

SIKA'S SUSTAINABLE PACKAGING CHALLENGE 2025

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

COMPANY PROFILE

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

Local presence around the world with subsidiaries in more than 100 countries and over 30,000 employees (2024) directly connects Sika with its customers and ensures the success of all our partners. In the pursuit of value creation for all stakeholders, Sika posts record sales of CHF 11.7 billion (+4.7% in CHF) in 2024.

BUILDING TRUST



THE REGIONS IN BRIEF



Net sales in CHF mn

EMEA

2023: 4,880

2024: 5,095

AMERICAS

2023: 3,736

2024: 4,097

ASIA/PACIFIC

2023: 2,623

2024: 2,571

	EMEA	AMERICAS	ASIA/PACIFIC
Growth in local currencies	7.3%	11.2%	2.4%
Currency impact	-2.9%	-1.5%	-4.4%
Acquisition effect	6.2%	8.3%	3.8%
Organic growth	1.1%	2.9%	-1.4%
Employees	15,380	9,538	8,724

SIKA'S SALES GROWTH IN 2024

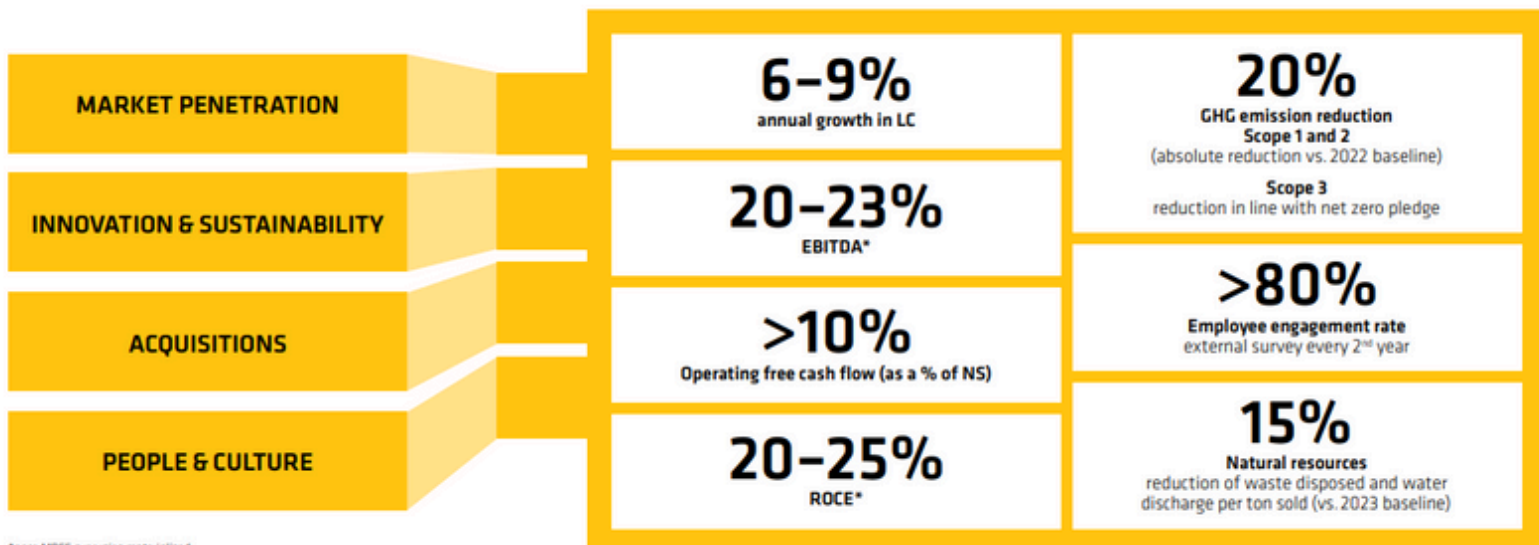
In general, the growth trends of the first nine months continued in the final quarter of fiscal 2024. All regions performed well and contributed to Sika's further growth and the systematic expansion of market shares. Sika's growth was driven by solid market demand, strategic expansion, and continued innovation in its product offerings.

SIKA'S STRATEGY 2028: THE MAIN PILLARS

Sika's New Strategy 2028 was developed and launched in 2023. It encompasses both financial and non-financial considerations and targets.

