordinated procurement process. - Maintaining Group-wide systems to monitor raw material prices and sales prices to measure and manage the material margin. - Synergies arising from acquisitions and integrations.	↘	Mature
Changing product compliance requirements and regulations	Changing product compliance requirements for products, product solutions, production processes, and procurement, driven by changing customer requirements and regulations. Net zero commitments of regions and countries will drive regional and local compliance.	- Close monitoring of regulatory changes with the help of a global network of experts and the close involvement of relevant commercial and technical functions. - Collaboration with industry associations and working groups, consultations of authorities on regional and local level. - Regular communication to global/regional/local functions. - As part of the due diligence process for acquisitions, potential targets are examined to ensure that they operate in full compliance with prevailing laws and regulations. Potential acquisition can be stopped if the analysis of companies' product portfolio does not meet the necessary requirements. - As part of the capital investment process, attention is given to zoning compliance, production processes, and regulatory requirements. - Ensure compliance of raw materials and products to regional and local laws and regulations. - Sustainability targets are aligned with accepted practices and a clear improvement path, including the net zero commitment.	↗	Mature
Climate change risk	Climate change is increasing the frequency and severity of extreme weather events and reducing the availability of natural resources. Increasing awareness about the severe consequences of climate change will lead to changes in consumption and investment behavior, which can lead to increased business costs for additional transparency, due diligence, reporting, R&D, and innovation.	- Commitment to the Science Based Targets initiative (SBTi) to achieve net zero by 2050. Net zero targets for scope 1, 2, and 3 were validated by the SBTi in May 2024. - Ongoing company-wide initiative to systematically identify and calculate emissions from material scope 3 GHG categories in accordance with the requirements of the Greenhouse Gas Protocol (GHGP). - Collection and automation of product carbon footprint (PCF) calculations to assess products' impact and improve coverage of supplier-specific emission factors. - Review of current product portfolio and its carbon footprint via the SPM framework. - Reporting in accordance with TCFD recommendations to assess and quantify the impact of climate change on Sika's business. - Assessment of climate-related reporting regulations impacting Sika, and implementation of upcoming standards (e.g., CSRD, EU Taxonomy). - Operational efficiency programs implemented worldwide to reduce emissions, energy, water and waste. - Sika cooperates with its suppliers to improve factory resource efficiency, which can help maintain production capacity and manage costs through regional water and energy shortages. - Sika focuses its research on better understanding how consumers may be affected by environmental change, which means the company can better anticipate needs and offer sustainable solutions.	→	Mature

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: STRATEGIC

Top Risk	Description	Risk Mitigation	Trend	Status
Country risks	Political and economic instability.	– Constant monitoring of development in the critical countries. – Implement risk-reducing measures. – Review investment/acquisition strategy in affected countries.	→	Mature
Multipolar world	Geopolitical instability and a rise in protectionism may impact international trade and the global economy.	– Maintain and reinforce geographical balance of the businesses across regions and countries. – Maintain an agile supply chain to mitigate single-source supply and to react rapidly to supply chain disruptions, changes in tariffs, and sanctions. – Centralization of key technologies and intellectual property at Sika Technology AG to protect Sika's core values. – Strengthen capabilities of local organizations to maintain know-how locally.	→	Emerging
Competition law	Competition law continues to evolve globally, becoming more complex.	– Training on competition law tailored to audience, such as web-based basic training and in-person advanced training for employees with higher risk exposure. – Reduction of number of trade association memberships based on a risk-benefit analysis.	↗	Emerging