Sika bases the new strategy on the following pillars:

- Market Penetration
- Innovation & Sustainability
- Acquisitions
- People & Culture



*once MBCC synergies materialized

SIKA'S STRATEGY 2028: BEYOND THE EXPECTED

Sika's Strategy 2028, "Beyond the Expected", builds on the company's successful growth model. The roadmap leverages Sika's strong market position and innovation power and sets the course for an even stronger performance in the years to come. The annual growth target will be lifted to 6-9% in local currencies and the profitability target will be increased to an EBITDA margin of 20-23%. The new growth strategy is based on the four pillars market penetration, innovation & sustainability, acquisitions, as well as people & culture and includes a balanced set of financial and non-financial targets.

More ambitious financial targets

With the new strategy, Sika once again sets a higher mid-term guidance for growth and profitability.

On **growth**, the company intends to boost sales by 6-9% per year (target until 2023 was 6-8%) in local currencies until 2028, despite a volatile short term market environment.

Sika has perfectly positioned itself to benefit from megatrends such as an increasing world population, urbanization, resource scarcity, digitalization, and climate change. These megatrends drive customer demand for efficient and sustainable solutions.

Profitability will be increased to 20-23% EBITDA margin (close to 19% in 2022), mainly by enhanced leverage, operational efficiency, and improving material margins. To further underline the importance of acquisitions for the Group, Sika has changed to EBITDA as the key performance indicator in the new strategy. The reason being that it excludes distortion from intangible asset amortization, and thus gives a more concise picture of the actual local business performance.

In addition, Sika maintains its objective of an operating free cashflow above 10% of net sales. It will continue to strive for a return on capital employed of 20-25%.

Focus on sustainability and high employee engagement

Sika's sustainability roadmap is a cornerstone of its new growth strategy. Sika's products and services make buildings, infrastructure, and vehicles more energy

efficient, extend their life span, contribute to circularity, and help reduce CO2 emissions.

At the same time, by 2028, Sika aims to reduce absolute scope 1 and 2 emissions – its own greenhouse gas emissions – by 20% compared to 2022. Sika also strives to decrease emissions through its value chain – scope 3 – in line with its net-zero-pledge by 2050. In addition, the company is committed to save natural resources and reduce the waste volumes disposed and the water discharged per ton sold by 15% until 2028 compared to the base year 2023.

Sika's employees are its most valuable asset. Through effective leadership, the company aims to maintain its exceptional employee engagement rate above 80%. This will be measured using the results of a company-wide survey that will be conducted every two years by an independent external provider.

"BEYOND THE
EXPECTED – THAT'S
WHAT SIKA STANDS
FOR BOTH NOW AND
IN THE FUTURE. WITH
OUR NEW STRATEGY
2028 WE ARE
PERFECTLY
POSITIONED TO
CONTINUE OUR
SUCCESSFUL PATH OF
SUSTAINABLE
PROFITABLE GROWTH"

THOMAS HASLER,
CHIEF EXECUTIVE OFFICER

Scope 1 (direct) and Scope 2 (indirect)

Scope 3 (indirect)

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

- 50.4% by 2032
- 90% by 2050

Baseline: 2022

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

- 30% by 2032
- 90% by 2050

Baseline: 2022

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

SIKA'S NET ZERO PLEDGE

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

In 2022, Sika initiated a net zero project to develop a roadmap with GHG emissions abatement targets.

In 2024, the SBTi has approved Sika's near and long-term science-based greenhouse gas emissions reduction targets displayed above. This achievement underscores Sika's commitment to sustainability and its proactive role in decarbonizing the building sector and automotive industry, while advancing its growth strategy.

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

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

**Patricia Heidtman, Sika
Chief Innovation and
Sustainability Officer**

FROM SIKA'S SUSTAINABILITY STRATEGY TO THE LAUNCH OF THE SUSTAINABLE PACKAGING CHALLENGE FOR NORTH AMERICA

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

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



Circular Economy



Recycling



New Materials

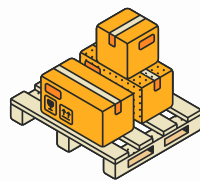


New Technologies

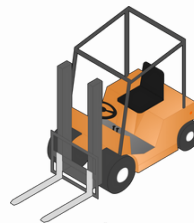
AREAS OF INNOVATION



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



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



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



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