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: OPERATIONAL

Top Risk	Description	Risk Mitigation	Trend	Status
Product-related claims	Selling of products carries the risk of product-related claims.	– Long-term behavior of products is tested in technical service depending on the real-world application. – Proper quality control is set up in production. – Regular training of employees ensures the necessary competence. – Risk analysis of business activities. – Corporate technical services define the needs of the regional and local organizations, and check compliance with specifications. – To avoid the risk of customers using Sika's products incorrectly, Sika provides systematic instructions, application training, and support to customers. – Sika is continuously improving systems and processes to have proper and up-to-date product documentation across multiple channels.	↗	Mature
Talent shortage	Challenge to attract and retain talent. Sika's growth and the diversification of the markets will require a strong pipeline of future successors for business-critical key positions.	– Talent management across global, regional, and local levels prepares the workforce for challenging tasks. Solid performance, succession, and development processes foster a high-performance organization and a unique leadership culture. – Embed the Sika employer brand in all recruitment activities and redefine the recruitment strategy of talent at all hierarchy levels. – Conduct an annual talent review of corporate/regional management with a focus on succession planning for business-critical key positions. – Talent-sharing culture to upskill and retain talent by increasing internal mobility across functions and regions. – Policies for international assignments should provide more flexibility and adapt to the business needs. – Integrate SuccessFactors as a global HRIS database to enhance people analytics and provide cross-regional alignment across the talent population.	→	Mature

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: OPERATIONAL

Top Risk	Description	Risk Mitigation	Trend	Status
Business Interruption	Business interruptions can jeopardize daily business continuity and impact operational business profit.	– Implement crisis management at country level for a swift adaptation to meet country-specific events and regulations. – The Corporate Crisis Management organization steers and monitors execution at local level. – Ensure sufficient liquidity of the Sika Group and subsidiaries with diverse sources of funding from either capital markets or local banks. – Maintain a corporate insurance program with worldwide coverage.	→	Mature
Cyber security risk	International corporations are exposed to cyberattacks, which can be any type of offensive maneuvers that target computer information systems, infrastructures, computer networks, and/or personal computer devices by various means of malicious acts.	– Comprehensive Cyber Incident Management Framework and processes for effective cyber response and IT continuity planning. – The company constantly assesses its cyber maturity. – Develop and maintain internal cyber security skills that are backed up by support from external specialists. – Regular training of the Sika workforce on developments in cyber risks and the correct way to counter these risks.	→	Mature
Supply chain – direct material sourcing	Sourcing of critical direct materials could be at risk due to single-sourced material, supplier discontinuity, capacity shortage, and geopolitical impacts such as sanctions and tariffs.	– All materials are systematically evaluated within Sika to identify potential risks and to develop mitigation plans accordingly. These plans contain short-term mitigation strategies, such as safety stocks, and long-term crisis management plans, including approval of alternatives and closer collaboration with suppliers. – 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, Sika seeks to manufacture raw materials itself or source them in close collaborative partnerships with innovative suppliers. – Sika's procurement specialists and technical experts work closely with suppliers' technical units to fully understand the raw material flows and continually optimize costs, quality, availability, and sustainability. – Sustainability assessments and audits (incl. identification and addressability of ESG risks along the entire value chain) are conducted on both direct and indirect suppliers via the Together for Sustainability (TfS) initiative. – Sika supplier risk profiling for risk identification criteria in line with upcoming regulatory requirements. – To reduce its dependency on crude oil, Sika is increasingly relying on renewable raw materials, such as sugar derivatives, bioethanol derivatives, and natural oils. Moreover, recycled raw materials are used wherever possible, and many production plants implement their own, or externally operated, recycling loop systems. – In respect of all the materials used, compliance with the relevant statutory registration requirements (e.g., REACH or TSCA) is monitored and ensured by a network of global and local specialists, as well as external consultants.	↘	Mature

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: FINANCIAL

Top Risk	Description	Risk Mitigation	Trend	Status
Impairments	The risk that tangible and intangible assets may be impaired with a corresponding negative P&L impact. In volatile markets, there is a risk that acquisitions will not perform according to the business plan/valuation, and therefore that finances may be impaired.	– Continued strong cash flow generation of all operational entities aligned with the strategy and Group targets. – Group-wide reporting and controlling systems are used to track business development, to quickly identify shortcomings, and to swiftly initiate corrective actions. – The integration of acquisitions is monitored very closely by a dedicated integration management team.	↗	Mature
Currency fluctuation/FX risk	Volatility of foreign currencies and uncertainty in financial markets.	– Report and constantly monitor the FX exposure of the Sika Group. Appropriate actions taken whenever required. – FX exposures related to IC financing are mostly hedged. – Group internal transactions are netted monthly and hedged at the corporate level. – All other FX exposures are kept at a minimum.	→	Mature
Tax risk	Uncertainty associated with tax matters, liabilities resulting from changes in legislation, interpretation of existing tax rules and regulations, and/or audits or litigations. Government authorities in the countries where Sika operates may increase or impose new taxes or revise the interpretations of existing tax rules.	– Risks are assessed on a regular basis considering ongoing developments with tax audits and tax cases, as well as any changes in legislation and tax laws. – Sika's tax policy provides binding rules for all countries where Sika operates. These rules are aligned with the Organisation for Economic Co-operation and Development (OECD) and local arm's-length standards. – The Group Tax team continuously works with Internal Control on aligning, improving, and implementing processes and controls within Group Tax and countries. It also continuously develops the right skills in house.	→	Mature

ANNEX

RISK MANAGEMENT ALONG THE ENTIRE VALUE CHAIN

CATEGORY: ORGANIZATIONAL

Top Risk	Description	Risk Mitigation	Trend	Status
Reputation risk	Reputation damage due to any substantial incident or personal misconduct.	– The Sika Code of Conduct and Sika's Values and Principles provide clear standards for employee integrity and ethical conduct. All employees and new joiners are trained on the Code of Conduct and on how to use the Sika Trust Line (whistleblower line). – A comprehensive, Group-wide compliance program is in place. – External tools support the monitoring and managing of potential reputational issues. – There is zero tolerance for compliance violations. Compliance violations lead to consequent imposition of sanctions.	↗	Mature
Hostile takeover/activism	Companies are increasingly targeted by unfriendly actions of investors or third parties to influence the strategic direction of the company or launch hostile takeover attempts.	– Continuously monitor the market, maintain close contact with investors, review Sika's performance, and rely on crisis management plans in an emergency to reduce risk.	→	Mature
Loss of Sika's unique culture/entrepreneurship	Sika's unique corporate culture can be defined as a unique selling proposition (USP). The fast pace of acquisitions brings new employees on board regularly. This constantly changing work environment requires proactive and dynamic management to mitigate the risk of diluting the corporate culture. Factors that accelerate the immediate need for actions are, among others, an increasing digitalization of the workplace and business model (remote work, less traveling), the need to align working environments among various cultures, and the need to engage different generations.	– Preserve Sika's unique culture and the high employee engagement through global initiatives: e.g. Global Leadership Commitment; annual, global celebration of the Sika culture on Sika Day; Performance Debrief Dialogue (PDD), etc. – Embed Sika's values and the Leadership Commitment Framework all along the employee life cycle. – Regular training of all Sika managers to "walk the talk" within their departments through designated workshops on the Leadership Commitment pillars at country level. – Hire, reward, and promote people based not only on traditional measures but also on qualitative criteria that demonstrate the Sika Spirit. – Ensure an inclusive work environment and clear communication about the Sika culture/values/leadership when welcoming and onboarding acquired employees. – Continue to invest in employees' learning and development, internal promotions/careers, and international professional exposure/assignments. – Post-acquisition integration plan, ensuring an inclusive environment and a clear message about the Sika culture and values when welcoming and onboarding new employees. Integration interviews planned for the first two years. – People & Culture is one of the pillars of Strategy 2028, with a focus on a non-financial KPI > 80% engagement rate, measured through biannual survey.	→	Mature



THANK YOU

BUILDING TRUST



FORWARD-LOOKING STATEMENT

This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as ‘expects’, ‘believes’, ‘estimates’, ‘anticipates’, ‘projects’, ‘intends’, ‘should’, ‘seeks’, ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

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- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of research projects, unexpected side-effects of pipeline or marketed products
- Increased government pricing pressures
- Loss of inability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage

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